



AN ACT RECOGNIZING SOURCE WATERSHEDS AS A WATER RESOURCE; CLARIFYING THAT SOIL AND RANGE HEALTH ARE VITAL TO RENEWABLE NATURAL RESOURCES; PROVIDING THAT SOURCE WATERSHEDS MAY BE CONSIDERED FOR THE MONTANA RENEWABLE RESOURCE GRANT AND LOAN PROGRAM; CLARIFYING OBJECTIVES OF THE PROGRAM TO INCLUDE SOURCE WATERSHEDS; INCREASING AVAILABLE MATCHING FUNDS FOR GRANTS AND LOANS TO PRIVATE PARTIES; AND AMENDING SECTIONS 85-1-601, 85-1-602, AND 85-1-614, MCA.

WHEREAS, one of five key recommendations in the 2015 State Water Plan's "Water Supply and Demand" section is to use natural storage to benefit water supplies; and

WHEREAS, the maintenance and repair of source watersheds in Montana are essential to maintaining the reliability, quantity, timing, and quality of Montana's water supplies; and

WHEREAS, section 85-1-601(6), MCA, states that the renewable resource grant and loan program "supports, in part, the implementation...of the 'state water plan'" and that "the department shall give preference to projects that will implement state water plan priorities"; and

WHEREAS, because clean water delivered from source watersheds reduces the costs of treatment for drinking water, the health of source watersheds could be a cost benefit to the state's water supply.

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

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

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

(2) The purpose of the renewable resource grant and loan program is to further the state's policies, set

forth in 85-1-101, regarding the conservation, development, and beneficial use of water resources and to invest in renewable natural resource projects that will preserve for the citizens of Montana the economic and other benefits of the state's natural heritage.

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

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

(5) Developments supported by this part may not significantly diminish the quality of existing public resources, such as land, air, fish, wildlife, and recreation opportunities.

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

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

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

Section 2. Section 85-1-602, MCA, is amended to read:

"85-1-602. Objectives. (1) The department shall administer a renewable resource grant and loan program to enhance Montana's renewable resources through projects that measurably conserve, develop, manage, or preserve resources. Either grants or loans may be provided to fund the following:

- (a) feasibility, design, research, and resource assessment studies;
- (b) preparation of construction, rehabilitation, or production plans; and
- (c) construction, rehabilitation, production, education, or other implementation efforts.

(2) Projects that may enhance renewable resources in Montana include but are not limited to:

- (a) development of natural resource-based recreation;
- (b) development of natural, offstream, and tributary storage;
- (c) improvement of water use efficiency, including development of new, efficient water systems, rehabilitation of older, less efficient water systems, and acquisition and installation of measuring devices required under 85-2-113; monitoring; and development of state, tribal, and federal water projects;

(d) water-related projects that improve water quality, including livestock containment facility projects, soil and range health projects, and the maintenance and repair of source watersheds;

(e) water-related projects that improve water quantity, including streamflows and water storage in existing natural systems, such as riparian areas, flood plains, and wetlands;

~~(f)~~ advancement of farming practices that reduce agricultural chemical use; and

~~(g)~~ projects that facilitate the use of alternative renewable energy sources, as defined in 15-6-225.

(3) The renewable resource grant and loan program is the key implementation portion of the state water plan and must be administered to encourage grant and loan applications for projects designed to accomplish the objectives of the plan.

(4) A grant or loan may not be awarded to a project that affects source watersheds or soil and range health if the project would reduce, restrict, or prohibit any lawful access to the property that existed prior to the project's implementation. This subsection does not apply to access that is temporarily created, granted, or reduced due to project operations."

Section 3. Section 85-1-614, MCA, is amended to read:

"85-1-614. Limits on grants from natural resources projects state special revenue account. (1)

The maximum grant awarded to a private person may not exceed the lesser of:

(a) 5% of the estimated total funds potentially available in the natural resources projects state special revenue account established in 15-38-302 for public and private grants in the biennium in which the grant will be made; or

(b) ~~25%~~ 50% of the total project cost.

(2) This part does not limit the amount of grant funds that may be appropriated by the legislature to fund a state or local government project."

- END -

I hereby certify that the within bill,
HB 0424, originated in the House.

Speaker of the House

Signed this _____ day
of _____, 2017.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2017.

HOUSE BILL NO. 424

INTRODUCED BY Z. BROWN, J. POMNICHOWSKI, C. VINCENT

AN ACT RECOGNIZING SOURCE WATERSHEDS AS A WATER RESOURCE; CLARIFYING THAT SOIL AND RANGE HEALTH ARE VITAL TO RENEWABLE NATURAL RESOURCES; PROVIDING THAT SOURCE WATERSHEDS MAY BE CONSIDERED FOR THE MONTANA RENEWABLE RESOURCE GRANT AND LOAN PROGRAM; CLARIFYING OBJECTIVES OF THE PROGRAM TO INCLUDE SOURCE WATERSHEDS; INCREASING AVAILABLE MATCHING FUNDS FOR GRANTS AND LOANS TO PRIVATE PARTIES; AND AMENDING SECTIONS 85-1-601, 85-1-602, AND 85-1-614, MCA.