

1 SENATE BILL NO. 462  
2 INTRODUCED BY M. LANG

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE RENEWABLE RESOURCES GRANTS AND LOAN  
5 PROGRAM TO PRIORITIZE AGRICULTURAL IRRIGATION PROJECTS; AMENDING SECTIONS 85-1-601  
6 AND 85-1-605, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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10 **Section 1.** Section 85-1-601, MCA, is amended to read:

11 **"85-1-601. Purpose and policies.** (1) The legislature finds and declares that in order that the people  
12 of Montana may enjoy the benefits of the state's water and other renewable resources, the state shall establish  
13 this long-term renewable resource grant and loan program providing financial and administrative assistance to  
14 private for-profit, private, nonprofit, local government, state government, and tribal government entities for  
15 renewable resource grant and loan projects.

16 (2) The purpose of the renewable resource grant and loan program is to further the state's policies,  
17 set forth in 85-1-101, regarding the conservation, development, and beneficial use of water resources and to  
18 invest in renewable natural resource projects that will preserve for the citizens of Montana the economic and  
19 other benefits of the state's natural heritage.

20 (3) The legislature recognizes the value of Montana's renewable resources; therefore, it is  
21 appropriate that a portion of the taxes and other revenue from nonrenewable resources be invested in the  
22 replacement of nonrenewable resources with the development of renewable resource projects that will continue  
23 to provide tax and other revenue and will preserve for the citizens the economic and other benefits of the state's  
24 natural heritage.

25 (4) The conservation, development, management, and preservation of water and other renewable  
26 resources are high priorities because a large portion of Montana's present and future economy is based either  
27 directly or indirectly on the wise use of these resources.

28 (5) Developments supported by this part may not significantly diminish the quality of existing public

1 resources, such as land, air, fish, wildlife, and recreation opportunities.

2 (6) This renewable resource grant and loan program supports, in part, the implementation and  
3 development of the comprehensive, coordinated, multiple-use water resources plan known as the "state water  
4 plan". In making funding recommendations for grants and loans, the department shall give preference to  
5 projects that will implement state water plan priorities if, in all other respects, the proposed projects are equal in  
6 public benefit and technical feasibility.

7 (7) Irrigation makes Montana's lands more productive, healthy, and valuable for communities,  
8 families, and the environment. In making funding recommendations for grants, the department shall prioritize  
9 projects that plan, enhance, or develop agricultural irrigation and source watershed projects. The department  
10 shall rank these projects as a group.

11 ~~(7)~~(8) Source watersheds are an integral component of Montana's water resources. Source  
12 watersheds that provide the majority of the state's drinking and irrigated agricultural water are particularly  
13 important to maintaining the reliability, quantity, timing, and quality of Montana's environmental, drinking, and  
14 agricultural water supply. Because source watersheds have a critical role in enhancing water supply reliability,  
15 the maintenance and repair of source watersheds are eligible for the renewable resource grant and loan  
16 program.

17 ~~(8)~~(9) Soil and range health play a vital role in protecting and sustaining Montana's renewable natural  
18 resources by retaining water, soil, and nutrients in place on the landscape. Enhancing soil and range health will  
19 provide long-term benefits to Montana's water and other renewable resources and to the users, wildlife, and  
20 economies they support."

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22 **Section 2.** Section 85-1-605, MCA, is amended to read:

23 **"85-1-605. Grants, loans, and bonds for state, local, or tribal government assistance.** (1) ~~The~~  
24 Subject to subsection (7), the department may recommend to the legislature that grants and loans be made  
25 from revenue deposited in the natural resources projects state special revenue account established in 15-38-  
26 302, that loans be made from renewable resource bond proceeds deposited in the renewable resource loan  
27 proceeds account established in 85-1-617(5), and that coal severance tax bonds be authorized pursuant to Title  
28 17, chapter 5, part 7, to provide financial assistance to a department, agency, board, commission, or other

1 division of state government, to a city, county, or other political subdivision or local government body of the  
2 state, including an authority as defined in 75-6-304, or to a tribal government. The legislature may approve by  
3 appropriation or other appropriate means those grants and loans that it finds consistent with the policies and  
4 purposes of the program.

5 (2) Nothing in this part creates or expands the state's or a local government's authority to incur  
6 debt, and the legislature may authorize loans only to state and local government entities otherwise structured to  
7 incur debt.

8 (3) Loans may not be authorized except to a state, local, or tribal government entity that agrees to  
9 secure the authorized loan with its bond.

10 (4) In addition to implementing those projects approved by the legislature, the department may  
11 request up to 10% of the grant funds available and up to \$10 million for loans from the natural resources  
12 projects state special revenue account established in 15-38-302 and the renewable resource loan proceeds  
13 account in any biennium to be used for emergencies. These emergency grant projects or loan projects, or both,  
14 may not be made because of the gross negligence of the state, local, or tribal government applicant, must be  
15 approved by the department, and must be defined as those projects otherwise eligible for either grant funding  
16 or loan funding, or both, that, if delayed until legislative approval can be obtained, will cause substantial  
17 damages or legal liability to the project sponsor. In allocating the funds, the department shall inform the  
18 legislative fiscal analyst. The department shall provide a copy of the information to the legislature in accordance  
19 with 5-11-210.

20 (5) The grants and loans provided for by this section may be made for projects that enhance  
21 renewable resources in the state through conservation, development, management, or preservation; for  
22 assessing feasibility or planning; for implementing renewable resource projects; and for similar purposes  
23 approved by the legislature.

24 (6) Grant and loan agreements with tribal governments in Montana entered into under this part  
25 must contain, in addition to other appropriate terms and conditions, the following conditions:

26 (a) a requirement that in the event a dispute or claim arises under the agreement, state law will  
27 govern as to the interpretation and performance of the agreement and that any judicial proceeding concerning  
28 the terms of the agreement will be brought in the district court of the first judicial district of the state of Montana;

1           (b)     an express waiver of the tribal government's immunity from suit on any issue specifically arising  
2 from the transaction of a loan or grant; and

3           (c)     an express waiver of any right to exhaust tribal remedies signed by the tribal government.

4           (7) Funding that remains after awarding grants for projects in 85-1-601(6) and (7) must be ranked  
5 and awarded to other projects that meet the requirements of this part."

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7           NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2023.

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