

HOUSE BILL NO. 6

INTRODUCED BY KASTEN

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND IMPLEMENTING THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; ~~PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE RENEWABLE RESOURCE STATE SPECIAL REVENUE ACCOUNT;~~ MAKING PERMANENT REVISIONS TO THE USE OF THE RENEWABLE RESOURCE GRANT AND LOAN STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTION 85-1-604, MCA; REPEALING SECTION 11, CHAPTER 307, LAWS OF 2005; AND PROVIDING EFFECTIVE DATES."

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

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

- (a) \$100,000 to be used for emergency projects;
- (b) \$400,000 to be used for planning grants to be awarded by the department over the course of the biennium;
- (c) \$300,000 to be used for irrigation development grants to be awarded by the department over the course of the biennium; and
- (d) \$100,000 to be used for the development of a comprehensive irrigation report by the department.

(2) There is appropriated from the renewable resource grant and loan program state special revenue account established in 85-1-604 to the department of natural resources and conservation ~~\$5~~ ~~\$5.5~~ \$5 million that is available in the renewable resource state special revenue account for grants to political subdivisions and local governments during the 2009 biennium. The funds in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection (3), subject to the conditions set forth in [sections 1 through 4] and the contingencies described in the renewable resource

grant and loan program January 2007 report to the 60th legislature. The legislature, pursuant to 85-1-605, approves the grants listed in subsection (3), with grants to be made in the order indicated in the prioritized list of projects and activities. Funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must be provided for projects farther down the priority list that would not otherwise receive funding. Any projects that are funded by the reclamation and development grants program may not be funded under [sections 1 through 4].

(3) The following are the prioritized grant projects:

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Applicant/Project	Grant Amount
Green Mountain Conservation District (Crow Creek Restoration Project)	\$70,599 <u>\$70,559</u>
Twin Bridges, Town of (Twin Bridges Wastewater System Improvements)	\$100,000
Fort Peck Tribes (Fort Peck D-4 Drain Water Conservation Improvements)	\$100,000
North Powell Conservation District (Blackfoot Drought and Water Conservation Project)	\$84,347
Bainville, Town of (Bainville Wastewater System Improvements)	\$100,000
Petrolia Irrigation District (Petrolia Irrigation Rehabilitation Project)	\$100,000
Montana Department of Natural Resources and Conservation (Ackley Lake Dam Rehabilitation)	\$100,000
Cut Bank, City of (Cut Bank Water System Improvements)	\$100,000
Whitehall, Town of (Whitehall Wastewater System Improvements)	\$100,000
Montana Department of Natural Resources and Conservation (East Fork Siphon Replacement and Main Canal Lining Project)	\$100,000
Loma County Water and Sewer District (Loma Water System Improvements)	\$100,000

Panoramic Mountain River Heights County Water District	
(Panoramic Mountain River Heights Water System Improvements)	\$100,000
Montana Department of Natural Resources and Conservation	
(Smith Creek Canal Seepage Abatement and Rehabilitation Project)	\$100,000
Goodan-Keil County Water District	
(Goodan-Keil Water Improvement Project)	\$100,000
Montana Department of Natural Resources and Conservation	
(Middle Creek Dam Automated Instrumentation)	\$100,000
Polson, City of	
(Polson Water System Improvements)	\$100,000
Hill County	
(Beaver Creek Dam Seepage Control Berm)	\$100,000
Gallatin County, Hebgen Lake Estates RID 322	
(Hebgen Lake Wastewater System Improvements)	\$100,000
Three Forks, City of	
(Three Forks Wastewater System Improvements)	\$100,000
Mineral County Saltese Water and Sewer District	
(Saltese Wastewater System Improvements)	\$100,000
Carbon Conservation District	
(Phase I Hydrogeology and Water Balance of the East/West Bench Aquifers)	\$100,000
Fergus County Conservation District	
(Upper and Lower Carter Pond Dam Reconstruction)	\$100,000
Brady County Water and Sewer District	
(Brady Wastewater System Improvements)	\$100,000
Beaverhead Conservation District	
(Big Hole Ditch Improvement Project)	\$100,000
Superior, Town of	
(Superior Water System Improvements)	\$100,000
Sunny Meadows Missoula County Water and Sewer District	
(Sunny Meadows Water System Improvements)	\$100,000
Tri County Water and Sewer District	

(Tri County Water System Improvements)	\$100,000
Philipsburg, Town of	
(Philipsburg Wastewater System Improvements)	\$100,000
Fort Peck Tribes	
(58 Main Structure Replacement for Water Management)	\$100,000
Sanders County	
(Eliminating Failed Septic Systems in Sanders County)	\$100,000
Malta Irrigation District	
(Dodson North Canal Regulating Reservoir)	\$100,000
Red Lodge, City of	
(Red Lodge Water System Improvements)	\$100,000
Elk Meadows Ranchettes County Water District	
(Elk Meadows Water System Improvements)	\$100,000
RAE Water and Sewer District	
(RAE Water System Improvements)	\$100,000
Stillwater Conservation District	
(Stillwater-Rosebud Watershed, Surface Water/Groundwater Interaction)	\$100,000
East Bench Irrigation District	
(East Bench Irrigation District Canal Lining)	\$100,000
Dayton Lake County Water and Sewer District	
(Dayton Wastewater System Improvements)	\$100,000
Milk River Irrigation Project Joint Board of Control	
(Saint Mary Canal, Drop 3, Plunge Pool Concrete Repair)	\$100,000
Yellowstone Conservation District	
(Modeling Aquifer Response to Urban Sprawl, West Billings Area)	\$60,000 <u>\$59,991</u>
Ravalli County	
(Improved Resource Protection, Floodplain Hazard Mapping)	\$100,000
North Valley County Water and Sewer District	
(North Valley County Water System Improvements)	\$100,000
Sheridan, Town of	
(Sheridan Wastewater System Improvements)	\$100,000

Neihart, Town of	
(Neihart Water System Improvements)	\$100,000
Greenfields Irrigation District	
(Muddy Creek Wastewater and Erosion Reduction Project)	\$100,000
Bynum Teton County Water and Sewer District	
(A New Source of Drinking Water for Bynum, Phase 1)	\$100,000
Whitefish, City of	
(Whitefish Wastewater System Improvements)	\$100,000
Power Teton County Water and Sewer District	
(Power Teton Water System Improvements)	\$100,000
Sidney Water Users Irrigation District	
(Sidney Water Users Increasing Irrigation Efficiency Phase 2)	\$100,000
Jordan, Town of	
(Jordan Wastewater System Improvements)	\$100,000
Beaverhead County	
(Blacktail Deer Creek Flood Mitigation Project)	\$100,000
Seeley Lake Missoula County Water District	
(Seeley Lake Water System Improvements)	\$100,000
Manhattan, Town of	
(Manhattan Water System Improvements)	\$100,000
Lewis and Clark County	
(Lewis and Clark Fairgrounds, Dunbar Area Water System Improvements)	\$100,000
Columbia Falls, City of	
(Columbia Falls Wastewater System Improvements)	\$100,000
Hamilton, City of	
(Hamilton Wastewater System Improvements)	\$100,000
Hysham Irrigation District	
(Hysham Irrigation District Infrastructure Improvement)	\$100,000
Shelby, City of	
(Shelby Water System Improvements)	\$100,000
Montana Department of Natural Resources and Conservation	

(Community Tree Planting Grants)	\$100,000
Ronan, City of	
(Ronan Wastewater System Improvements)	\$100,000
Pondera County Conservation District	
(Marias River Watershed Baseline Assessment)	\$100,000
Sheridan County	
(Raymond Dam Rehabilitation)	\$100,000
Montana Department of Environmental Quality	
(Geothermal Assessment and Outreach Partnership)	\$99,963
Thompson Falls, City of	
(Thompson Falls Water System Improvements)	\$100,000
Missoula County Lolo RSID 901	
(Lolo Wastewater System Improvements, Phase 2)	\$100,000
Chester Irrigation District	
(Chester Irrigation Project: Phase 2, Water Service Contract Application)	\$100,000
Pinesdale, Town of	
(Pinesdale Water System Improvements)	\$100,000
Ekalaka, Town of	
(Ekalaka Water and Wastewater System Improvements)	\$100,000
Sweet Grass Conservation District	
(West Boulder Point of Diversion Rehabilitation Project)	\$44,500
Livingston, City of	
(Glass Pulverizer for the City of Livingston)	\$100,000
Montana State University	
(Channel Response Assessment for the Upper Blackfoot)	\$100,000
Darby, Town of	
(Darby Water System Improvements)	\$100,000
Sunburst, Town of	
(Sunburst Backup Water Supply Wells)	\$99,236
<u>SUNSET IRRIGATION DISTRICT</u>	
<u>(GRAVITY FLOW GROUP IRRIGATION PIPELINES)</u>	<u>\$100,000</u>

Geyser Judith Basin County Water and Sewer District (Geyser Water System Improvements)	\$100,000
Black Eagle Water and Sewer District (Black Eagle Water System Improvements)	\$100,000
Glacier County Conservation District (Marias River Bridge Road Stabilization)	\$100,000
Buffalo Rapids Project, District 2 (Open Lateral Conversion to Pipeline)	\$100,000
Buffalo Rapids Project, District 1 (Open Lateral 34.5 Conversion to Pipeline)	\$100,000

(4) For grant projects for which the department of natural resources and conservation also has recommended a loan, the authorization for the loan is contained in [LC 125].

(5) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 2009 biennium pursuant to 17-7-302.

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

(1) approval of a scope of work and budget for the project by the department of natural resources and conservation. Changes in the project scope of work or budget that reduce the public or natural resource benefits as presented in department reports and applicant testimony to the 60th legislature will result in the proportional reduction in grant amount.

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

(3) satisfactory completion of conditions described in the recommendation section of the project narrative in the renewable resource grant and loan program project recommendations and biennium report submitted to the 60th legislature for the 2009 biennium or, in the case of emergency applications, conditions specified at the time of written notification of approved grant authority;

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

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

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

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

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

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

~~NEW SECTION. SECTION 6. FUND TRANSFER. AT THE BEGINNING OF FISCAL YEAR 2009, THE AMOUNT OF \$500,000 IS TRANSFERRED FROM THE STATE GENERAL FUND TO THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 85-1-604.~~

Section 6. Section 85-1-604, MCA, is amended to read:

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

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

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

of 15-38-202;

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

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

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

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

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

(4) ~~For the biennium beginning July 1, 2005, appropriations~~ Appropriations may be made from the renewable resource grant and loan program state special revenue account for administrative expenses, including salaries and expenses for personnel and equipment, office space, and other expenses necessarily incurred in natural resource-related programs. ~~(Subsection (4) terminates June 30, 2007--sec. 11, Ch. 307, L. 2005.)"~~

NEW SECTION. Section 7. Repealer. Section 11, Chapter 307, Laws of 2005, is repealed.

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

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

COORDINATION SECTION. SECTION 10. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 116 IS PASSED AND APPROVED, THEN THE APPROPRIATIONS IN [SECTION 1 OF THIS ACT] ARE APPROPRIATED FROM THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN [SECTION 28] OF HOUSE BILL NO. 116 AND THE APPROPRIATION IN [SECTION 1 OF THIS ACT] FOR THE PURPOSE OF MAKING GRANTS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS IS INCREASED BY UP TO \$0.5 MILLION. AND THE APPROPRIATION IN [SECTION 1 OF THIS ACT] FOR

~~THE PURPOSE OF MAKING GRANTS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS IS INCREASED BY UP TO \$2.2 MILLION.~~

~~NEW SECTION. SECTION 12. CONTINGENT VOIDNESS. IF HOUSE BILL NO. 806, HOUSE BILL NO. 807, HOUSE BILL NO. 808, HOUSE BILL NO. 809, HOUSE BILL NO. 818, HOUSE BILL NO. 819, AND HOUSE BILL NO. 820 ARE NOT PASSED AND APPROVED, THEN [THIS ACT] IS VOID.~~

COORDINATION SECTION. SECTION 11. COORDINATION INSTRUCTION. IF THE FUNDING IN [THIS ACT] IS INCREASED SUFFICIENTLY TO FUND ALL THE GRANTS IN [SECTION 1(3) OF THIS ACT], THEN THE RENEWABLE RESOURCE GRANT AUTHORIZATION IN [SECTION 1(6) OF HB 512] IS VOID, AND THE APPROPRIATION OF PROCEEDS OF BORROWED FUNDS IN [SECTION 1(5) OF HB 512] IS REDUCED BY \$2.2 MILLION.

NEW SECTION. Section 12. Effective dates. (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) [Section 1] is effective July 1, 2007.

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