

## 1 HOUSE BILL NO. 6

2 INTRODUCED BY WITT

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND THE  
4 OFFICE OF BUDGET AND PROGRAM PLANNING5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND IMPLEMENTING THE RENEWABLE RESOURCE  
7 GRANT AND LOAN PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL  
8 RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND  
9 LOAN PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS;  
10 PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE RENEWABLE  
11 RESOURCE GRANT ACCOUNT; TEMPORARILY REVISING THE USE OF THE RENEWABLE RESOURCE  
12 GRANT AND LOAN STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTION 85-1-604, MCA; AND  
13 PROVIDING EFFECTIVE DATES ~~AND A TERMINATION DATE;~~ AND PROVIDING A TERMINATION DATE."  
14

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

16  
17 NEW SECTION. **Section 1. Appropriations from renewable resource grant and loan program**  
18 **state special revenue account.** (1) There is appropriated from the renewable resource grant and loan program  
19 state special revenue account established in 85-1-604 to the department of natural resources and conservation  
20 up to:

21 (a) \$100,000 to be used for emergency projects; and

22 (b) \$300,000 to be used for planning grants to be awarded by the department over the course of the  
23 biennium.24 (2) There is appropriated from the renewable resource grant and loan program state special revenue  
25 account established in 85-1-604 to the department of natural resources and conservation ~~\$4~~ \$4.6 million that  
26 is available in the renewable resource state special revenue account for grants to political subdivisions and local  
27 governments during the 2005 biennium. The funds in this section must be awarded by the department to the  
28 named entities for the described purposes and in the described grant amounts set out in subsection (3), subject  
29 to the conditions set forth in [sections 1 through 4] and the contingencies described in the renewable resource  
30 grant and loan program January 2005 report to the 59th legislature. The legislature, pursuant to 85-1-605,

1 approves the grants listed in subsection (3), with grants to be made in the order indicated in the prioritized list  
 2 of projects and activities. Funds must be awarded up to the amounts approved in this section in order of priority  
 3 until available funds are expended. Funds not accepted or used by higher-ranked projects must be provided for  
 4 projects farther down the priority list that would not otherwise receive funding. Any projects that are funded by  
 5 the reclamation and development grants program may not be funded under [sections 1 through 4].

6 (3) The following are the prioritized grant projects:

7 RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

8 Applicant/Project	Grant Amount
9 Milk River Joint Board of Control	
10 (Halls Coulee Siphon Repair)	\$100,000
11 Spring Meadows--Missoula County Water District	
12 (Drinking Water Project)	\$100,000
13 Montana State University	
14 (Four Corners Surface and Ground Water Study)	\$99,618
15 Beaverhead Conservation District	
16 (Spring Creek Restoration)	\$100,000
17 St. Ignatius, Town of	
18 (Wastewater Improvement Project)	\$100,000
19 Montana Department of Natural Resources and Conservation	
20 (Deadman's Basin Supply Canal Rehabilitation Project)	\$100,000
21 Jefferson Valley Conservation District	
22 (Jefferson River Restoration)	\$95,469
23 Carter--Chouteau County Water and Sewer District	
24 (Drinking Water Project)	\$100,000
25 Sheridan, Town of	
26 (Drinking Water Project)	\$100,000
27 Lower Yellowstone Irrigation District	
28 (Lower Yellowstone Canal)	\$100,000
29 Montana Department of Natural Resources and Conservation	
30 (Frenchman Dam Rehabilitation Study)	\$100,000

1	Montana Department of Natural Resources and Conservation	
2	(Martinsdale North Dam Riprap Program)	\$100,000
3	Seeley Lake Sewer District	
4	(Wastewater Improvement Project)	\$100,000
5	Upper/Lower River Road Water and Sewer District	
6	(Drinking Water and Wastewater Project)	\$100,000
7	Buffalo Rapids Irrigation District	
8	(Canal Automation)	\$88,955
9	Choteau, City of	
10	(Drinking Water Project)	\$100,000
11	Dodson, Town of	
12	(Wastewater System Improvements)	\$100,000
13	Gallatin County	
14	(Floodplain Delineation Project)	\$100,000
15	Yellowstone Irrigation District	
16	(Flow Measurement Project)	\$100,000
17	Gardiner--Park County Water District	
18	(Drinking Water Project)	\$100,000
19	Liberty County Conservation District	
20	(Chester Sprinkler Irrigation Project)	\$100,000
21	Cascade, Town of	
22	(Drinking Water Project)	\$100,000
23	<del>Ranch-Lake</del> RANCH County Water and Sewer District	
24	(Drinking Water Project)	\$100,000
25	Libby, City of	
26	(Wastewater Improvement Project)	\$100,000
27	Broadview, Town of	
28	(Broadview Water Supply Study)	\$99,997
29	Montana Department of Natural Resources and Conservation	
30	(Martinsdale Outlet Canal Drop Structures)	\$100,000

1	Roosevelt County Conservation District	
2	(Fort Peck Irrigation Quality and Quantity Phase I)	\$99,995
3	Buffalo Rapids Irrigation District	
4	(Improving Efficiency and Quality)	\$100,000
5	Paradise Valley Irrigation District	
6	(Turnout Replacement Project)	\$100,000
7	Manhattan, Town of	
8	(Wastewater Improvement Project)	\$100,000
9	Woods Bay Homesites County Water and Sewer District	
10	(Water System Improvements)	\$100,000
11	Custer Area, Yellowstone County Water and Sewer District	
12	(Wastewater Improvement Project)	\$100,000
13	Fort Belknap Irrigation District	
14	(Sugar Factory Lateral Project Phase II)	\$100,000
15	Laurel, City of	
16	(Wastewater Improvement Project)	\$100,000
17	Yellowstone Conservation District	
18	(Canyon Creek Restoration)	\$100,000
19	Valier, Town of	
20	(Wastewater Improvement Project)	\$100,000
21	Fairfield, Town of	
22	(Wastewater Improvement Project)	\$100,000
23	Glasgow Irrigation District	
24	(Vandalia Dam Improvements Phase III)	\$100,000
25	Ennis, Town of	
26	(Wastewater Improvement Project)	\$100,000
27	Bighorn Conservation District	
28	(Alluvial Aquifers of Northern Bighorn County)	\$100,000
29	Savage Irrigation District	
30	(Rehabilitation Planning Study)	\$62,814

1	Butte-Silver Bow	
2	(Big Hole River Transmission Line Replacement)	\$100,000
3	Whitefish, City of	
4	(Drinking Water Project)	\$100,000
5	Circle, Town of	
6	(Wastewater Improvement Project)	\$100,000
7	Black Eagle Water and Sewer District	
8	(Drinking Water Project)	\$50,000
9	Lewis and Clark Conservation District	
10	(Florence Canal Rehabilitation Project)	\$100,000
11	<del>Sweet Grass County Conservation District</del>	
12	<del>(Middle Glaston Reservoir Feasibility Study)</del>	<del>\$85,000</del>
13	Livingston, City of	
14	(Livingston Flood Damage Reduction Study)	\$100,000
15	<u>MISSOULA COUNTY</u>	
16	<u>(GRANT CREEK RESTORATION AND FLOOD MITIGATION)</u>	<u>\$100,000</u>
17	Liberty County Conservation District	
18	(Marias Baseline Development Project)	\$100,000
19	Hammond Irrigation District	
20	(Porcupine Creek Siphon Rehabilitation)	\$38,200
21	Bear Creek, Town of	
22	(Drinking Water Project)	\$100,000
23	Ryegate, Town of	
24	(Wastewater System Improvements)	\$100,000
25	Sun Prairie Village County Water and Sewer District	
26	(Drinking Water Project)	\$100,000
27	Butte-Silver Bow	
28	(Water Master Plan)	\$100,000
29	Montana Department of Natural Resources and Conservation	
30	(Increasing Montana Water Management Capacity)	\$99,714

1	Milk River Joint Board of Control	
2	(Lake Sherburne Dam Outlet Works Rehabilitation)	\$100,000
3	Bigfork--Flathead County Water and Sewer District	
4	(Wastewater System Improvements)	\$100,000
5	Ruby Valley Conservation District	
6	(Ground Water Management Plan)	\$33,694
7	Cartersville Irrigation District	
8	(Sand Creek Siphon Rehabilitation Project)	\$100,000

9 (4) For grant projects for which the department of natural resources and conservation also has  
10 recommended a loan, the authorization for the loan is contained in House Bill No. 8.

11 (5) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds  
12 for purposes of encumbering the funds within the 2007 biennium pursuant to 17-7-302.

13  
14 **NEW SECTION. Section 2. Conditions of grants.** Disbursement of funds under [sections 1 through  
15 4] for grants is subject to the following conditions that must be met by project sponsors:

16 (1) approval of a scope of work and budget for the project by the department of natural resources and  
17 conservation. Changes in the project scope of work or budget that reduce the public or natural resource benefits  
18 as presented in department reports and applicant testimony to the 59th legislature will result in the proportional  
19 reduction in grant amount.

20 (2) documented commitment of other funds required for project completion;

21 (3) satisfactory completion of conditions described in the recommendation section of the project  
22 narrative in the renewable resource grant and loan program project recommendations and biennium report  
23 submitted to the 59th legislature for the 2007 biennium or, in the case of emergency applications, conditions  
24 specified at the time of written notification of approved grant authority;

25 (4) execution of a grant agreement with the department; and

26 (5) accomplishment of other specific requirements considered necessary by the department to  
27 accomplish the purpose of the grant as evidenced from the application to the department or from the proposal  
28 to the legislature.

29  
30 **NEW SECTION. Section 3. Conditions for grants.** Notwithstanding the conditions described in

1 [section 2], grant funds are disbursed in the order of priority listed in [section 1] as resource indemnity trust  
 2 account interest income revenue is received. A project approved by [section 1] is not entitled to receive grant  
 3 funds that are not collected and allocated to the renewable resource grant and loan program state special  
 4 revenue account.

5  
 6 **NEW SECTION. Section 4. Appropriations established.** (1) For any entity of state government that  
 7 receives a grant under [sections 1 through 3], an appropriation is established for the amount of the grant listed  
 8 in [section 1(3)]. Grants to state entities from prior biennia are reauthorized for completion of contract work.

9 (2) Any funds in excess of the amount appropriated for grants under [sections 1 through 3] are available  
 10 for appropriation for authorized purposes from the renewable resource grant and loan program state special  
 11 revenue account.

12  
 13 **NEW SECTION. Section 5. Review of previously authorized grants.** Recipients of renewable  
 14 resource grants authorized by previous legislatures that have not completed startup conditions must be notified  
 15 by the department of natural resources and conservation that the legislature, at the next regular session, will  
 16 review renewable resource grants to determine if the commitment of the renewable resource grant should be  
 17 withdrawn.

18  
 19 **NEW SECTION. SECTION 6. FUND TRANSFER. AT THE BEGINNING OF FISCAL YEAR 2007, THE AMOUNT OF**  
 20 **\$600,000 IS TRANSFERRED FROM THE STATE GENERAL FUND TO THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM**  
 21 **STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 85-1-604 FOR THE PURPOSE OF MAKING GRANTS.**

22  
 23 **Section 7.** Section 85-1-604, MCA, is amended to read:

24 **"85-1-604. Renewable resource grant and loan program state special revenue account created**  
 25 **-- revenue allocated -- limitations on appropriations from account.** (1) There is a renewable resource grant  
 26 and loan program state special revenue account within the state special revenue fund established in 17-2-102.

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

30 (a) the interest income of the resource indemnity trust fund as provided in and subject to the conditions

1 of 15-38-202;

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

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

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

8 (a) grants for designated projects and the activities authorized in 85-1-602(1)(a); and

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

12 (4) FOR THE BIENNIUM BEGINNING JULY 1, 2005, APPROPRIATIONS MAY BE MADE FROM THE RENEWABLE  
13 RESOURCE GRANT AND LOAN PROGRAM STATE SPECIAL REVENUE ACCOUNT FOR ADMINISTRATIVE EXPENSES, INCLUDING  
14 SALARIES AND EXPENSES FOR PERSONNEL AND EQUIPMENT, OFFICE SPACE, AND OTHER EXPENSES NECESSARILY  
15 INCURRED IN NATURAL RESOURCE-RELATED PROGRAMS."

16  
17 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are  
18 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
19 the part remains in effect in all valid applications that are severable from the invalid applications.

20  
21 NEW SECTION. Section 9. Notification to tribal governments. The secretary of state shall send a  
22 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
23 band of Chippewa.

24  
25 NEW SECTION. Section 10. Effective dates. (1) ~~[Sections 2 through 8 and this section] are~~ EXCEPT  
26 AS PROVIDED IN SUBSECTION (2), [THIS ACT] IS effective on passage and approval.

27 (2) [Section 1] is effective July 1, 2005.

28  
29 NEW SECTION. SECTION 11. TERMINATION. ~~[SECTION 6(4) 7(4)]~~ TERMINATES JUNE 30, 2007.

30 - END -