

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_  
 2 INTRODUCED BY \_\_\_\_\_  
 3 (Primary Sponsor)  
 4 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROVING RENEWABLE RESOURCE PROJECTS AND  
 6 AUTHORIZING LOANS; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES  
 7 AND CONSERVATION FOR LOANS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN  
 8 PROGRAM; AUTHORIZING THE ISSUANCE OF COAL SEVERANCE TAX BONDS; AND PROVIDING AN  
 9 EFFECTIVE DATE."

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

12  
 13 NEW SECTION. **Section 1. Authorization to provide loans.** (1) The legislature finds that the  
 14 renewable resource projects listed in this section meet the provisions of 17-5-702. The department of natural  
 15 resources and conservation is authorized to make loans to the political subdivisions of state government and  
 16 local governments listed in subsection (2) in amounts not to exceed the loan amounts listed for each project  
 17 from the proceeds of the bonds authorized in [section 3].

18 (2) The interest rate for the projects in this subsection is 3.0% or the rate at which the state bonds  
 19 are sold, whichever is lower, for up to 30 years:

Loan	Amount
DNRC Water Resources Division	
DNRC Willow Creek Dam Rehabilitation	\$14,000,000
DNRC Water Resources Division	
DNRC Painted Rocks Dam Rehabilitation, Phase 1	\$15,000,000
Fort Shaw Irrigation District	
Fort Shaw Irrigation District Simms Creek Siphon Replacement	\$5,181,317
Hammond Irrigation District	
Hammond Irrigation District Big Porcupine Siphon Rehabilitation	\$241,900

1	Kinsey Irrigation District	
2	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	\$511,520
3	Kinsey Irrigation District	
4	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	\$840,823
5	Zurich Irrigation District	
6	Zurich Irrigation District Brown Creek Siphon Rehabilitation	\$872,884

7

8 **NEW SECTION. Section 2. Projects not completing requirements -- projects reauthorized.** (1)

9 The legislature finds that the renewable resource projects listed in this section that were approved by the 68th  
 10 legislature in Chapter 463, Laws of 2023, may not complete the requirements necessary to obtain the loan  
 11 funds prior to June 30, 2025. The projects described in this section are reauthorized. The department of natural  
 12 resources and conservation is authorized to make loans to the political subdivisions of state government and  
 13 local governments listed in subsection (2) in amounts not to exceed the loan amounts listed for each project  
 14 from the proceeds of the bonds authorized in [section 3].

15 (2) The interest rate for the projects in this subsection is 3.0% or the rate at which the state bonds  
 16 are sold, whichever is lower, for up to 30 years:

17	Loan	Amount
18	Greenfields Irrigation District	
19	Hydropower Development	\$1,500,000
20	DNRC Conservation and Resource Development Division	
21	Refinance Existing Debt or Rehabilitation of Infrastructure Facilities	\$8,000,000
22	Central Montana Regional Water Authority	
23	Local Match for Central Montana Regional Water Projects	\$5,000,000
24	Dry-Redwater Regional Water Authority	
25	Local Match for Dry-Redwater Regional Water Projects	\$10,000,000
26	Dry Prairie Regional Water Authority	
27	Local Match for Dry Prairie Regional Water Projects	\$5,000,000
28	North Central Regional Water Authority	

1	Local Match for North Central Regional Water Projects	\$10,000,000
2	Lower Willow Creek Irrigation District	
3	Right Subdrain Repair Project	\$200,000
4	Huntley Irrigation District Reauthorization	
5	Tunnel 2 and Canal System	\$3,500,000
6	Lockwood Irrigation District	
7	Box Elder Siphon, Pump Station, and Pump 3	\$1,550,000
8	St. Mary's Milk River Project Beneficiaries Share	\$40,000,000

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10 **NEW SECTION. Section 3. Coal severance tax bonds authorized.** (1) The legislature finds that

11 Title 17, chapter 5, part 7, provides for the issuance of coal severance tax bonds for financing specific,

12 approved, renewable resource projects as part of the state renewable resource grant and loan program.

13 Available funds from previous sales of coal severance tax bonds, plus any additional principal amount on bonds

14 as may be necessary, pursuant to the conditions described in 85-1-605, to fund emergency loans, as

15 authorized and approved in accordance with 85-1-605(4), may also be used for the projects approved in

16 [sections 1 and 2]. The board of examiners is authorized to issue coal severance tax bonds in an amount not to

17 exceed \$121,198,444 in the biennium beginning July 1, 2025, of which up to \$12,119,844 is to be used to

18 establish a reserve for the bonds. Proceeds of the bonds are appropriated to the department of natural

19 resources and conservation for financing the projects identified in [sections 1 and 2] and may be used as

20 authorized in 85-1-605(4). Loans made under 85-1-605(4) must bear interest at the rate borne by the state

21 bonds unless the legislature in a subsequent session provides for a lower interest rate, in which case the rate

22 must be reduced to the rate specified by the legislature.

23 (2) In connection with the issuance of coal severance tax bonds, the board of examiners may pay

24 the principal and interest on the bonds when due from the debt service account and in all other respects

25 manage and use the funds within each special bond account for the benefit of the bonds. The board of

26 examiners shall exercise its discretion to enhance the marketability of the bonds and to secure the most

27 advantageous financial arrangements for the state.

28 (3) Earnings on the bond proceeds prior to the completion of any loan must be allocated to the

1 debt service account to pay the debt service on the bonds during this period. Earnings in excess of debt  
2 service, if any, must be allocated to the natural resources projects state special revenue account established in  
3 15-38-302.

4 (4) Loan repayments from loans financed with coal severance tax bonds are pledged, dedicated,  
5 and appropriated to the debt service account in the state treasury for the benefit of bonds approved for loans  
6 under this section.

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8 **NEW SECTION. Section 4. Condition of loans.** (1) Disbursement of funds under [sections 1 through  
9 3] for loans is subject to the following conditions that must be met by project sponsors:

10 (a) approval of a scope of work and budget for the project by the department of natural resources  
11 and conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

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

13 (c) satisfactory completion of conditions described in the recommendations section of the project  
14 narrative in the renewable resource grant and loan program project evaluations and recommendations report;

15 (d) execution of a loan agreement with the department of natural resources and conservation; and

16 (e) completion of other specific requirements considered necessary by the department of natural  
17 resources and conservation to accomplish the purpose of the loan as evidenced from the application to the  
18 department or from the proposal to the legislature.

19 (2) Each sponsor authorized for a loan from coal severance tax bond proceeds may be required to  
20 pay to the department of natural resources and conservation a pro rata share of the bond issuance costs and  
21 the administrative costs incurred by the department to complete the loan transaction.

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23 **NEW SECTION. Section 5. Private and discount purchase of loans.** Loans to political subdivisions  
24 and local government entities pursuant to [sections 1 through 3] and bonds, warrants, and notes issued in  
25 evidence of those loans may be made, purchased by, and sold to the department of natural resources and  
26 conservation at a discount and at a private negotiated sale, notwithstanding the provisions of any other law  
27 applicable to political subdivisions or local government entities.

