EXHIBIT 3
DATE 2/16/05
HB 6

Renewable Resource Grants

State Special Revenue Account (02272)

Notes

Revenue Projections[1]		
Resource Indemnity Trust Interest - Grant Allocation	$4,000,000	
Excess coal tax proceeds from debt service and interest	516,009	
STIP / Other interest	20,000	
Administrative Fees	14,000	
2007 Biennium Revenues		$4,550,009
Transfer of RDGP funds (requested in HB 7)	400,000	
		$400,000
Total 02272 Funds Available:		$4,950,009
Proposed Expenditures[2]		
Administration - DNRC	(10,000)	
HB 2 DP's (2412)	(50,000)	
Total Proposed Expenditures		(60,000)
Balance Available for Renewable Resource Grant and Loan Program		$4,890,009
Other Grants, HB 6[3]		
Emergency Grants	(100,000)	
Project Planning Grants	(300,000)	
Total Other Grants		(400,000)
		$4,490,009 + 50,000

Rank	HB 6 Page	HB 6 Line	Applicant	HB 6	
					$4,490,009
1	2	6	Milk River Joint Board of Control		
		7	Halls Coulee Siphon Repair	$100,000	$4,390,009
2		8	Spring Meadows County Water District		
		9	Drinking Water Project	100,000	$4,290,009
3		10	Montana State University		
		11	Four Corners Surface and Groundwater Study	99,618	$4,190,391
4		12	Beaverhead CD		
		13	Spring Creek Restoration	100,000	$4,090,391
5		14	St. Ignatius, Town of		
		15	Wastewater Improvement Project	100,000	$3,990,391
6		16	DNRC		
		17	Deadmans Basin Supply Canal Rehab Project	100,000	$3,890,391
7		18	Jefferson Valley CD		
		19	Jefferson River Restoration	95,469	$3,794,922
8		20	Carter Chouteau County WSD		
		21	Drinking Water Project	100,000	$3,694,922
9		22	Sheridan, Town of		
		23	Drinking Water Project	100,000	$3,594,922
10		24	Lower Yellowstone Irrigation District		
		25	Lower Yellowstone Canal	100,000	$3,494,922
11		26	DNRC		
		27	Frenchman Dam Rehab Study	100,000	$3,394,922
12		28	DNRC		
		29	Martinsdale North Dam Riprap Program	100,000	$3,294,922
13		30	Seeley Lake Sewer District		
	3	1	Wastewater Improvement Project	100,000	$3,194,922
14		2	Upper/Lower River Road WSD		
		3	Drinking Water and Wastewater Project	100,000	$3,094,922
15		4	Buffalo Rapids Irrigation District		
		5	Canal Automation	88,955	$3,005,967
16		6	Choteau, City of		
		7	Drinking Water Project	100,000	$2,905,967
17		8	Dodson, Town of		
		9	Wastewater System Improvements	100,000	$2,805,967
18		10	Gallatin County		
		11	Floodplain Delineation Project	100,000	$2,705,967
19		12	Yellowstone Irrigation District		
		13	Flow Measurement Project	100,000	$2,605,967
20		14	Gardiner-Park County WD		
		15	Drinking Water Project	100,000	$2,505,967
21		16	Liberty County CD		
		17	Chester Sprinkler Irrigation Project	100,000	$2,405,967
22		18	Cascade, Town		
		19	Drinking Water Project	100,000	$2,305,967
23		20	Ranch-Lake County WSD		
		21	Drinking Water Project	100,000	$2,205,967
24		22	Libby, City of		
		23	Wastewater Improvement Project	100,000	$2,105,967
25		24	Broadview, Town of		
		25	Broadview Water Supply Study	99,997	$2,005,970
26		26	DNRC		
		27	Martinsdale Outlet Canal Drop Structures	100,000	$1,905,970
27		28	Roosevelt County CD		
		29	Fort Peck Irrigation Quality and Quantity Phase I	99,995	$1,805,975
28		30	Buffalo Rapids Irrigation District		
	4	1	Improving Efficiency and Quality	100,000	$1,705,975

Renewable Resource Grants

Rank	HB 6 Page	Line	Applicant	Requested	$1,705,975	Notes
29	4	2	Paradise Valley ID			
		3	Turnout Replacement Project	100,000	$1,605,975	
30		4	Manhattan, Town of			
		5	Wastewater Treatment System Improvements - Phase II	100,000	$1,505,975	
31		6	Woods Bay Homesites County WSD			
		7	Water System Improvements	100,000	$1,405,975	
32		8	Custer Area, Yellowstone County WSD			
		9	Wastewater Improvement Project	100,000	$1,305,975	
33		10	Fort Belknap Irrigation District			
		11	Sugar Factory Lateral Project Phase II	100,000	$1,205,975	
34		12	Laurel, City of			
		13	Wastewater Improvement Project	100,000	$1,105,975	
35		14	Yellowstone CD			
		15	Canyon Creek Restoration	100,000	$1,005,975	
36		16	Valier, Town of			
		17	Wastewater Improvement Project	100,000	$905,975	
37		18	Fairfield, Town of			
		19	Wastewater Improvement Project	100,000	$805,975	
38		20	Glasgow Irrigation District			
		21	Vandalia Dam Improvements Phase III	100,000	$705,975	
39		22	Ennis, Town of			
		23	Wastewater Improvement Project Phase II	100,000	$605,975	
40		24	Bighorn CD			
		25	Alluvial Aquifers of Northern Bighorn County	100,000	505,975	Grant recommendations to this point equal $3,984,034
41		26	Savage Irrigation District			
		27	Savage Irrigation Rehibilitation Plan	62,814	$443,161	
42		28	Butte-Silver Bow			
		29	Big Hole River Transmission Line Replacement	100,000	$343,161	
43		30	Whitefish, City of			
	5	1	Drinking Water Project	100,000	$243,161	
44		2	Circle, Town of			
		3	Wastewater Improvement Project	100,000	$143,161	
45		4	Black Eagle WASD			
		5	Water System Improvements	50,000	$93,161	
46		6	Lewis and Clark CD			
		7	Florence Canal Rehabilitation	100,000	($6,839)	
47		8	Sweet Grass County CD			
		9	Middle Glaston Reservoir Feasibility Study	85,000	($91,839)	
48		10	Livingston, City of			
		11	Livingston Flood Damage Reduction Study	100,000	($191,839)	
49		12	Liberty County CD			
		13	Marias Baseline Development Project	100,000	($291,839)	
50		14	Hammond Irrigation District			
		15	Porcupine Creek Siphon Rehab	38,200	($330,039)	
51		16	Bear Creek, Town of			
		17	Drinking Water Project	100,000	($430,039)	
52		18	Ryegate, Town of			
		19	Wastewater System Improvements	100,000	($530,039)	
53		20	Sun Prairie Village County WSD			
		21	Drinking Water Project	100,000	($630,039)	
54		22	Butte Silver Bow			
		23	Water Master Plan	100,000	($730,039)	
55		24	DNRC			
		25	Increasing Montana Water Management Capacity	99,714	($829,753)	
56		26	Milk River Joint Board of Control			
		27	Lake Sherburne Dam Outlet Works Rehab	100,000	($929,753)	
57		28	Bigfork County WSD			
		29	Wastewater System Improvements	100,000	($1,029,753)	
58		30	Ruby Valley CD			
	6	1	Ruby Groundwater Management Plan	33,694	($1,063,447)	
59		2	Cartersville Irrigation District			
		3	Sand Creek Siphon Rehab Project	100,000	($1,163,447)	
			Total	$5,653,456	($1,163,447)	

Estimated Beginning Fund Balance-(7/1/2005)	$337,172	
Resource Indemnity Trust Interest - MSU Northern	480,000	
Resource Indemnity Trust Interest - Additional	1,034,400	
Total Other Funds:		$1,851,572
MSU-Northern Statutory Appropriation	(480,000)	
Flathead Basin Commission - DNRC	(16,002)	
Water Court - Judiciary	(1,533,510)	
Total Other Appropriaitons:		(2,029,512)
2007 Projected Ending Fund Balance:		$328,035

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85-1-604. Renewable resource grant and loan program state special revenue account created -- revenue allocated -- limitations on appropriations from account. (1) There is a renewable resource grant and loan program state special revenue account within the state special revenue fund established in 17-2-102.

(2) Except to the extent that they are required to be credited to the renewable resource loan debt service fund pursuant to 85-1-603, there must be paid into the renewable resource grant and loan program state special revenue account:

(a) the interest income of the resource indemnity trust fund as provided in and subject to the conditions of 15-38-202;

(b) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619; and

(c) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans, including arrangements for obtaining security interests.

(3) Appropriations may be made from the renewable resource grant and loan program state special revenue account for:

(a) grants for designated projects; and

(b) administrative expenses, including salaries and expenses for personnel and equipment, office space, and other expenses necessarily incurred in the administration of the grant and loan program. The expenses under this subsection (3)(b) may be funded before funding of projects.

History: En. Sec. 5, Ch. 505, L. 1981; amd. Sec. 2, Ch. 149, L. 1983; amd. Sec. 36, Ch. 298, L. 1983; amd. Sec. 10, Ch. 512, L. 1985; amd. Sec. 2, Ch. 6, Sp. L. March 1986; amd. Sec. 2, Ch. 116, L. 1989; amd. Sec. 3, Ch. 491, L. 1989; amd. Sec. 5, Ch. 543, L. 1991; amd. Sec. 9, Ch. 659, L. 1991; amd. Sec. 12, Ch. 478, L. 1993; amd. Sec. 3, Ch. 577, L. 1995; amd. Sec. 297, Ch. 42, L. 1997; amd. Sec. 5, Ch. 444, L. 1997; amd. Sec. 8, Ch. 144, L. 1999.

Compiler's Comments:

1999 Amendment: Chapter 144 deleted former (2)(a) that read: "(a) all revenue of the works and other money as provided in 85-1-332"; deleted former (2)(e) that read: "(e) the resource indemnity and ground water assessment tax proceeds as provided in 15-38-106(2)(b)"; substituted (3) concerning appropriations for designated projects and administrative expenses for former text that read: "Appropriations may be made from the renewable resource grant and loan program state special revenue account for the following purposes and subject to the following conditions:

(a) The amount of resource indemnity trust fund interest earnings allocated to the special revenue account under 15-38-202(2)(a)(ii) must be used for renewable resource grants.

(b) An amount less than or equal to that paid into the account under 85-1-332 and only that amount may be appropriated for the operation and maintenance of state-owned projects and works. If the amount of money available for appropriation under this subsection (3)(b) is greater than that necessary for operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(c).

(c) An amount less than or equal to that paid into the account from the resource indemnity trust account plus any excess from subsection (3)(b) and only that amount may be appropriated from the account for expenditures that meet the policies and objectives of the renewable resource grant and loan program. If the amount of money available for appropriation under this subsection (3)(c) is greater than that necessary for operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(d).

(d) An amount less than or equal to that paid into the account from the sources provided for in subsections (2)(c) and (2)(d) and any excess from subsection (3)(c) and only that amount may be appropriated from the account for loans and grants for renewable resource projects; for purchase of liens and operation of property as provided in 85-1-615; for administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, and office space; for the servicing of loans, including arrangements for obtaining security interests; and for other necessities incurred in administering the loans and grants"; and made minor changes in style. Amendment effective July 1, 1999.

The amendment to this section made by sec. 7, Ch. 552, L. 1999, was rendered void by sec. 12(2), Ch. 552, L. 1999, a contingent voidness provision.

1997 Amendments: Chapter 42 in (2)(e) substituted "resource indemnity and ground water assessment tax proceeds" for "resource indemnity tax proceeds"; and made minor changes in style. Amendment effective March 12, 1997.

Chapter 444 in (2)(e) substituted "resource indemnity and ground water assessment tax proceeds" for "resource indemnity tax proceeds"; in (3)(a) substituted "to the special revenue account under 15-38-202(2)(a)(ii)" for "under 15-38-202(2)(b)(iii)"; and made minor changes in style. Amendment effective July 1, 1997.

1995 Amendment: Chapter 577 in (2)(b), at beginning, deleted "38% of"; in (2)(e), at beginning, deleted "20% of" and at end inserted "as provided in 15-38-106(2)(b)"; and in (3)(a) inserted reference to subsection (iii) of 15-38-202(2)(b). Amendment effective July 1, 1995.

1993 Amendment: Chapter 478 in (1), (2), and (3), before "state special revenue account", substituted "renewable resource grant and loan program" for "water development"; near beginning of (2) and (2)(c), before "debt service", substituted "renewable resource loan" for "water development"; in (2)(b) increased 30% to 38%; inserted (2)(e) including 20% of the resource indemnity tax proceeds; inserted (3)(a) requiring the amount of resource indemnity trust fund interest earnings allocated under 15-38-202(2)(b) to be used for renewable resource grants; near middle of second sentence of (3)(b) substituted reference to this subsection for reference to subsection (3)(a) and at end substituted reference to subsection (3)(c) for reference to subsection (3)(b); substituted (3)(c) concerning appropriation from resource indemnity trust account for former (3)(b) that read: "(b) An amount less than or equal to that paid into the account from the resource indemnity trust account plus any excess from subsection (3)(a) and only that amount may be appropriated from the account for:

(i) the rehabilitation of state-owned projects and works, including the rehabilitation of spillways of state-owned dams;

(ii) the formulation of downstream emergency warning and evacuation plans for state-owned dams;

(iii) the development of the hydropower potential of state-owned dams;

(iv) assistance in the implementation of the water reservations established under 85-2-316 of conservation districts;

(v) the promotion of the development of offstream and tributary storage;

(vi) the promotion of joint state-tribal, state-federal, and state-tribal-federal water development;

(vii) projects or programs that improve water use efficiency, including development of new, efficient water systems, rehabilitation of older, less efficient water systems, and acquisition and installation of measuring devices required under 85-2-113;

(viii) administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, office space, and other necessities incurred in the administration of the water development program except the administration of loans and grants; and

(ix) any other expenditures that meet the policies and objectives of the state water development program"; near beginning of (3)(d), after "provided for in", substituted "subsections (2)(c) and (2)(d) and any excess from subsection (3)(c)" for "(c) and (d) of subsection (2)" and near middle substituted "renewable resource projects" for "water development projects and activities"; deleted (4) requiring an amount equal to 25% of money available for grants under former subsection (3)(c) to be transferred to the water storage state special revenue account created under 85-1-631; and made minor changes in style. Amendment effective July 1, 1993.

1991 Amendments: Chapter 543 at end of (3)(b)(vii) inserted "and acquisition and installation of measuring devices required under 85-2-113"; and made minor change in style.

Chapter 659 inserted (4) requiring transfer of money to the water storage state special revenue account. Amendment effective July 1, 1991.

1989 Amendments: Chapter 116 inserted (3)(b)(vii) relating to projects that improve water use efficiency; and made minor changes in form.

Chapter 491 in (3)(c) inserted "for purchase of liens and operation of property as provided in 85-1-615". Amendment effective April 11, 1989.

1986 Amendment: In (2) at beginning inserted exception clause; deleted former (2)(d) that read: "any principal and accrued interest received in repayment of a loan made from the proceeds of bonds issued under 85-1-617"; and deleted former (2)(f) that read: "all interest income earned on proceeds of water development bonds".

1985 Amendment: Inserted (2)(f) requiring all interest on proceeds of water development bonds to be deposited into the water development state special revenue account.

1983 Amendments: Chapter 149 inserted (2)(d) and (2)(e) requiring the deposit into the water development state special revenue account of any principal or accrued interest received in repayment of

loans from proceeds of water development bonds and fees or charges collected by the Department for loan servicing; in (3)(c), near beginning substituted "sources provided for in (c) through (e) of subsection (2)" for "water development sinking account" and near end inserted "for the servicing of loans, including arrangements for obtaining security interests".

Chapter 298, in (1), (2), and (3), substituted "state special revenue account" for "earmarked account"; in (1), substituted "state special revenue fund" for "earmarked revenue fund"; in (2)(b), substituted "trust fund" for "trust account"; and in (2)(c), substituted "water development debt service fund" for "water development sinking account".

Applicability of 1985 Amendment: Section 21, Ch. 512, L. 1985, provided: "Section 10 [amending 85-1-604] applies retroactively, within the meaning of 1-2-109, to all occurrences after July 1, 1981."

Cross References:

Contracts with United States, 85-1-221.

Montana Dam Safety Act, Title 85, ch. 15.