

Treasure State Endowment Program



Purpose

The Treasure State Endowment Program (TSEP) is a state infrastructure-financing program approved by Montana voters with the passage of Legislative Referendum 110 in June 1992. According to 90-6-702, MCA, the purpose of TSEP is to assist local governments in funding infrastructure projects that will:

- o Create jobs for Montana residents
- o Promote economic growth in Montana by helping to finance the necessary infrastructure
- o Encourage local public facility improvements
- o Create a partnership between the state and local governments to make necessary public projects affordable
- o Support long-term, stable economic growth in Montana
- o Protect future generations from undue fiscal burdens caused by financing necessary public works
- o Coordinate and improve infrastructure financing by federal, state, local government, and private sources
- o Enhance the quality of life and protect the health, safety, and welfare of Montana citizens

Administering Agency: Department of Commerce

Approving Authority: Final approval is provided by the Legislature

Statutory Reference: Title 90, Chapter 6, Part 7, MCA

Eligible Applicants:

- o Cities
- o Towns
- o Counties
- o Tribal governments
- o Consolidated local governments
- o County or multi-county water
- o Sewer or solid waste districts
- o Other authorities as defined in 75-6-304, MCA

Statutory Evaluation Criteria Include:

- o Solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards
- o Reflect greater need for financial assistance than other projects
- o Incorporate appropriate, cost-effective technical design and provide thorough, long-term solutions to community public facility needs
- o Reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources
- o Enable local governments to obtain funds from sources other than TSEP
- o Provide long-term, full-time job opportunities for Montanans, that provide public facilities necessary for the expansion of a business that has a high potential for financial success, or maintain the tax base or encourage expansion of the tax base
- o Are high local priorities and have strong community support

The Department of Commerce rules impose certain income requirements and user rates criteria for the consideration of both construction and bridge grant applications.

Types of Projects:

- o Drinking water systems
- o Wastewater treatment
- o Bridges
- o Sanitary sewer or storm sewer systems
- o Solid waste disposal and separation systems

Source of Funding:

Grant funding for the program is derived from the investment earnings of the Treasure State Endowment trust. In the 2013 biennium, total trust earnings were estimated to be \$20 million.

Legislative Appropriations:

Appropriations from the earnings include administrative costs, emergency grants, preliminary engineering grants, loan repayments, and local infrastructure or construction grants (TSEP grants). In the 2013 biennium, approximately \$14 million was appropriated for TSEP construction grants.

Grant Limits:

Maximum grants of \$750,000 for construction projects and \$500,000 for bridge projects (unless there are demonstrated extenuating circumstances).

Matching Fund Requirements:

- o Standard Grants - Applicants are generally eligible to request a grant that is no greater than 50% of the eligible project expenses
- o Hardship Grants - In cases of extreme financial hardship and where very serious deficiencies exist that would affect the public's health or safety; an applicant may be eligible to receive a Hardship Grant from 51% up to 75% of the eligible project expenses in order to help reduce user costs to a more affordable level. However, the total amount requested cannot exceed the maximum TSEP grant

Application Deadline:

For consideration by the 2013 Legislature, construction grant applications are due by May 4, 2012.

General Application Requirements:

To apply for a TSEP grant, an eligible applicant must complete the required TSEP application information listed below by May 4, 2012. One hard copy and one electronic copy of the TSEP application information and two hard copies of the PER must be postmarked or delivered to the Department of Commerce, 301 South Park Ave, Helena MT, 59620 on or before May 4, 2012.

For Further Information Contact:

Department of Commerce, Community Development Division
301 South Park Ave.
PO Box 200523
Helena, MT 59620-0523
Phone: (406) 841-2770 Fax: (406) 841-2771
Web: <http://comdev.mt.gov/TSEP/tsepapplyingforgrants.mcp>



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Contact: Cathy Duncan, Senior Fiscal Analyst, (406) 444-4580
Web: www.leg.mt.gov/css/fiscal