

## 1 HOUSE BILL NO. 7

2 INTRODUCED BY R. COOK

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 IMPLEMENTING THE RECLAMATION AND DEVELOPMENT  
7 GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND  
8 CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM;  
9 PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS;  
10 AMENDING SECTION 90-2-1113, MCA; AND PROVIDING AN EFFECTIVE DATE."11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13  
14 **NEW SECTION. Section 1. Appropriations for reclamation and development grants.** (1) There is  
15 appropriated to the department of natural resources and conservation from the natural resources projects state  
16 special revenue account established in 15-38-302 up to:17 (a) \$1,000,000 to be used for planning reclamation and development projects to be awarded by the  
18 department over the course of the biennium ending June 30, 2015;

19 (b) \$525,000 to implement measures to control invasive aquatic species in state waters; and

20 (c) \$300,000 for ground water baseline sampling in areas potentially affected by oil and gas  
21 development.22 (2) The amount of \$4,418,645 is appropriated to the department of natural resources and conservation  
23 from the natural resources projects state special revenue account for grants to political subdivisions and local  
24 governments during the biennium ending June 30, 2015. The funds in this subsection must be awarded by the  
25 department to the named entities for the described purposes and in the grant amounts set out in subsection (4)  
26 subject to the conditions set forth in [sections 1 through 4] and the contingencies described in the reclamation  
27 and development grant program January 2013 report to the 63rd legislature. The legislature approves the grants  
28 listed in subsection (4).29 (3) Funds must be awarded up to the amounts approved in this section in the order of priority listed in  
30 subsection (4). Funds not accepted or used by these projects may be provided for grants awarded under

1 subsection (1) or under House Bill No. 6.

2 (4) The following are the prioritized grant projects:

3 Applicant/Project	Grant Amount
4 Missoula County	
5 (Kennedy Creek Mine Reclamation)	\$300,000
6 Montana DEQ - Abandoned Mine Lands Bureau	
7 (South Fork Lower Willow Creek Black Pine Mine Reclamation)	\$300,000
8 Philipsburg, Town of	
9 (Tailings-Contaminated Sludge Disposal from Decommissioned Wastewater Lagoons)	\$300,000
10 Montana DEQ - LUST/Brownfields	
11 (Petroleum Product Delineation & Mitigation of Threat to	
12 Harlowton Public Water Supply Well)	\$300,000
13 Confederated Salish & Kootenai Tribes	
14 (Joseph Allotment and Elmo Cash Store - Cleanup Implementation)	\$126,998
15 Powell County	
16 (Milwaukee Roundhouse Recreational Subarea Interim Cleanup Action - Phase 2)	\$300,000
17 Missoula County	
18 (Sawpit Ninemile Reclamation)	\$300,000
19 Malta, City of	
20 (Former Malta Airport Facility - Herbicide/Pesticide Cleanup)	\$249,480
21 Cascade Conservation District	
22 (Barker-Hughesville Reclamation Area Fish Barrier Projects on Dry Fork Belt Creek)	\$113,300
23 Butte-Silver Bow City-County Government	
24 (Butte Mining District: Reclamation & Protection Project Phase IV)	\$244,720
25 Ryegate, Town of	
26 (Former Ryegate Conoco Groundwater Remediation)	\$206,080
27 Cascade County	
28 (County Shops Remediation of Wood Treatment Preservatives)	\$300,000
29 Butte-Silver Bow City-County Government	
30 (Irrigation Project for Butte Acidic Mine Waters)	\$275,690

1	Custer Conservation District	
2	(Addressing Cumulative Effects on the Yellowstone River)	\$127,377
3	Ruby Valley Conservation District	
4	(Upper Missouri Headwaters River/Flood Hazard Map Development)	\$300,000
5	Montana DEQ - Water Quality Planning	
6	(Baseline Groundwater Sampling in Areas of Anticipated Oil & Gas Development)	\$160,000
7	Yellowstone Conservation District	
8	(Lower Pryor Creek Stabilization and Restoration)	\$70,000
9	Montana DEQ - Abandoned Mine Lands Bureau	
10	(Sheridan County 2012-2013 Reclamation Project)	\$300,000
11	Montana DNRC - Water Projects	
12	(Deadman's Basin Diversion Dam)	\$145,000
13	(5) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for	
14	purposes of encumbering the funds within the biennium ending June 30, 2015, pursuant to 17-7-302.	

15

16 **NEW SECTION. Section 2. Coordination of fund sources for project grants.** A project sponsor listed

17 under [section 1(4)] may not be funded by both the reclamation and development grants program and the

18 renewable resource grant program for the same project during the same biennium.

19

20 **NEW SECTION. Section 3. Conditions of grants.** Disbursement of grant funds under [sections 1

21 through 4] is subject to the following conditions that must be met by the project sponsor:

22 (1) A scope of work and budget for the project must be approved by the department of natural resources

23 and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change

24 project goals and objectives. Changes in activities that would reduce the public or natural resource benefits may

25 result in a proportional reduction in the grant amount.

26 (2) The project sponsor shall show satisfactory completion of conditions described in the

27 recommendation section of the project narrative of the reclamation and development grants program report to

28 the legislature for the biennium ending June 30, 2015.

29 (3) The project sponsor must have a fully executed grant agreement with the department.

30 (4) Any other specific requirements considered necessary by the department must be met to accomplish

1 the purpose of the grant as evidenced from the application to the department or from the proposal as presented  
2 to the legislature.

3  
4 **NEW SECTION. Section 4. Other appropriations.** There is appropriated to any entity of state  
5 government that receives a grant under [sections 1 through 3] the amount of the grant upon award of the grant  
6 by the department of natural resources and conservation. Grants to entities from a prior biennium are  
7 reauthorized for completion of contract work.

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9 **Section 5.** Section 90-2-1113, MCA, is amended to read:

10 **"90-2-1113. Evaluation criteria -- priority.** (1) Except as provided in subsections (2) and (3), the  
11 department shall consider the following criteria in evaluating eligible applications and in selecting projects to be  
12 recommended to the governor for funding:

- 13 (a) the degree to which the project will provide benefits in its eligibility category or categories;  
14 (b) the degree to which the project will provide public benefits;  
15 (c) the degree to which the project will promote, enhance, or advance the policies and purposes of the  
16 reclamation and development grants program;  
17 (d) the degree to which the project will provide for the conservation of natural resources;  
18 (e) the degree of need and urgency for the project;  
19 (f) the extent to which the project sponsor or local entity is contributing to the costs of the project or is  
20 generating additional nonstate funds;  
21 (g) the degree to which jobs are created for persons who need job training, receive public assistance,  
22 or are chronically unemployed; and  
23 (h) any other criteria that the department considers necessary to carry out the policies and purposes of  
24 the reclamation and development grants program.

25 (2) (a) Subject to the conditions of this part, the department shall give priority to grant requests, not to  
26 exceed a total of \$600,000 for the biennium, from the board of oil and gas conservation beginning on July 1, 2015.  
27 The board of oil and gas conservation shall use a grant that received priority under this subsection (2)(a) for oil  
28 and gas reclamation projects. The board may use a maximum of 2.5% of the amount of a grant for administrative  
29 costs associated with implementing the projects covered in the grant.

30 (b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining at

1 the end of the current biennium must be included as part of the \$600,000 limitation for the next biennium.

2 (c) The priority given to the board of oil and gas conservation under subsection (2)(a) does not preclude  
3 the board of oil and gas conservation from submitting additional grant requests. The department shall evaluate  
4 additional grant requests from the board of oil and gas conservation in accordance with the provisions of  
5 subsection (1).

6 (3) Subject to the conditions of this part, the department shall give priority to grant requests not to exceed  
7 a total of \$800,000 for the biennium for abandoned mine reclamation projects. A grant may not be used for  
8 personnel costs or general operating expenses."

9

10 NEW SECTION. Section 6. Notification to tribal governments. The secretary of state shall send a  
11 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
12 Chippewa tribe.

13

14 NEW SECTION. Section 7. Severability. If a part of [this act] is invalid, all valid parts that are severable  
15 from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part  
16 remains in effect in all valid applications that are severable from the invalid applications.

17

18 NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2013.

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