



**MONTANA**  
DEPARTMENT OF COMMERCE

## HB 355

# The State-Local Infrastructure Partnership Act of 2023 (“SLIPA”)

## Application and Guidelines

Incorporated Cities and Towns must: (i) solicit and accept applications for eligible projects by **December 31, 2023**; and (ii) make reasonable efforts to submit completed applications to the Department of Commerce by **March 30, 2024**.

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## The State-Local Infrastructure Partnership Act of 2023 (HB 355) Guidelines

In 2023, the Montana Legislature passed the State-Local Infrastructure Partnership Act of 2023 (“SLIPA”). For the biennium beginning July 1, 2023, there is appropriated \$20 million from the general fund to the Montana Department of Commerce (“Commerce”) to distribute as grants to incorporated cities and towns for eligible local government infrastructure projects that fully comply with HB 355.

Commerce has adopted these Guidelines to provide additional information to eligible incorporated cities and towns. To the extent these Guidelines conflict with HB 355, the terms of HB 355 control.

### Purpose

The purpose of SLIPA is to fund the maintenance and repair of existing local government facilities on a partnership basis with the local government supplying a cash match.

### Eligibility

Eligible entities as defined by SLIPA are limited to incorporated cities and towns.

### Eligible Projects

Eligible entities may use allocated SLIPA funds to maintain or repair existing local government infrastructure, including:

- drinking water systems;
- wastewater treatment systems;
- fire suppression systems if independent of the drinking water systems,
- streets;
- roads;
- bridges;
- landfills;
- street lights;
- airports; and
- public grounds and buildings.

Allocated funds also may be used to expand existing water and wastewater treatment plants that are being operated at 90% of design capacity or greater.

Priority is given to projects that maintain or repair existing publicly owned drinking water systems, publicly owned wastewater treatment systems, and municipal fire suppression systems that are independent of a water system. If one of these systems is not submitted to Commerce, please provide details and rationale.

### Allocations and Required Match

#### Allocations:

Consistent with Section 11 of HB 355, Commerce has created a spreadsheet that identifies what amounts eligible incorporated cities and towns are entitled to receive under SLIPA. That spreadsheet is available at this [website](#).

**Match:**

A city or town is required to contribute a local cash match equal to no less than 25% of the total project cost. Local cash match is defined as revenue generated by the local government, including via its tax system. A local cash match cannot include in-kind contributions of goods or in-kind services.

**Limitations:**

A city or town that receives more than \$1 million in SLIPA funds cannot allocate more than one-third of the total grant per approved application. However, cities and towns in which the local government infrastructure has been significantly damaged by a natural disaster are not subject to this funding restriction.

**Application Submission and Award Process****Application Submission:**

The legislative body of a city or town shall solicit and accept applications for eligible projects on or before **December 31, 2023**. Next, the legislative body of the city or town is required to hold a public hearing on the applications for eligible projects it has received. Based on the information contained within those applications and information received at the public hearing, the legislative body must prepare a recommendation for funding in priority order and make reasonable efforts to transmit that recommendation to Commerce by **March 30, 2024**.

Commerce recommends that the legislative bodies document for their records: (i) the applications solicited and accepted; (ii) that a public hearing was held on those applications, with a summary of public comment received; and (iii) the funding recommendations made to Commerce.

Commerce shall review the legislative bodies' recommendations to determine whether their applications comply with Section 6 of HB 355. If the application does not comply, Commerce shall issue notice to the applicable applicant within 45 days of application receipt, if practicable.

Commerce may not substitute its judgment for that of the legislative body of the city or town and cannot revise the recommended priority list.

**File Transfer Service:**

To apply for grant funding, an applicant must upload the application to the State of Montana File Transfer Service (FTS). To access the FTS, an applicant must register with OKTA. To register with OKTA, go to the FTS [page](#) and select 'Register now!' from the Login screen and follow the prompts. After registration, an applicant can access the FTS to upload the application for submission. Please see these [instructions](#) for additional help.

**Award Process:**

Once priority lists are received, Commerce will review and determine compliance with HB 355. Commerce shall issue notice to the applicable applicant within 45 days of application receipt, if practicable. A grant recipient's eligibility to receive SLIPA funds is dependent on the grant recipient's compliance with HB 355, especially Section 6 and 12.

The disbursement of grant funds for awarded projects are subject to grantee's completion, and submission to Commerce, of the following:

- I. a completed budget and implementation schedule for the project;
- II. a completed project management plan approved by Commerce;
- III. compliance with the auditing and reporting requirements provided in § 2-7-503, MCA, and an established financial accounting system that reasonably conforms to generally accepted accounting principles;
- IV. a completed contract with Commerce, a provision of which must document that local matching funds are available and committed to the project; and
- V. a certification that Grantee has obtained local, state, and federal permits and approvals.

**Reimbursement Basis for Grant Disbursements:**

Commerce shall disburse grants by reimbursement as grant recipients incur eligible project expenses in accordance with the terms of the contract. If actual project expenses are lower than the projected expense of the project, Commerce may, at its sole discretion, reduce the amount of grant funds provided to grant recipients in proportion to all the project funding sources.

**Project Reports and Completion Notices**

As required by Commerce and Section 10 of HB 355, grantees shall provide a quarterly progress report to Commerce identifying the following:

- I. submission of all permitting or licensing approval documents as applicable;
- II. work that has been undertaken on the project;
- III. the percentage of work completed;
- IV. the amount of funds expended to date;
- V. remaining funds;
- VI. a description of any significant problems; and
- VII. whether the project encountered any modification necessary to the scope of work, budget, or schedule.

Grantees also must submit a final report to Commerce at the completion of the project, which must include a statement attesting to the completion of the project that is signed by the project manager.

**Additional Considerations:**

Technical or planning documents are not required to be submitted with the application. However, applicants may include the development of these documents (necessary to complete the specific project activities that would be listed as the scope of work) in the project budget and implementation schedule. Any planning or technical documents must follow acceptable industry standards or follow Commerce's planning document templates.

**Project Management:**

The grantee is fully responsible for managing the project and ensuring that it is completed on time and within budget. If cost overruns occur, the cost of the overrun is the full and sole responsibility of the grantee. HB 355 does not authorize Commerce to provide supplemental grant funding to cover cost overruns.

**Project Completion:**

All grantees must be under contract with a general contractor or vendor by December 31, 2024. In cases in which an applicant has used all reasonable efforts to find a contractor for a project but has failed, the grantee may request a one-time, two-year extension based on project needs, which Commerce may approve at its discretion. Projects funded by SLIPA must be completed by December 31, 2027.

**Misappropriation or Diversion of Funds:**

In the event the grantee misappropriates or diverts any portion of the state grant or local government match to another use, the applicant will repay Commerce the misappropriated or diverted funds within 12 months of the date of notice from the state and pay a fine equal to 20% of the amount misappropriated or diverted to the state's general fund.

# THE STATE-LOCAL INFRASTRUCTURE PARTNERSHIP ACT (HB 355)

## APPLICATION INSTRUCTIONS

### Section I.

#### ALL SLIPA APPLICATIONS SUBMITTED TO COMMERCE MUST CONTAIN THE INFORMATION REQUIRED BY § 6 OF HB 355, INCLUDING:

1. Project Name: The name of the project for which the applicant is seeking a SLIPA grant.
2. Primary Contact: The name, title, mailing address, telephone number, and email address of the individual directly responsible for management of the project. An example of the manager of the project may include public works director or consulting engineer. The primary contact also must submit a resume that establishes the individual's qualifications and ability to manage the project.
3. Project Type: Check the box to indicate the project type requesting funding.
4. Description of Prospective Project: Provide a narrative description of the prospective project, including a description of:
  - I. the problems to be addressed;
  - II. the need to undertake the repairs;
  - III. how the proposed project is appropriate, cost effective, and a long-term solution; and
  - IV. a list of tasks to be undertaken
5. Non-Priority Project: HB 355 grants priority to projects that maintain or repair publicly owned drinking water systems, publicly owned wastewater treatment systems, and municipal fire suppression systems that are independent of a water system. If an application is for another type of local government infrastructure project, please detail why the application is requesting funding for an eligible project that is not prioritized by HB 355.
6. Required Documents:

Please submit the following documents as attachments at the end of the application.

  - I. Maps and/or Google earth photos

Provide a map or Google earth photo showing the project. Photographs documenting the nature of the problems are advisable.
  - II. Cost Estimates

Complete the attached project budget and identify estimates of the total project cost. Cost estimates must be prepared by a licensed professional engineer or qualified contractor. Cost estimates also must show the total cost of the project and be itemized by the list of task elements to be completed.
  - III. Implementation Schedule

Complete the attached implementation schedule and identify each step in the repair process starting with the preparation of bid documents through completion of work. Specific calendar dates are recommended.
  - IV. Local Cash Match Statement

Provide a statement identifying **local cash match equal to no less than 25% of total project cost**. Local cash match is defined as revenue generated by the local government, including via its tax system. A local cash match cannot include in-kind contributions of goods or in-kind services.

- V. Resume  
Provide a copy of the project manager's resume attesting to the qualifications and ability to manage the project.
- VI. Evidence of a Public Hearing  
Provide documentation as evidence that a public hearing was held in compliance with HB 355. Documentation may include a copy of public advertising or notice, meeting agenda, meeting minutes, or sign-in sheets.
- 7. Attestation: An authorized project representative must sign an attestation of compliance with HB 355.
- 8. Certification: An authorized project representative must sign a statement that the information contained in the application is true.

# THE STATE-LOCAL INFRASTRUCTURE PARTNERSHIP ACT (HB 355) APPLICATION

## Section I

1. **Project Name:** \_\_\_\_\_
2. **Primary Contact:** \_\_\_\_\_ **Title:** \_\_\_\_\_
- Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_
- Phone:** \_\_\_\_\_ **E-mail:** \_\_\_\_\_

The Primary Contact must submit a copy of their resume attesting to their qualifications and ability to manage the project.

### 3. Project Type: Must be for maintenance or repair of existing systems.

- |  |   |
|--|---|
| <input type="checkbox"/> Drinking Water  | <input type="checkbox"/> Airport  |
| <input type="checkbox"/> Wastewater Treatment                                    | <input type="checkbox"/> Public ground  |
| <input type="checkbox"/> Fire Suppression System (Independent of drinking water) | <input type="checkbox"/> Public building  |
| <input type="checkbox"/> Streets   | <input type="checkbox"/> Existing water and wastewater treatment plans that are being operated at 90% of design capacity or greater |
| <input type="checkbox"/> Roads   | <input type="checkbox"/> Other (please describe)  |
| <input type="checkbox"/> Bridge  |   |
| <input type="checkbox"/> Landfill  |   |

### 4. Description of Prospective Project

- a. Project summary and problems to be addressed (please provide narrative response):
- b. Explanation as to why the proposed project is appropriate, cost-effective, and a long-term solution to the problem:
- c. List of tasks to be completed and repairs needed (please provide narrative response):
- d. Explanation for non-priority Project (if applicable):

### 5. Required Documentation

Please submit the following documents as attachments at the end of the application, as required by Commerce and Section 6 of HB 355.

- I. Maps or Google Photos showing the Project;
- II. Cost Estimates;
- III. Time Schedule;
- IV. Local Cash Match Statement;
- V. Resume of Project Manager; and
- VI. Evidence of a Public Hearing.

Additional photos documenting problems/proposed solutions are recommended, but not required.

**6. Attestation**

The undersigned authorized representative hereby attests that the city or town: (a) solicited and accepted applications for eligible projects on or before December 31, 2023; (b) held a public hearing in compliance with HB 355, evidence of which has been submitted to Commerce; and (c) understands and agrees it must provide a minimum local cash match of 25% of the total project cost to receive funding.

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Signature

Date

Printed Name and Title

**7. Certification to Submit:**

The undersigned authorized representative hereby certifies that (a) the information set forth in this application is correct to the best of his/her knowledge; (b) s/he has received, read, and understood these guidelines and agrees to comply with all requirements imposed by HB 355; (c) the representatives of this proposal have authorized the submittal of this application; (d) s/he has the authority to act on behalf of the incorporated city or town on whose behalf s/he is submitting this application, and (e) agrees to comply with all applicable state or federal laws and statues associated with carrying out the project, including providing Commerce with all information required by HB 355, including the information required by Sections 10 and 12.

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Signature

Date

Printed Name and Title



**PROJECT BUDGET**

(Please modify the budget line items to best reflect specific project needs)

ADMINISTRATION	Source: SLIPA	Source: Local Cash	Source:	TOTAL
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
<b>TOTAL ADMINISTRATION</b>	\$0	\$0	\$0	\$0
<b>CONSTRUCTION RELATED ACTIVITIES</b>				
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
<b>TOTAL ACTIVITY</b>	\$0	\$0	\$0	\$0
<b>TOTAL PROJECT BUDGET</b>	\$0	\$0	\$0	\$0

## IMPLEMENTATION SCHEDULE

(Please modify the implementation schedule tasks to best reflect specific project needs)  
 Quarterly Progress reports must be submitted to Commerce

TASK (as applicable)	QUARTERS, 20YY				QUARTERS, 20YY			
	1st J F M	2nd A M J	3rd J A S	4th O N D	1st J F M	2nd A M J	3rd J A S	4th O N D
<b><u>START UP CONDITIONS</u></b>								
Completion of Section 12								
<b><u>PROJECT DESIGN</u></b>								
Commence Final Design								
Complete Project Design								
Submit Plans to DEQ								
Prepare Bid Documents								
Finalize Acquisition								
<b><u>PRE-CONSTRUCTION</u></b>								
Prepare Bid Documents								
Complete relevant funding agreements								
Public Bid Advertisement								
Open Bids & Examine Proposals								
Select Contractor & Award Bid								
Conduct Pre-Const. Conference								
Issue Notice to Proceed to Contractor								
<b><u>PROJECT CONSTRUCTION</u></b>								
Begin Construction								
Monitor Construction Work								
Hold Const. Progress Meetings								
Final Inspection								
<b><u>PROJECT CLOSE OUT</u></b>								
Project Completion Report								
Submit Final Certification								