



AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND INFRASTRUCTURE PROJECTS STATEWIDE; APPROPRIATING MONEY TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM AND THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; AUTHORIZING PROJECT GRANT AMOUNTS; PLACING CONDITIONS UPON GRANTS AND FUNDS; PROVIDING FOR TRANSFERS OF FUNDS; PROVIDING APPROPRIATIONS FOR OPERATIONS AND MAINTENANCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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

**Section 1. Authorizations of and appropriations for capital projects.** (1) Upon passage and approval of [this act], the following projects, pursuant to 18-2-102, are authorized and approved and funds are appropriated to the department of administration from the indicated funding sources. The department of administration is authorized to transfer funding and authority between fund types. Funds not requiring legislative appropriation are included for the purposes of authorization only:

| Agency/Project                                 | LRBP CD Fund | Authority Only | Total     |
|--|--------------|----------------|-----------|
| DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES |              |                |           |
| SWMVH Enclosed Walkways                        |              |                |           |
|  | 3,300,000    |                | 3,300,000 |

DEPARTMENT OF LIVESTOCK

|  |            |            |            |
|--|------------|------------|------------|
| MT Veterinarian Diagnostic & Ag Analytical Labs  | 9,850,000  | 26,200,000 | 36,050,000 |
| DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION |            |            |            |
| Eastern Land Office Facilities & Shop            | 2,250,000  |            | 2,250,000  |
| DEPARTMENT OF REVENUE                            |            |            |            |
| Liquor Warehouse Expansion                       |            | 6,500,000  | 6,500,000  |
| MONTANA UNIVERSITY SYSTEM                        |            |            |            |
| UM Forestry Conservation & Science Lab           | 25,000,000 | 20,000,000 | 45,000,000 |
| MAES Research and Wool Laboratories              | 11,000,000 | 1,300,000  | 12,300,000 |
| UM-W Block Hall Renovation                       | 7,200,000  | 4,800,000  | 12,000,000 |

(2) Except as provided in subsection (3), "Authority Only" consists of federal funds received pursuant to the American Rescue Plan Act of 2021, Public Law 117-2.

(3) "Authority Only" for the UM Forestry Conservation & Science Lab and the MAES Research and Wool Laboratories means approval provided by the legislature to expend money that does not require an appropriation or money that accrues to an agency under the provisions of law, including grants, donations, auxiliary funds, proprietary funds, nonstate funds, and university funds.

(4) (a) If an immediate or future increase in state funding for program expansion or operations and maintenance is required for a new facility in [section 1] but the increase is not appropriated by the 67th legislature, such new facility in [section 1] is not appropriated or authorized as provided in 17-7-210.

(b) Pursuant to 17-7-210, if construction of a new facility requires an immediate or future increase in state funding for program expansion or operations and maintenance, the legislature may not authorize the new facility unless it also appropriates funds for the increase in state funding for program expansion and operations and maintenance. To the extent allowed by law, at the end of each fiscal year following approval of a new

facility but prior to receipt of its certificate of occupancy, the appropriation made pursuant to subsection (4)(c) reverts to its originating fund. The appropriation is not subject to the provisions of 17-7-304.

(c) The following money is appropriated for the biennium beginning July 1, 2021, to the indicated agency from the indicated sources for program expansion or operations and maintenance for the indicated new facility:

Department of Livestock

MT Veterinarian Diagnostic and Ag Analytical Labs      \$427,100 from the general fund, \$738,588  
from state special revenue funds, and \$274,027 from proprietary funds

Department of Agriculture

MT Veterinarian Diagnostic and Ag Analytical Labs      \$172,030 from the general fund and \$24,894  
from state special revenue funds

Montana University System

UM Forestry Conservation & Science Lab      \$798,659 from the general fund

MAES Research and Wool Laboratories      \$389,402 from the general fund

(d) It is the legislature's intent that these appropriations become part of the respective agency's base budget for the biennium beginning July 1, 2021.

(e) Appropriations in subsection (4)(c) are contingent on the passage and approval of a bill that includes an appropriation for the construction of the indicated projects in subsection (4)(c).

**Section 2. Planning and design.** The department of administration may proceed with the planning and design of capital projects prior to the receipt of other funding sources. The department may use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of funding from another funding source.

**Section 3. Capital projects -- contingent funds -- legislative consent.** If a capital project is financed in whole or in part with appropriations contingent on the receipt of funding from an authority-only funding source, the department of administration may not let the project go to bid until the agency receiving funding has submitted a financial plan and agreement for approval by the director of administration.

(2) A financial plan and agreement may not be approved by the director if:

(a) the level of funding and authorization provided under the financial plan deviates substantially from the funding level provided in [section 1] for that project; or

(b) the scope of the project is substantially altered or revised from the concept and intent for that project as presented to the 67th legislature.

(3) The appropriations authorized in [section 1] constitute legislative consent for the capital projects contained in [section 1] within the meaning of 18-2-102.

**Section 4. Review by department of environmental quality.** The department of environmental quality shall review capital projects authorized in [section 1] for potential inclusion in the state building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital project will result in energy or utility savings and improvements, the project must be submitted to the energy conservation program for funding consideration. Funding provided under the energy conservation program guidelines must be used to offset or add to the authorized funding for the project, with the amount dependent on the annual utility savings resulting from the capital project. Agencies must be notified of potential funding after the review and are obligated to utilize the energy conservation program funding, if available.

**Section 5. Appropriation for treasure state endowment program grants.** (1) There is appropriated to the department of commerce \$13,707,898 for the biennium beginning July 1, 2021, from the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, to finance treasure state endowment program grants authorized by subsection (2).

(2) The following applicants and projects are authorized for grants:

| Infrastructure Applicant (project type)     | Grant Amount |
|---|--------------|
| 18. Seeley Lake Sewer District (wastewater) | \$750,000    |
| 19. Roundup, City of (water)                | \$750,000    |
| 20. Red Lodge, City of (storm water)        | \$500,000    |
| 21. Choteau, City of (water)                | \$625,000    |
| 22. Richey, Town of (water)                 | \$500,000    |

|     |   |           |
|-----|---|-----------|
| 23. | Wolf Point, City of (wastewater)                                | \$625,000 |
| 24. | Circle, Town of (water)   | \$625,000 |
| 25. | Hill County RSID #21 (wastewater)                               | \$260,500 |
| 26. | Shelby, City of (water)   | \$625,000 |
| 27. | Cooke City Sewer District (wastewater)                          | \$500,000 |
| 28. | Big Sandy, Town of (storm water)                                | \$484,671 |
| 29. | East Helena, City of (wastewater)                               | \$625,000 |
| 30. | Winnett, Town of (wastewater)                                   | \$625,000 |
| 30. | St. Marie -North Valley County Water and Sewer District (water) | \$625,000 |
| 32. | Big Timber, City of (water)                                     | \$625,000 |
| 33. | Big Mountain County Sewer District (wastewater)                 | \$500,000 |
| 34. | Three Forks, City of (water)                                    | \$625,000 |
| 34. | Flaxville, Town of (water)                                      | \$625,000 |
| 36. | Philipsburg, Town of (wastewater)                               | \$750,000 |
| 37. | Sun Prairie County Water District (water)                       | \$275,000 |
| 38. | Fort Benton, City of (water)                                    | \$625,000 |
| 39. | Valier, Town of (wastewater)                                    | \$625,000 |
| 40. | Livingston, City of (wastewater)                                | \$312,727 |
| 41. | Sunburst, Town of (water)                                       | \$625,000 |

(3) Funding for the projects numbered 18 through 41 in subsection (2) will be provided up to the amount of the appropriation in subsection (1) as projects meet the conditions provided in [section 7(1)].

(4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant recipients listed in subsection (2) for purposes of encumbering the funds for the biennium beginning July 1, 2021, pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions described in [section 7(1)] and on the availability of funds.

(5) Funding for projects in subsection (2) will be provided only as long as there are sufficient funds available during the biennium beginning July 1, 2021. Funding for these projects will be made available in the order that the grant recipients satisfy the conditions described in [section 7(1)]. However, any of the projects

listed in subsection (2) that have not completed the conditions described in [section 7(1)] by September 1, 2022, must be reviewed by the next regular legislature to determine if the authorized grant should be withdrawn.

(6) The funds appropriated in this section must be used by the department to make grants to the governmental entities listed in subsection (2) for the described purposes and in amounts not to exceed the amounts set out in subsection (2) except as provided in subsection (3). The grants authorized in this section are subject to the conditions set forth in [section 7(1)] and described in the treasure state endowment program 2023 biennium project funding recommendations to the 67th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (2). The department shall commit funds to projects listed in subsection (2), up to the amounts authorized except as provided in subsection (3), based on the manner of disbursement set forth in [section 7] until the funds are expended.

(7) Grant recipients shall complete all of the conditions described in [section 7(1)] by September 30, 2024, or any obligation to the grant recipient will cease.

(8) Projects numbered 18 through 20 may not receive funds from both House Bill No. 11 and this section. If House Bill No. 11 and [this act] are passed and approved and [this act] provides funding for projects numbered 18 through 20, those receiving funding from [this act] may not receive funding from House Bill No. 11.

**Section 6. Approval of grants -- completion of biennial appropriation.** (1) The legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 5(2)].

(2) The authorization of these grants completes a biennial appropriation.

**Section 7. Condition of grants -- disbursements of funds.** (1) The disbursement of grant funds for the projects specified in [section 5(2)] is subject to completion of the following conditions:

(a) The grant shall document that other matching funds required for completion of the project are firmly committed.

(b) The grant recipient must have a project management plan that is approved by the department of commerce.

(c) The grant recipient must be in compliance with the auditing and reporting requirements provided for in 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting requirements provided for in 2 CFR 200.

(d) The grant recipient shall satisfactorily comply with any conditions described in the application (project) summaries section of the treasure state endowment program 2023 biennium project funding recommendations to the 67th legislature.

(e) The grant recipient shall satisfy other specific requirements considered necessary by the department of commerce to accomplish the purpose of the project as evidenced by the application to the department.

(f) The grant recipient shall execute a grant agreement with the department of commerce.

(2) All projects must adhere to the design standards required by the department of environmental quality. Recipients of treasure state endowment program funds that are not subject to the department of environmental quality design standards must adhere to generally accepted industry standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water Works, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers, latest edition.

(3) Recipients of treasure state endowment program funds are subject to the requirements of the department of commerce as described in the most recent edition of the Treasure State Endowment Program Project Administration Manual adopted by the department through the administrative rulemaking process.

**Section 8. Other powers and duties of department of commerce.** (1) The department of commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

(2) If actual project expenses are lower than the projected expense of the project, the department may, at its discretion:

(a) reduce the amount of grant funds to be provided to grant recipients in proportion to all other project funding sources; or

(b) reduce the amount of grant funds to be provided so that the grant recipient’s projected average residential user rates do not become lower than their target rate as determined by the department.

(3) If the grant recipient obtains a greater amount of grant funds than was contained in the treasure state endowment program application, the department may reduce the amount of the treasure state endowment program grant funds to be provided to ensure that the grant recipient continues to meet the threshold requirements contained in the program guidelines for receiving the larger treasure state endowment program grant.

**Section 9. Appropriation for renewable resource grants.** (1) There is appropriated from the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019, to the department of natural resources and conservation up to \$4,720,788 for grants to political subdivisions and local governments in the biennium beginning July 1, 2021. The funds referred to in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts listed in subsection (3), subject to the conditions set forth in [sections 11 and 12] and the contingencies described in the renewable resource grant and loan program January 2021 report to the 67th legislature titled: Governor’s Executive Budget Fiscal Years 2021-2023 Volume 6.

(2) Funds must be awarded up to the amounts approved in subsection (3) as conditions set forth in [section 12] are satisfied and until available funds are expended. If at any time a grant sponsor determines that a project will not begin before June 30, 2023, the sponsor shall notify the department of natural resources and conservation. After all eligible projects are funded, remaining funds may be used for any renewable resource project authorized under this section.

(3) The following are the prioritized grant projects:

| Applicant   | Amount    |
|---|-----------|
| 37 Beaverhead County Conservation District  |           |
| (Beaverhead County CD Irrigation Efficiency and Water Measurement Project)        | \$125,000 |
| 38 Stillwater Conservation District   |           |
| (Stillwater CD Mendenhall Ditch Intake and Drop Structure Rehabilitation Project) | \$125,000 |



|    |  |           |
|----|--|-----------|
| 39 | Department of Natural Resources and Conservation-Water Resources Division<br>(MT DNRC Deadman's Supply Canal Rehabilitation Project) | \$125,000 |
| 40 | Lower Yellowstone Irrigation Project<br>(LYIP Lateral V Check Structure & Lateral W Headgate Rehabilitation Project)                 | \$125,000 |
| 41 | Department of Natural Resources and Conservation-Water Resources Division<br>(MT DNRC Two Dot Canal Rehabilitation Project)          | \$125,000 |
| 42 | Circle, Town of<br>(Circle Water Improvements, Phase 3)  | \$125,000 |
| 43 | Roundup, City of<br>(Roundup Water Main Improvements, Phase 6)   | \$125,000 |
| 44 | Clinton Irrigation District<br>(CID Schoolhouse Lateral Pipeline Conversion Project)   | \$125,000 |
| 45 | Ten Mile/Pleasant Valley Sewer District<br>(Ten Mile Creek Estates/Pleasant Valley WSD Wastewater Improvement Project)               | \$125,000 |
| 46 | Carbon County Conservation District<br>(Carbon County CD Mutual Ditch Siphon Replacement)  | \$125,000 |
| 47 | Ekalaka, Town of<br>(Ekalaka Water System Improvement Project)   | \$125,000 |
| 48 | Glen Lake Irrigation District<br>(GLID Rolling Hills Canal Rehabilitation)   | \$125,000 |
| 49 | Buffalo Rapids Irrigation Project District 1<br>(BRID 1 Irrigation System Automation Project)  | \$125,000 |
| 50 | Flaxville, Town of<br>(Flaxville Water Improvement Project)  | \$125,000 |
| 51 | North Valley County Water and Sewer District   |           |

|    |  |           |
|----|--|-----------|
|    | (North Valley County WSD Water Improvements, Phase 1)                | \$125,000 |
| 52 | Buffalo Rapids Irrigation Project District 2                         |           |
|    | (BRID 2 Lateral 1.6 Pipeline Conversion Project, Phase 2)            | \$125,000 |
| 53 | Petroleum County Conservation District                               |           |
|    | (Petroleum County CD Petrolia Dam Outlet Works Headgate Replacement) | \$105,742 |
| 54 | Harlowton, City of   |           |
|    | (Harlowton Water System Improvements, Phase 4)                       | \$125,000 |
| 55 | Alfalfa Valley Irrigation District                                   |           |
|    | (AVID East Flynn Canal Rehabilitation, Phase 2)                      | \$125,000 |
| 56 | Malta Irrigation District  |           |
|    | (MID Main Canal Lining Wagner Reach)                                 | \$125,000 |
| 57 | Glasgow Irrigation District  |           |
|    | (GID Spaniard Check Structure)                                       | \$125,000 |
| 58 | Lewistown, City Of   |           |
|    | (Lewistown Water System Improvements)                                | \$125,000 |
| 59 | Glen Lake Irrigation District  |           |
|    | (GLID Infrastructure Modernization Study)                            | \$125,000 |
| 60 | Big Timber, City of  |           |
|    | (Big Timber Water System Improvements)                               | \$125,000 |
| 61 | Alberton, Town of  |           |
|    | (Alberton Water Improvements Project)                                | \$125,000 |
| 62 | Hysham Irrigation District   |           |
|    | (HID Intake Improvements Project)                                    | \$125,000 |
| 63 | Three Forks, City of   |           |
|    | (Three Forks Water System Improvements)                              | \$125,000 |
| 64 | Choteau, City of   |           |
|    | (Choteau Water System Improvements)                                  | \$125,000 |

|    |  |           |
|----|--|-----------|
| 65 | Fairfield, Town of<br>(Fairfield Water System Improvements)  | \$125,000 |
| 66 | Huntley Project Irrigation District<br>(HPID Yellowstone River Bank Stabilization Project)                           | \$125,000 |
| 67 | Sweet Grass County Conservation District<br>(Sweet Grass County CD Post-Kellogg Ditch Headworks Improvement Project) | \$125,000 |
| 68 | Lewistown, City Of<br>(Lewistown Ditch Rehabilitation Project)   | \$125,000 |
| 69 | Joliet, Town of<br>(Joliet Water System Improvements)  | \$125,000 |
| 70 | Richey, Town of<br>(Richey Water System Improvements, Phase 1)   | \$125,000 |
| 71 | Fort Benton, City of<br>(Fort Benton Water System Improvements)  | \$125,000 |
| 72 | Big Sandy, Town of<br>(Big Sandy Stormwater Improvements)  | \$125,000 |
| 73 | Belgrade School District<br>(Belgrade School District- Ridge View Elementary Solar Project)                          | \$115,046 |
| 74 | Paradise Valley Irrigation District<br>(PVID Milk River Bank Stabilization Project)                                  | \$125,000 |

**Section 10. Appropriations for reclamation and development grants.** (1) The amount of \$2,099,322 is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account provided for in 15-38-302 for grants to political subdivisions and local governments during the biennium ending June 30, 2023. The funds in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts set out in subsection (3) subject to the conditions set forth in [sections 11 and 12] and the contingencies described in the reclamation

and development grant program report to the 67th legislature titled: Governor's Executive Budget Fiscal Years 2021 - 2023 Volume 5.

(2) Funds must be awarded up to the amounts approved in this section as conditions set forth in [section 12] are satisfied and until available funds are expended. After all eligible projects are funded, remaining funds may be used for any reclamation and development project authorized under this section.

(3) The following are the prioritized grant projects: Reclamation and Development Grants Program:

| Applicant (Project)   | Amount    |
|---|-----------|
| 10 Lewistown, City of<br>(Central Post and Treating Company CECRA Facility: Phase II, Capping and Site Reclamation) | \$500,000 |
| 11 Sunburst, Town of<br>(Town of Sunburst Suta South Clean Up Project)  | \$185,805 |
| 12 City and County of Butte-Silver Bow<br>(Butte Mining District: Reclamation and Protection Project - Phase V)     | \$224,680 |
| 13 Ruby Valley Conservation District<br>(Granite Creek Reclamation Realignment Project)                             | \$461,500 |
| 14 Deer Lodge Valley Conservation District<br>(Upper French Gulch Fish Passage and Restoration Project)             | \$194,832 |
| 15 Fort Peck Assiniboine and Sioux Tribes<br>(Orphaned Oilwell Abandonment and Reclamation)                         | \$300,000 |
| 16 Ryegate, Town of<br>(Former Ryegate Conoco Groundwater Remediation)  | \$232,505 |

**Section 11. Coordination of fund sources for grants to political subdivisions and local governments.** A project sponsor listed under [section 12] may not receive funds from both the reclamation and development grants program and the renewable resource grant and loan program for the same project during the same biennium.

**Section 12. Condition of grants.** Disbursement of funds under [sections 9 and 10] is subject to the following conditions that must be met by the project sponsor:

(1) A scope of work and budget for the project must be approved by the department of natural resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change project goals and objectives. Changes in activities that would reduce the public or natural resource benefits as presented in department of natural resources and conservation reports and applicant testimony to the 67th legislature may result in a proportional reduction in the grant amount.

(2) The project sponsor shall show satisfactory completion of conditions described in the recommendation section of the project narrative of the program report to the legislature for the biennium ending June 30, 2023, or, in the case of planning grants issued under [sections 9 and 10], completion of conditions specified at the time of written notification of approved grant authority.

(3) The project sponsor must have a fully executed grant agreement with the department.

(4) Any other specific requirements considered necessary by the department must be met to accomplish the purpose of the grant as evidenced from the application to the department or from the proposal as presented to the legislature.

**Section 13. Approval of grants -- completion of biennial appropriation.** The legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 10]. The legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in [section 9]. The authorization of these grants completes a biennial appropriation from the local infrastructure account provided for in section 2(2), Chapter 476, Laws of 2019.

**Section 14. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

**Section 15. Transfer of funds.** (1) The state treasurer shall transfer \$58,600,000 from the general fund to the capital developments long-range building program account provided for in 17-7-209 by July 1, 2021.

(2) The state treasurer shall transfer \$2,099,322 from the general fund to the natural resources

projects state special revenue account provided for in 15-38-302 by August 15, 2021.

- END -

I hereby certify that the within bill,  
HB 14, originated in the House.

---

Chief Clerk of the House

---

Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

---

President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

HOUSE BILL NO. 14

INTRODUCED BY M. HOPKINS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND INFRASTRUCTURE PROJECTS STATEWIDE; APPROPRIATING MONEY TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM AND THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; AUTHORIZING PROJECT GRANT AMOUNTS;; PLACING CONDITIONS UPON GRANTS AND FUNDS; PROVIDING FOR TRANSFERS OF FUNDS; PROVIDING APPROPRIATIONS FOR OPERATIONS AND MAINTENANCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.