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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

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	13.	Arlee/Lake County Water and Sewer (wastewater)	\$327,500
10	14.	Deer Lodge, City of (wastewater)	\$439,000
11	15.	Willow Creek Sewer District (wastewater)	\$750,000
12	16.	Hinsdale County Water and Sewer (water)	\$500,000
13	17.	Fairfield, Town of (water)	\$500,000
14	18.	Darby, Town of (wastewater)	\$750,000
15	19.	Joliet, Town of (wastewater)	\$625,000
16	20.	Ronan, City of (wastewater)	\$750,000
17	21.	Bigfork County Water and Sewer (water)	\$500,000
18	22.	Richey, Town of (water)	\$500,000
19	23.	Malta, City of (water)	\$500,000
20	24.	Big Timber, City of (water)	\$500,000
21	25.	St. Ignatius, Town of (wastewater)	\$750,000
22	26.	Ennis, Town of (water)	\$500,000
23	27.	Pinesdale, Town of (water)	\$750,000
24	28.	Basin County Water and/or Sewer (water)	\$500,000
25	29.	Martinsdale Water and Sewer District (water)	\$750,000
26	30.	Sun Prairie Village County Water and	\$500,000
27		Sewer District (water)	
28	31.	Judith Basin County for Geyser Water and	\$520,891

1 Sewer District (wastewater)

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

3 33. 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	3. Petroleum County	\$627,900
18	4. Park County	\$612,750
19	5. Powder River County	\$363,600
20	6. Wibaux County	\$440,500

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

25 (7) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
26 recipients listed in subsections (2) and (5) for the purpose of encumbering the funds in the Montana coal
27 endowment special revenue account for the biennium beginning July 1, 2025, pursuant to 17-7-302. However,
28 a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the

1 conditions described in [section 3(1)] and on the availability of funds.

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

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

14 (10) If grant recipients do not complete all of the conditions described in [section 3(1)] by September
15 30, 2028, any obligation to the grant recipient will cease.

16
17 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The
18 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(2) and (5)], the
19 emergency infrastructure grants in [section 5], and the infrastructure planning grants in [section 6].

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

22 (3) Grants to entities from prior bienniums are reauthorized for completion of contract work.
23

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

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

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

1 of commerce.

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

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

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

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

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

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

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

25

26 NEW SECTION. **Section 4. Other powers and duties of department.** (1) The department of
27 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
28 expenses.

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

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

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

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

12
13 **NEW SECTION. Section 5. Appropriation from Montana coal endowment special revenue**
14 **account for emergency grants.** There is appropriated \$150,000 from the Montana coal endowment special
15 revenue account established in 17-5-703(3)(a) to the department of commerce for the biennium beginning July
16 1, 2025, for the purpose of providing local governments, as defined in 90-6-701, with emergency grants for
17 infrastructure projects, as defined in 90-6-701.

18
19 **NEW SECTION. Section 6. Appropriation from Montana coal endowment special revenue**
20 **account for infrastructure planning grants.** There is appropriated \$1,500,000 from the Montana coal
21 endowment special revenue account established in 17-5-703(3)(a) to the department of commerce for the
22 biennium beginning July 1, 2025, for the purpose of providing local governments, as defined in 90-6-701, with
23 infrastructure planning grants for infrastructure projects, as defined in 90-6-701.

24
25 **NEW SECTION. Section 7. Appropriation from Montana coal endowment regional water system**
26 **special revenue account.** (1) There is appropriated \$10 million from the Montana coal endowment regional
27 water system special revenue account established in 17-5-703(3)(b) to the department of natural resources and
28 conservation for the biennium beginning July 1, 2025, to finance the state's share of regional water system

1 projects authorized in subsection (2) and as set forth in 90-6-715.

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

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

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

11
12 **NEW SECTION. Section 8. Approval of funds -- completion of appropriation.** (1) The legislature,
13 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(2)].

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

16
17 **NEW SECTION. Section 9. Conditions -- manner of disbursement of funds.** (1) The disbursement
18 of funds under [sections 7 and 8] is subject to completion of the following conditions:

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

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

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

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

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

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2 NEW SECTION. **Section 10. Notification to tribal governments.** The secretary of state shall send a
3 copy of [this act] to each federally recognized tribal government in Montana.

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

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