

1 HOUSE BILL NO. 11

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE AND THE OFFICE OF BUDGET AND PROGRAM

4 PLANNING

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF
7 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS
8 UNDER THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE TREASURE
9 STATE ENDOWMENT SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS; AND
10 PROVIDING EFFECTIVE DATES."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 **NEW SECTION. Section 1. Appropriations from the treasure state endowment special revenue**
15 **account.** (1) There is appropriated to the department of commerce the interest earnings of the treasure
16 state endowment special revenue account to finance grants authorized by this section.

17 (2) The funds appropriated in this section must be used by the department to make grants to the
18 local government entities listed in subsection (3) for the described purposes and in amounts not to exceed
19 the amounts set out in subsection (3). The appropriations are subject to the conditions set forth in
20 [sections 1 through 3] and described in the treasure state endowment program January 1995 report to the
21 54th legislature. The legislature, pursuant to 90-6-710, approves the grants listed in subsection (3), in the
22 order indicated in the list of projects. The department shall award funds up to the amounts approved in
23 this section in order of priority until available funds are expended. The department shall provide funds not
24 accepted or used by local governments with higher-ranked projects to local governments whose projects
25 are in lower positions on the priority list and ~~which~~ that would not otherwise receive funding. When
26 additional funds become available for the grants listed in subsection (3), they must be awarded to projects
27 in the order of the projects' priority when the lower-ranked projects meet the startup conditions of the
28 department's grant agreement and are ready to proceed to construction.

29 (3) The following are the authorized projects in the order of their priority:
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	<u>Applicant/Project</u>	<u>Matching Grant</u>
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3	1. Hill County Water Dist. (water)	\$500,000
4	2. East Glacier Wtr. & Sewer Dist. (water)	306,555
5	3. City of Lewistown (water)	500,000
6	4. City of Troy (sewer)	500,000
7	5. City of Conrad (water)	180,000
8	6. City of Whitehall (water)	500,000
9	7. Seeley Lake Water Dist. (water)	464,364
10	8. City of Hamilton (sewer)	137,632
11	9. Gardiner Water Dist. (water)	300,000
12	10. City of Thompson Falls (sewer)	400,644
13	11. Butte-Silver Bow (sewer)	500,000
14	12. Beaverhead County (bridge)	23,000
15	13. Powell County (bridge)	51,334
16	14. Town of Fairview (water)	500,000
17	15. Town of Hysham (sewer)	127,500

18 (4) This section constitutes a valid obligation of funds to the entities listed in subsection (3) for
 19 purposes of encumbering the treasure state endowment special revenue account funds received during the
 20 1997 biennium under 17-7-302.

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22 **NEW SECTION. Section 2. Approval of grants -- completion of appropriation.** (1) The legislature,
 23 pursuant to 90-6-701, approves grants for the projects identified in [section 1(3)].

24 (2) The approval of these grants completes an appropriation from the special revenue account
 25 provided for in 17-5-703(4)(b).

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27 **NEW SECTION. Section 3. Conditions and manner of disbursement of grant funds.** (1) The
 28 disbursement of grant funds under [sections 1 through 3] for the grants specified in [section 1(3)] is subject
 29 to the following conditions:

30 (a) The department must have approved a scope of work and budget for the project.. The

1 department may not approve amendments to the scope of work or budget affecting priority activities or
2 improvements that would materially alter the intent and circumstances under which the application was
3 originally ranked by the department and approved by the legislature.

4 (b) The grantee shall document that other matching funds required for completion of the project
5 have been firmly committed prior to the proposed expenditure of the funds appropriated in [section 1].

6 (c) The grantee must have satisfactorily complied with any conditions described in the
7 recommendation section of the project narrative in the treasure state endowment program project
8 evaluations and recommendations report submitted to the 54th legislature and with conditions specified
9 by the department in the notification of grant approval.

10 (d) The grantee must have executed a grant agreement with the department.

11 (e) The grantee must have satisfied other specific requirements considered necessary by the
12 department to accomplish the purpose of the grant as evidenced by the application to the department or
13 the proposal to the legislature.

14 (2) The department shall disburse grant funds in the order of priority listed in [section 1] as treasure
15 state endowment special revenue account interest income is received during the 1997 biennium.

16 (3) A project approved in [section 1] may not receive grant funds until sufficient revenue has been
17 deposited in the treasure state endowment special revenue account and is available for that purpose.

18 (4) If the commencement of a project is delayed more than 120 days from the date set for startup
19 in the implementation schedule established by the executed grant agreement between the department and
20 the local government entity, the department may distribute grant funds to the next local government on
21 the priority list that is ready to proceed with its project and has met the startup conditions established by
22 the department. In such a circumstance, the reallocation of the funds does not affect the higher ranked
23 project's eligibility to receive funds at a later date when sufficient funds are available.

24 (5) In the event that construction bids received for a project are for an amount lower than the
25 projected cost of the project, the department shall establish a final project budget at the bid price, plus a
26 10% contingency. The department may, at its discretion, reduce the amount of funding to be provided in
27 proportion to all other project funding sources. In the alternative, the department may authorize the
28 construction of additional, directly related project components to enhance the overall project, in amounts
29 not to exceed the originally approved project budget.

30 (6) The department shall disburse grant funds on a reimbursement basis as grantees incur eligible

1 project costs.

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3 NEW SECTION. **Section 4. Effective dates.** (1) [Sections 2 and 3] and this section are effective
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5 (2) [Section 1] is effective on July 1, 1995.

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