



AN ACT 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
PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; PROVIDING FOR A
TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE NATURAL RESOURCES PROJECTS
STATE SPECIAL REVENUE ACCOUNT; APPROPRIATING MONEY FOR A CONTINGENT LOAN FOR MILK
RIVER REPAIR PROJECTS; PROVIDING FOR COORDINATION OF FUNDING; AND PROVIDING AN
EFFECTIVE DATE.

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

Section 1. Appropriations for renewable resource grants. (1) For the biennium beginning July 1, 2023, there is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 up to:

- (a) \$300,000 for emergency projects grants to be awarded by the department over the biennium;
- (b) \$3,500,000 for planning grants to be awarded by the department over the biennium;
- (c) \$500,000 for irrigation development grants to be awarded by the department over the biennium;
- (d) \$500,000 for watershed grants to be awarded by the department over the biennium;
- (e) \$100,000 for private grants to be awarded by the department over the biennium; and
- (f) \$2,500,000 for nonpoint source pollution reduction grants to be awarded by the department over the biennium.

(2) The amount of \$6,350,000 is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 for the

biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts listed in subsection (4), subject to the conditions set forth in [sections 2 and 6] and the contingencies described in the renewable resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive Budget Fiscal Years 2023-2025 Volume 6".

(3) Funds must be awarded up to the amounts approved in subsection (4) in the following listed 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. If at any time a grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the department of natural resources and conservation. After all eligible projects are funded, remaining funds may be used for any renewable resource project authorized under this section.

(4) The following are the prioritized infrastructure grant projects:

RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

Applicant/Project	Amount
Cooke City	
Cooke City Wastewater Treatment and Collection System	\$125,000
West Yellowstone, Town of	
West Yellowstone Wastewater Treatment Plant Project	\$125,000
Red Lodge, City of	
Red Lodge Wastewater System Improvements	\$125,000
Superior, Town of	
Superior Wastewater System Improvements Project	\$125,000
Choteau, City of	
Choteau Water System Improvements	\$125,000
Cascade, Town of	
Cascade Wastewater System Improvements	\$125,000
Sand Coulee, Town of	
Sand Coulee Wastewater Improvements	\$125,000

Kalispell, City of	
Kalispell Morning Star Court Water and Wastewater Improvement Project	\$125,000
Saco, Town of	
Saco Wastewater System Improvements	\$125,000
Drummond, Town of	
Drummond Wastewater Treatment Facility Upgrade	\$125,000
Craig County WSD	
Craig Wastewater System Improvements	\$125,000
Gallatin Canyon County Water Sewer District	
Gallatin Canyon County Water Sewer District Gallatin Canyon Sewer Project Phase 1.2	\$125,000
Thompson Falls, City of	
Thompson Falls Water System Improvements Project	\$125,000
Corvallis County Sewer District	
Corvallis Wastewater Collection System Improvements	\$125,000
Helena, City of	
Helena Red Mountain Flume Repairs Project #22-05	\$125,000
Havre, City of	
Havre Water System Improvements Project	\$125,000
Bigfork County Water and Sewer District	
Bigfork County Water and Sewer District West Trunk Sewer Replacement and Collection Basin Rehabilitation Project	\$125,000
Belt, Town of	
Belt Water System Improvements	\$125,000
Lincoln County	
Lincoln County Libby Creek Community Water and Wastewater Improvements	\$125,000
Richey, Town of	
Richey Water Main Replacement Phase 2	\$125,000

Geraldine, Town of	
Geraldine Water System Improvements	\$125,000
Victor Water and Sewer District	
Victor Wastewater Collection and Treatment Improvements Project	\$125,000
Forsyth, City of	
Forsyth Water System Improvements	\$125,000
Townsend, Town of	
Townsend Water System Improvements Project	\$125,000
Martinsdale Water and Sewer District	
Martinsdale Water and Sewer District Water System Improvements	\$125,000
Twin Bridges, Town of	
Twin Bridges Water System Improvements	\$125,000
Dodson, Town of	
Dodson Water System Improvements	\$125,000
Sunburst, Town of	
Sunburst Wastewater Distribution and Treatment Project	\$125,000
Philipsburg, Town of	
Water Main Replacement Alley between Broadway and Stockton (Duffy-Sansome)	\$125,000
Missoula, City of	
Missoula Comprehensive Stormwater Plan	\$125,000
Denton, Town of	
Denton Wastewater System Upgrades Phase 1	\$125,000
Dutton, Town of	
Dutton Water System Improvements	\$125,000
Circle, Town of	
Circle Waterline Replacement Project Phase 4	\$125,000
Clancy Water and Sewer District	
Clancy Water and Sewer District Water System Improvements	\$125,000

Basin County Water and/or Sewer District	
Basin Water System Improvements Project	\$125,000
Wolf Point, City of	
Wolf Point Wastewater Project Phase 1	\$125,000
Hideaway Community County Water & Sewer District	
Hideaway Court Community Sewer Project (HCCWSD)	\$125,000
Chester, Town of	
Chester Wastewater Improvements Project	\$125,000
Troy, City of	
Troy Water System Improvements Project	\$125,000
Lockwood Water and Sewer District	
Lockwood Water and Sewer District Mid Zone Reservoir	\$125,000
Hot Springs, Town of	
Hot Springs Sewer Lagoon Rehabilitation Project	\$125,000
Hingham, Town of	
Hingham Wastewater System Improvements Project	\$125,000
Chester, Town of	
Chester Water System Improvements Project	\$125,000
Shelby, City of	
Shelby Wastewater Improvements Project	\$125,000
Conrad, City of	
Conrad Storm Water Project	\$125,000
Absarokee Water and Sewer District	
Absarokee Water and Sewer District Water System Improvements	\$125,000
North Cut Bank Glacier County Water and Sewer District	
North Cut Bank Glacier County Wastewater Lift Station Improvements	\$125,000
Yellowstone Boys and Girls Ranch County Water and Sewer District	
Yellowstone Boys and Girls Ranch County WSD Wastewater System Improvements	

	\$125,000
Judith Gap, Town of	
Judith Gap Wastewater Water Line and Meter Upgrade Project	\$125,000
Boulder, City of	
Boulder Drinking Water System Improvements	\$125,000
Anaconda - Deer Lodge County	
Water & Sewer Planning Project	\$100,000

(5) The amount of \$2,560,000 is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 for the biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts listed in subsection (7), subject to the conditions set forth in [sections 2 and 6] and the contingencies described in the renewable resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive Budget Fiscal Years 2023-2025 Volume 6".

(6) Funds must be awarded up to the amounts approved in subsection (7) in the following listed 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. If at any time a grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the department of natural resources and conservation. After all eligible projects are funded, remaining funds may be used for any renewable resource project authorized under this section.

(7) The following are the prioritized irrigation grant projects:

RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS

Applicant/Project	Amount
Greenfields Irrigation District	
Greenfields Irrigation District Pishkun Inlet Hydroelectric Project	\$125,000
Lower Yellowstone Irrigation District #1	
Lower Yellowstone Irrigation District #1 Thomas Point Pumping Plant Rehabilitation	\$125,000
Lower Yellowstone Irrigation Project	

Lower Yellowstone Irrigation Project Critical Structures Rehabilitation Project	\$125,000
Helena Valley Irrigation District	
Helena Valley Irrigation District Regulating Reservoir Preservation & Bypass Project	\$125,000
Buffalo Rapids Irrigation Project 2	
Shirley Main Canal Rehabilitation Phase 2	\$125,000
Pondera County Conservation District	
Pondera County Conservation District Birch Creek Diversion Automation Project	\$125,000
Madison County	
Madison County Big Hole River Restoration Design and Permitting	\$125,000
Ruby Valley Conservation District	
Ruby Valley CD Upper Jefferson Channel Restoration Project	\$125,000
Newlan Creek Water District	
Newlan Creek Water District Newlan Creek Dam Safety Improvements	\$125,000
Savage Irrigation District	
Savage Irrigation District Pump Station Rehabilitation	\$125,000
Pondera County Conservation District	
Pondera County Conservation District PCCRC C-Canal Headworks Automation	\$125,000
East Bench Irrigation District	
East Bench Irrigation District Carter Creek Lining & Headgate Automation	\$125,000
Buffalo Rapids Irrigation Project 1	
Eiker Reach Canal Rehabilitation Project	\$125,000
Hill County	
Hill County Beaver Creek Dam Tailwater Channel Restoration	\$125,000
Granite Conservation District	
Granite Conservation District - Allendale Ditch Rehabilitation	\$125,000
Blaine County	
Blaine County NCIA North Chinook Reservoir Dam Outlet Rehabilitation Project	\$125,000
Paradise Valley Irrigation District	

Paradise Valley Irrigation District Hillside Ditch Pipeline Conversion Phase 2	\$125,000
Huntley Project Irrigation District	
Highline Discharge Pipeline Rehabilitation	\$125,000
Tin Cup Water and Sewer District	
Tin Cup and Mill Ditch Improvements	\$125,000
Billings, City of	
Rim Tunnel Rehabilitation Project	\$125,000
Clinton Irrigation District	
Schoolhouse Lateral Pipeline Conversion	\$60,000

Section 2. Coordination of fund sources for grants to political subdivisions and local governments. A project sponsor listed under [section 1(4) or section 1(7)] may not receive funds from both the reclamation and development grants program and the renewable resource grant and loan program for the same project during the same biennium.

Section 3. Milk River repair and maintenance fund. (1) There is an account in the state special revenue fund established in 17-2-102 to be known as the Milk River repair and maintenance fund.

(2) Interest earned must be retained by the fund.

(3) Eligible uses include long-term operations and maintenance of the Milk River project, and the authorization of loans specified in [section 4].

Section 4. Authorization. (1) The amount transferred in [section 10] shall be held in escrow for loans to the Milk River project.

(2) The interest rate for the loan made to the Milk River project from proceeds from subsection (1) must be negotiated with department of natural resources and conservation at a rate and term consistent with loan financing available from other federal and private sources.

(3) Loan repayment may be interest only.

(4) The interest repaid must be placed in the state special revenue account established in [section

3] for use by the Milk River project for long-term operation and maintenance of the Milk River project.

Section 5. Loan contingency. (1) The approval of the loan in [section 4] is contingent on the following:

(a) the receipt of federal cost share that addresses the financial capability of the Milk River project contracting entities as cited in the Milk River project ability-to-pay study by the U.S. department of the interior, bureau of reclamation, dated September 2022, or the budget director adopting a repair plan from the Milk River joint board of control. The department of natural resources and conservation shall develop the required contents of the repair plan. The Milk River joint board of control shall submit its repair plan to the department of natural resources and conservation. If the budget director does not adopt the repair plan, the Milk River joint board of control may resubmit a revised repair plan to the department.

(b) the Milk River joint board of control demonstrating to the satisfaction of the department of natural resources and conservation its technical, managerial, and financial capacity, through water user fees or other available sources of funding, to pay the annual costs of the loan repayment over the term of the loan.

Section 6. Condition of grants. Disbursement of funds under [section 1] is subject to the following conditions that must be met by the project sponsor:

(1) A scope of work, schedule, and budget for the project must be approved by the department of natural resources and conservation. Any changes in scope of work or budget after legislative approval may not change project goals and objectives. Changes in activities that would reduce the public or natural resource benefits as presented in department of natural resources and conservation reports and applicant testimony to the 68th legislature may result in a proportional reduction in the grant amount.

(2) The project sponsor shall show satisfactory completion of conditions described in the recommendation section of the project narrative of the program report to the legislature for the biennium ending June 30, 2025, or, in the case of planning grants issued under [section 1(1)(b)], completion of conditions specified at the time of written notification of approved grant authority.

(3) The project sponsor must have a fully executed grant agreement with the department.

(4) Any other specific requirements considered necessary by the department must be met to

accomplish the purpose of the grant as evidenced from the application to the department or from the proposal as presented to the legislature.

Section 7. Appropriations established. There is appropriated to any entity of state government that receives a grant under [section 1] the amount of the grant upon award of the grant by the department of natural resources and conservation. Grants to entities from prior bienniums are reauthorized for completion of contract work.

Section 8. Approval of grants -- completion of biennial appropriation. The legislature, pursuant to 85-1-605, approves the renewable resource programs grants listed in [section 1]. The authorization of these grants constitutes a biennial appropriation from the natural resources projects state special revenue account established in 15-38-302.

Section 9. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

Section 10. Transfer of funds. By July 1, 2023, the state treasurer shall transfer \$26 million from the general fund to the natural resources projects state special revenue account established in 15-38-302.

Section 11. Appropriation -- contingency. Contingent on satisfaction of the conditions in [section 5], there is appropriated \$26 million from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for the biennium beginning July 1, 2023, for a loan to the Milk River joint board of control for the project stakeholder cost share for the Milk River repair projects.

Section 12. Coordination instruction. (1) If both [this act] and an act that provides additional funding for renewable resource grant and loan program grants from a source other than the natural resources projects state special revenue account established in 15-38-302 are passed and approved, the projects listed in

[section 1(4) and section 1(7) of this act] that do not receive funding from the appropriations in [section 1(2) and section 1(5) of this act] may receive funding from the appropriation in the other act designated for renewable resource grant and loan program grants in the order of completion of the conditions of [section 6 of this act] and to the extent that there is appropriation authority available.

(2) Appropriations made in [section 1(1)(a) through (1)(f)] may be adjusted within [section 1(1)(a) through (1)(f)] within the biennium based on demand or emergencies.

Section 13. 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.

Section 14. Effective date. [This act] is effective July 1, 2023.

- END -

I hereby certify that the within bill,
HB 6, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 6

INTRODUCED BY M. HOPKINS, J. FITZPATRICK

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, OFFICE OF
BUDGET AND PROGRAM PLANNING

AN ACT 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 PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT; APPROPRIATING MONEY FOR A CONTINGENT LOAN FOR MILK RIVER REPAIR PROJECTS; PROVIDING FOR COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE.