Renewable Resource Grant and Loan Program

Updated January 2014

Purpose

The Montana Legislature established the Renewable Resource Grant and Loan Program (RRGL) to fund the conservation, management, development and preservation of Montana's renewable resources. The program provides both grant and loan funding for public facility and other renewable resource projects. Grant funds are available for public facility projects (drinking water and wastewater infrastructure improvements projects), irrigation rehabilitation, dam repair, soil and water conservation, watershed management, and other renewable resource projects. The loan program provides funds for irrigation projects, including the repair of aging ditches, diversions, and other irrigation infrastructure. The loan program also provides a safety net for municipal projects, such as water and sewer projects that conserve or protect renewable resources that may not qualify for state revolving funds funding and is a backup source of funding for unfunded grant applicants. Any project that is eligible for an RRGL grant to public entities is also eligible for an RRGL loan.

Administrating Agency:

Department of Natural Resources and Conservation, Conservation and Resource Development Division

Statutory Reference:

Title 85, Chapter 1, Part 6, MCA

Approving Authority:

Final project approval is provided by the Legislature.

Eligible Applicants:

- Political subdivisions of state
- Local government including state agencies and universities
- Counties, incorporated cities and towns
- Conservation districts
- Irrigation districts
- Water/sewer/solid waste districts

Types of Projects:

The proposed project must have benefits to create or develop a sustainable natural resource such as water, wind, renewable energy, soil, wetlands, fish and aquatic habitat, range land, crop land, or forest. The renewable resource benefits will be the most heavily weighted.

- Dams
- Drinking water
- Irrigation
- Wastewater
- Water
- Storm Sewer
- Stream restoration
- Natural Resource planning
- Floodplain management
- Research
- Renewable energy
- Research and development

LFD Montana Legislative Fiscal Division

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Source of Funding: Natural Resource Projects Account

Appropriations for the RRGL grant program are derived from the natural resource projects account. The account primarily receives income from the interest of the resource indemnity trust fund (RIT), the resource indemnity and ground water assessment tax (RIGWA), and the oil and gas production tax. In the 2015 biennium, the natural resource projects fund was projected to receive $13.5 million from the normal funding sources. The 2013 Legislature also provided a transfer of $250,000 from the orphan share state special revenue account and $20.5 million from the general fund to expand natural resource type grants and fund other legislative initiatives. The total income of $34.2 million is appropriated to five natural resource grant programs, including RRGL grant program, as well as other agency and legislative initiatives ($17.0 million for the financial settlement of two tribal water compacts).

The RRGL loan program is funded with bonded state debt. The repayment of loans pays the cost of the debt. The bonds issued for the loan program are backed by the Montana Coal Severance Tax Fund and authority is provided in 85-1-624, MCA. For more information on funding, refer to the 2015 Biennium Fiscal Report: http://leg.mt.gov/content/Publications/fiscal/FR-2015/Vol-2/Natural-Resource/RIT.pdf

Legislative Appropriations:

For the 2015 biennium, the legislature approved total appropriations of $29.5 million in HB 6, the RRGL program legislation. Appropriations include $1.1 million for project planning grants; $350,000 for various emergency grants; $600,000 for irrigation development, private, capacity building grants; $200,000 to fund the state water plan,$1.3 million for the Big Pipestone/Jefferson River Slough watershed restoration project, and approximately $9.0 million for RRGL project grants. The remainder of the appropriations, $17.0 million, were established to complete state's the financial obligation for two tribal water compacts (Ft. Belknap and Blackfeet Tribal Compacts).

The list of projects approved by the 2013 Legislature can be viewed at: 2015 Interim Projects

Grant Limits:

Project grants are limited to $100,000* per project. Loans are limited by the applicant's debt capacity.
*Subject to change.

Matching Fund Requirements:

N/A (No matching funds requirement)

Application Deadline:

For consideration by the 2015 Legislature. Applicants will be required to enter their application into the fundingmt.org database on or before May 15, 2014.

General Application Requirements:

Applicants for public facility projects must submit the Uniform Application for Montana Public Facility Projects and the DNRC Supplement. All other applicants must complete the regular application. There is a $250 application fee.

For Further Agency Information Contact:

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Web: http://dnrc.mt.gov/cardd/ResourceDevelopment/rdgp/ReclamationDevelopmentGrantsProgram.asp