

## HOUSE BILL NO. 554

INTRODUCED BY KASTEN

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE  
PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE CRITERIA FOR AWARDING RECLAMATION GRANTS AND LOANS; TEMPORARILY REMOVING PRIORITIES FOR ~~OIL AND GAS AND~~ ABANDONED MINE PROJECTS AND REDUCING PRIORITIES FOR OIL AND GAS PROJECTS; AMENDING SECTION 90-2-1113, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

**Section 1.** Section 90-2-1113, MCA, is amended to read:

**"90-2-1113. Evaluation criteria -- priority.** ~~(1) Except as provided in subsections (2) and (3), the~~ The (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THE department shall consider the following criteria in evaluating eligible applications and in selecting projects to be recommended to the governor for funding:

- ~~(a)(1)~~(A) the degree to which the project will provide benefits in its eligibility category or categories;
- ~~(b)(2)~~(B) the degree to which the project will provide public benefits;
- ~~(c)(3)~~(C) the degree to which the project will promote, enhance, or advance the policies and purposes of the reclamation and development grants program;
- ~~(d)(4)~~(D) the degree to which the project will provide for the conservation of natural resources;
- ~~(e)(5)~~(E) the degree of need and urgency for the project;
- ~~(f)(6)~~(F) the extent to which the project sponsor or local entity is contributing to the costs of the project or is generating additional nonstate funds;
- ~~(g)(7)~~(G) the degree to which jobs are created for persons who need job training, receive public assistance, or are chronically unemployed; and
- ~~(h)(8)~~(H) any other criteria that the department considers necessary to carry out the policies and purposes of the reclamation and development grants program.

~~(2) (a) Subject to the conditions of this part, the department shall give priority to grant requests, not to exceed a total of \$600,000 for the biennium, from the board of oil and gas conservation. The board of oil and gas conservation shall use a grant that received priority under this subsection (2)(a) for oil and gas reclamation~~

~~projects. The board may use a maximum of 2.5% of the amount of a grant for administrative costs associated with implementing the projects covered in the grant.~~

~~———— (b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining at the end of the current biennium must be included as part of the \$600,000 limitation for the next biennium.~~

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

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

(2) (A) SUBJECT TO THE CONDITIONS OF THIS PART, THE DEPARTMENT SHALL GIVE PRIORITY TO GRANT REQUESTS, NOT TO EXCEED A TOTAL OF \$200,000 FOR THE BIENNIUM, FROM THE BOARD OF OIL AND GAS CONSERVATION. THE BOARD OF OIL AND GAS CONSERVATION SHALL USE A GRANT THAT RECEIVED PRIORITY UNDER THIS SUBSECTION (2)(A) FOR OIL AND GAS RECLAMATION PROJECTS. THE BOARD MAY USE A MAXIMUM OF 2.5% OF THE AMOUNT OF A GRANT FOR ADMINISTRATIVE COSTS ASSOCIATED WITH IMPLEMENTING THE PROJECTS COVERED IN THE GRANT.

(B) ANY UNOBLIGATED FUND BALANCE OF A GRANT THAT RECEIVED PRIORITY UNDER SUBSECTION (2)(A) REMAINING AT THE END OF THE CURRENT BIENNIUM MUST BE INCLUDED AS PART OF THE \$600,000 LIMITATION FOR THE NEXT BIENNIUM.

(C) THE PRIORITY GIVEN TO THE BOARD OF OIL AND GAS CONSERVATION UNDER SUBSECTION (2)(A) DOES NOT PRECLUDE THE BOARD OF OIL AND GAS CONSERVATION FROM SUBMITTING ADDITIONAL GRANT REQUESTS. THE DEPARTMENT SHALL EVALUATE ADDITIONAL GRANT REQUESTS FROM THE BOARD OF OIL AND GAS CONSERVATION IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (1)."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 3. Termination. [This act] terminates June 30, 2005.

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