

HOUSE BILL NO. 11

INTRODUCED BY J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FROM THE MONTANA COAL ENDOWMENT SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF COMMERCE FOR INFRASTRUCTURE PROJECTS, EMERGENCY GRANTS FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENTS, AND INFRASTRUCTURE PLANNING GRANTS; AUTHORIZING GRANTS FROM THE MONTANA COAL ENDOWMENT SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS ON GRANTS AND FUNDS; APPROPRIATING MONEY FROM THE MONTANA COAL ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER SYSTEM PROJECTS; PROVIDING APPROPRIATIONS; AND PROVIDING AN EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Appropriation for Montana coal endowment program grants. (1)**

There is appropriated \$20,287,391 from the Montana coal endowment special revenue account established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2025, to finance Montana coal endowment program grants authorized by subsection (2).

(2) The following applicants and projects are authorized for grants and listed in the order of their priority:

Infrastructure Applicant (project type)	Grant Amount
1. Hysham, Town of (water)	\$750,000
2. Roundup, City of (wastewater)	\$750,000
3. Twin Bridges, Town of (water)	\$750,000
4. Harrison Water and Sewer District (wastewater)	\$750,000
5. Wolf Point, City of (wastewater)	\$625,000

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1	6.	Dutton, Town of (water)	\$750,000
2	7.	Alder County Water and Sewer District (wastewater)	\$750,000
3	8.	Shelby, City of (wastewater)	\$375,000
4	9.	Red Lodge, City of (wastewater)	\$500,000
5	10.	White Sulphur Springs, City of (water)	\$625,000
6	11.	South Wind Crosswinds Community	\$750,000
7		Water and Sewer District (water and wastewater)	
8	12.	Circle, Town of (water)	\$750,000
9	<del>13.</del>	<del>Arlee/Lake County Water and Sewer (wastewater)</del>	<del>\$327,500</del>
10	<del>14.</del> <u>13.</u>	Deer Lodge, City of (wastewater)	\$439,000
11	<del>15.</del> <u>14.</u>	Willow Creek Sewer District (wastewater)	\$750,000
12	<del>16.</del> <u>15.</u>	Hinsdale County Water and Sewer (water)	\$500,000
13	<del>17.</del> <u>16.</u>	Fairfield, Town of (water)	\$500,000
14	<del>18.</del> <u>17.</u>	Darby, Town of (wastewater)	\$750,000
15	<del>19.</del> <u>18.</u>	Joliet, Town of (wastewater)	\$625,000
16	<del>20.</del> <u>19.</u>	Ronan, City of (wastewater)	\$750,000
17	<del>21.</del> <u>20.</u>	Bigfork County Water and Sewer (water)	\$500,000
18	<del>22.</del> <u>21.</u>	Richey, Town of (water)	\$500,000
19	<del>23.</del> <u>22.</u>	Malta, City of (water)	\$500,000
20	<del>24.</del> <u>23.</u>	Big Timber, City of (water)	\$500,000
21	<del>25.</del> <u>24.</u>	St. Ignatius, Town of (wastewater)	\$750,000
22	<del>26.</del> <u>25.</u>	Ennis, Town of (water)	\$500,000
23	<del>27.</del> <u>26.</u>	Pinesdale, Town of (water)	\$750,000
24	<del>28.</del> <u>27.</u>	Basin County Water and/or Sewer (water)	\$500,000
25	<del>29.</del> <u>28.</u>	Martinsdale Water and Sewer District (water)	\$750,000
26	<del>30.</del> <u>29.</u>	Sun Prairie Village County Water and	\$500,000
27		Sewer District (water)	
28	<del>31.</del> <u>30.</u>	Judith Basin County for Geyser Water and	\$520,891

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1 Sewer District (wastewater)

2 ~~32.31.~~ Whitehall, Town of (water) \$750,000

3 ~~33.32.~~ Libby, City of (wastewater) \$500,000

4 (3) Funding for the projects in subsection (2) will be provided only as long as there are sufficient  
5 funds available from the amount that was deposited into the Montana coal endowment special revenue account  
6 during the biennium beginning July 1, 2025. Funding for the projects will be made available in the order that the  
7 grant recipients satisfy the conditions described in [section 3(1)].

8 (4) There is appropriated \$3,544,750 from the Montana coal endowment special revenue account  
9 established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2025, to  
10 finance Montana coal endowment program grants authorized by subsection (5) as projects meet the conditions  
11 provided in [section 3(1)].

12 (5) The following applicants and projects are authorized for grants and listed in the order of their  
13 priority:

14	Bridge Applicant	Grant Amount
15	1. Lewis and Clark County	\$750,000
16	2. Madison County	\$750,000
17	<del>3. Petroleum County</del>	<del>\$627,900</del>
18	<del>4.3.</del> Park County	\$612,750
19	<del>5.4.</del> Powder River County	\$363,600
20	<del>6.5.</del> Wibaux County	\$440,500
21	<del>6. Missoula County</del>	<del>\$500,000</del>
22	<del>Styler Creek West Bridge</del>	

23 (6) Funding for projects 1 through 6 in subsection (5) will be provided only as long as there are  
24 sufficient funds available from the amount that was deposited into the Montana coal endowment special  
25 revenue account during the biennium beginning July 1, 2025. Funding for the projects will be made available in  
26 the order that the grant recipients satisfy the conditions described in [section 3(1)].

27 (7) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant  
28 recipients listed in subsections (2) and (5) for the purpose of encumbering the funds in the Montana coal

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1 endowment special revenue account for the biennium beginning July 1, 2025, pursuant to 17-7-302. However,  
2 a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the  
3 conditions described in [section 3(1)] and on the availability of funds.

4 (8) Any project listed in subsections (2) and (5) that has not completed the conditions described in  
5 [section 3(1)] by September 1, 2026, must be reviewed by the next regular legislature to determine if the  
6 authorized grant should be withdrawn.

7 (9) The funds appropriated in this section must be used by the department to make grants to the  
8 government entities listed in subsections (2) and (5) for the described purposes and in amounts not to exceed  
9 the amounts set out in subsections (2) and (5). The grants authorized in this section are subject to the  
10 conditions set forth in [section 3(1)] and described in the Montana coal endowment program 2027 biennium  
11 project funding recommendations to the 69th legislature. The legislature, pursuant to 90-6-710, authorizes the  
12 grants for the projects listed in subsections (2) and (5). The department shall commit funds to projects listed in  
13 subsections (2) and (5), up to the amounts authorized except as provided in subsection (3), based on the  
14 manner of disbursement set forth in [section 3] until the funds deposited into the Montana coal endowment  
15 special revenue account during the biennium beginning July 1, 2025, are fully expended.

16 (10) If grant recipients do not complete all of the conditions described in [section 3(1)] by September  
17 30, 2028, any obligation to the grant recipient will cease.

18  
19 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The  
20 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(2) and (5)], the  
21 emergency infrastructure grants in [section 5], and the infrastructure planning grants in [section 6].

22 (2) The authorization of these grants completes a biennial appropriation from the Montana coal  
23 endowment special revenue account established in 17-5-703(3)(a).

24 (3) Grants to entities from prior bienniums are reauthorized for completion of contract work.  
25

26 **NEW SECTION. Section 3. Condition of grants -- disbursement of funds.** (1) The disbursement of  
27 grant funds for the projects specified in [section 1(2) and (5)] is subject to completion of the following conditions:

28 (a) The grant recipient shall document that other matching funds required for completion of the

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1 project are firmly committed.

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

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

8 (d) The grant recipient shall satisfactorily comply with all conditions described in the application's  
9 project summaries section of the Montana coal endowment program 2027 biennium project funding  
10 recommendations to the 69th legislature.

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

14 (f) Pursuant to 90-6-710(6), the grant recipient shall comply with all Montana coal endowment  
15 program requirements as determined by the department of commerce in order to qualify for reimbursement of  
16 project expenses.

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

18 (2) With the exception of bridges, all projects must adhere to the design standards required by the  
19 department of environmental quality. Recipients of Montana coal endowment program funds that are not  
20 subject to the department of environmental quality design standards must adhere to generally accepted  
21 industry standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards  
22 for Water Works, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public  
23 Health and Environmental Managers, latest edition.

24 (3) Recipients of Montana coal endowment program funds are subject to the requirements of the  
25 department of commerce as described in the most recent edition of the Montana Coal Endowment Program  
26 Project Administration Manual adopted by the department through the administrative rulemaking process.

27

28 NEW SECTION. **Section 4. Other powers and duties of department.** (1) The department of

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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 Montana coal endowment program application, the department may reduce the amount of the Montana coal 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 Montana coal endowment program grant.

**NEW SECTION. Section 5. Appropriation from Montana coal endowment special revenue account for emergency grants.** There is appropriated \$150,000 from the Montana coal endowment special revenue account established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2025, for the purpose of providing local governments, as defined in 90-6-701, with emergency grants for infrastructure projects, as defined in 90-6-701.

**NEW SECTION. Section 6. Appropriation from Montana coal endowment special revenue account for infrastructure planning grants.** There is appropriated \$1,500,000 from the Montana coal endowment special revenue account established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July 1, 2025, for the purpose of providing local governments, as defined in 90-6-701, with infrastructure planning grants for infrastructure projects, as defined in 90-6-701.

**NEW SECTION. Section 7. Appropriation from Montana coal endowment regional water system special revenue account.** (1) There is appropriated \$10 million from the Montana coal endowment regional

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1 water system special revenue account established in 17-5-703(3)(b) to the department of natural resources and  
2 conservation for the biennium beginning July 1, 2025, to finance the state's share of regional water system  
3 projects authorized in subsection (2) and as set forth in 90-6-715.

4 (2) The state's four regional water authorities are authorized to receive the funds appropriated in  
5 subsection (1) as long as there are sufficient funds available from the amount that was deposited into the  
6 Montana coal endowment regional water system special revenue account during the biennium beginning July 1,  
7 2025.

8 (3) A regional water authority's receipt of funds is dependent on the authority's compliance with the  
9 conditions described in [section 9(1)].

10 (4) This section constitutes a valid obligation of funds to the regional water authorities identified in  
11 subsection (2) for the purpose of encumbering the Montana coal endowment regional water system special  
12 revenue account funds received during the biennium beginning July 1, 2025, under 17-7-302.

13  
14 **NEW SECTION. Section 8. Approval of funds -- completion of appropriation.** (1) The legislature,  
15 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(2)].

16 (2) The authorization of these funds completes an appropriation from the Montana coal  
17 endowment regional water system special revenue account established in 17-5-703(3)(b).

18  
19 **NEW SECTION. Section 9. Conditions -- manner of disbursement of funds.** (1) The disbursement  
20 of funds under [sections 7 and 8] is subject to completion of the following conditions:

21 (a) The regional water authority shall execute an agreement with the department of natural  
22 resources and conservation.

23 (b) The regional water authority must have a project management plan that is approved by the  
24 department.

25 (c) The regional water authority shall use a financial accounting system that the department can  
26 reasonably ensure conforms to generally accepted accounting principles.

27 (d) The regional water authority shall provide the department with a detailed preliminary  
28 engineering report.

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1           (2)       The department shall disburse funds on a reimbursement basis as the regional water authority  
2   incurs eligible project expenses.

3

4 NEW SECTION. **Section 10. Notification to tribal governments.** The secretary of state shall send a

5 copy of [this act] to each federally recognized tribal government in Montana.

6

7 NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2025.

8 - END -