

1 HOUSE BILL NO. 355

2 INTRODUCED BY J. FITZPATRICK, T. WELCH, F. ANDERSON, S. KERNS, D. HAWK, C. KNUDSEN, G.

3 NIKOLAKAKOS, K. ZOLNIKOV, S. ESSMANN, M. BERTOGLIO, L. BREWSTER, J. DOOLING, G. FRAZER,

4 M. BINKLEY, E. BUTTREY, K. WALSH, D. LOGE, B. KEENAN, J. READ, R. FITZGERALD, M. HOPKINS, G.

5 PARRY, M. YAKAWICH, J. FULLER, J. SMALL, M. CUFFE, R. LYNCH, J. WELBORN, B. GILLESPIE, D.

6 SALOMON, R. TEMPEL, M. LANG, C. SPRUNGER, D. ZOLNIKOV, J. ETCHART, J. LYNCH, P. TUSS, W.

7 RUSK, D. HARVEY, J. KASSMIER, S. STEWART PEREGOY, F. MANDEVILLE, T. VERMEIRE, Z. WIRTH

8

9 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE STATE-LOCAL INFRASTRUCTURE

10 PARTNERSHIP ACT OF 2023; PROVIDING FOR GRANTS TO ELIGIBLE ENTITIES FOR

11 INFRASTRUCTURE PROJECTS; SETTING UP A GRANT PROCESS; REQUIRING A PERCENTAGE OF

12 MATCHING FUNDS; PROVIDING FOR OVERSIGHT; ADDRESSING COST OVERRUNS AND

13 MISAPPROPRIATION OF FUNDS; SETTING GRANT LIMITS; PROVIDING AN APPROPRIATION;

14 PROVIDING FOR ALLOCATIONS TO COUNTIES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

15

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

17

18 NEW SECTION. **Section 1. Short title.** [This act] may be cited as "The State-Local Infrastructure

19 Partnership Act of 2023".

20

21 NEW SECTION. **Section 2. Purpose.** The purpose of this act is to use a portion of the state's

22 general fund surplus to fund the maintenance and repair of local government infrastructure facilities on a

23 partnership basis with local government supplying a cash match.

24

25 NEW SECTION. **Section 3. Appropriation.** For the biennium beginning July 1, 2023, there is

26 appropriated \$265 million from the general fund to the department of commerce to distribute funds as allocated

27 in [section 12] ~~to counties for each county commission to grant project funds to grant recipients awarded in~~

28 ~~compliance with [this act] for eligible projects as recommended by each county commission.~~

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NEW SECTION. Section 4. Calculation for allocation of funds. Each county will receive an allocation of funds based on the following:

- (1) the county's 2020 population;
- (2) the ability of the county's local population to pay for services as measured by per capita income; and
- (3) the county's ability to raise tax revenue locally as measured by per capita taxable valuation.

NEW SECTION. Section 5. Eligible use of funds -- eligible entities. (1) Funds allocated in [section 12] may be used only by eligible entities to maintain or repair existing local government infrastructure, including potable drinking water systems, sewer-wastewater treatment systems, fire suppression systems if independent of the potable drinking water systems, streets, roads, bridges, landfills, street lights, airports, and public grounds and buildings.

(2) Entities eligible for grants under [this act] include incorporated cities and towns, counties, school districts, and special districts, including water and sewer districts.

NEW SECTION. Section 6. Grant process -- commission and department of commerce review -- priority. (1) The county commission shall solicit and accept applications from eligible entities within the county on or before July 4 December 31, 2023.

(2) Once all the applications have been received, the county commission shall hold a public hearing and, based on the information contained within the application and the information received at the public hearing, prepare a recommendation for funding in priority order and transmit the recommendation to the department of commerce.

(3) The department of commerce shall review the recommendations of the county commission and the content of the recommended application and determine whether the application complies with [this act]. If the application does not comply, the department shall issue notice to the applicable county commission.

(4) The department may not substitute its judgment for that of the county commission and cannot revise the recommended priority list.

1 (5) Priority is given to projects that maintain or repair publicly owned ~~potable drinking~~ water
2 systems, publicly owned ~~sewer wastewater treatment~~ systems, and municipal fire suppression systems that are
3 independent of a water system.

4
5 **NEW SECTION. Section 7. Grant application -- contents -- matching funds requirement.** Each
6 application for grant funds must contain the following information:

7 (1) the name of the applicant entity and its address, telephone number, e-mail address, and legal
8 status, such as whether it is an incorporated city or what type of special district it is;

9 (2) the name, address, telephone number, e-mail address, and title of the individual person who
10 will be directly responsible for the management of the project or projects to be funded by the application, such
11 as a public works director or a consulting engineer, and a copy of the individual's resume attesting to the
12 individual's qualifications and ability to manage the project;

13 (3) a narrative description of the prospective project, including a description of the problems to be
14 addressed and the need to undertake the repairs. The applicant shall explain why the proposed project is
15 appropriate, cost-effective, and is a long-term solution to the problem. The applicant shall also submit a list of
16 tasks to be undertaken to address the problem. A map or google earth photo showing the project is also
17 required. Photographs documenting the nature of the problems are advisable but not required.

18 (4) a project cost estimate showing the total cost of the project, prepared by a licensed
19 professional engineer or qualified contractor. The cost estimated must be itemized by the list of task elements
20 as required in subsection (3).

21 (5) a time schedule showing each step in the repair process starting with the preparation of the bid
22 documents through completion of the work. Specific calendar dates are recommended.

23 (6) a statement that the information contained in the application is true, which must be signed by
24 an authorized representative of the applicant; and

25 (7) a statement identifying a local cash match equal to no less than 25% of the total project cost,
26 which may not include in-kind contributions of goods or in-kind services.

27
28 **NEW SECTION. Section 8. Project management, cost overruns, and supplemental**

1 **appropriations. (1)** The grant applicant entity is fully responsible for managing the project and ensuring that it
2 is completed on-time and within budget. If cost overruns occur, the cost of the overrun is the full and sole
3 responsibility of the applicant. No supplemental appropriation may be authorized by the state.

4 (2) Except as provided in subsection (3), the grant applicant must have the project under contract
5 by December 31, 2024.

6 (3) In cases in which an applicant has used all reasonable efforts to find a contractor for a project
7 but has failed, the applicant may request one two-year extension from the department of commerce.

8 (4) Projects funded under [this act] must be completed by December 31, 2027.

9
10 NEW SECTION. Section 9. Misappropriation or diversion of funds. In the event the grantee
11 misappropriates or diverts any portion of the state grant or local government match to another use, the
12 applicant will repay the state the misappropriated or diverted funds within 12 months of the date of notice from
13 the state department of commerce and pay a fine equal to 20% of the amount misappropriated or diverted to
14 the state's general fund.

15
16 NEW SECTION. Section 10. Grant limits. (1) Except for city-county consolidated governments and
17 counties receiving an allocation of less than \$1 million, no single applicant can receive more than one-third of
18 the county's total allocation from the state.

19 (2) City-county consolidated governments are limited to two-thirds of the total county allocation.

20 (3) Counties whose allocation is less than \$1 million are not subject to any restriction regarding
21 how much an individual applicant may receive.

22
23 NEW SECTION. Section 11. Project reports, and completion notices. (1) The applicant shall
24 provide a progress report to the department of commerce on a quarterly basis identifying the following:

25 (a) work that has been undertaken on the project;

26 (b) the percentage of work completed; and

27 (c) the amount of funds expended to date;

28 (d) remaining funds;

- 1 (e) description of any significant problems;
- 2 (f) whether the project encountered any modification necessary to the scope of work, budget, or
- 3 schedule; and
- 4 (g) the projected completion date.
- 5 (2) At the completion of the project, the final report must include a statement attesting to the
- 6 completion of the project, which must be signed by the project manager.

7

8 **NEW SECTION. Section 12. County allocations.** The following amounts are allocated to counties

9 as follows:

County	Allocation
10 Beaverhead	\$2,314,332
11 Big Horn	\$4,081,455
12 Blaine	\$2,135,880
13 Broadwater	\$1,945,896
14 Carbon	\$2,082,624
15 Carter	\$257,040
16 Cascade	\$22,310,904
17 Chouteau	\$1,396,176
18 Custer	\$3,241,152
19 Daniels	\$308,538
20 Dawson	\$2,164,644
21 Deer Lodge	\$2,764,935
22 Fallon	\$534,059
23 Fergus	\$2,892,632
24 Flathead	\$25,269,782
25 Gallatin	\$23,929,035
26 Garfield	\$280,160
27 Glacier	\$4,163,070