

1 HOUSE BILL NO. 6
2 INTRODUCED BY M. HOPKINS, J. FITZPATRICK
3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, OFFICE OF
4 BUDGET AND PROGRAM PLANNING

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RENEWABLE RESOURCE GRANT AND
7 LOAN PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND
8 CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM;
9 PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS;
10 PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE NATURAL
11 RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT; APPROPRIATING MONEY FOR A
12 GRANT- CONTINGENT LOAN FOR ~~THE SAINT MARY'S SIPHON REPLACEMENT MILK RIVER REPAIR~~
13 PROJECTS; PROVIDING FOR COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE."
14

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

16
17 NEW SECTION. Section 1. Appropriations for renewable resource grants. (1) For the biennium
18 beginning July 1, 2023, there is appropriated to the department of natural resources and conservation from the
19 natural resources projects state special revenue account established in 15-38-302 up to:

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

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1 (2) The amount of ~~\$6,250,000~~ \$6,350,000 is appropriated to the department of natural resources
2 and conservation from the natural resources projects state special revenue account established in 15-38-302
3 for the biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the
4 department to the named entities for the described purposes and in the grant amounts listed in subsection (4),
5 subject to the conditions set forth in [sections 2 and ~~36~~] and the contingencies described in the renewable
6 resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive
7 Budget Fiscal Years 2023-2025 Volume 6".

8 (3) Funds must be awarded up to the amounts approved in subsection (4) in the following listed
9 order of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must
10 be provided for projects farther down the priority list that would not otherwise receive funding. If at any time a
11 grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the
12 department of natural resources and conservation. After all eligible projects are funded, remaining funds may
13 be used for any renewable resource project authorized under this section.

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

15 RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

16 Applicant/Project	Amount
17 Cooke City	
18 Cooke City Wastewater Treatment and Collection System	\$125,000
19 West Yellowstone, Town of	
20 West Yellowstone Wastewater Treatment Plant Project	\$125,000
21 Red Lodge, City of	
22 Red Lodge Wastewater System Improvements	\$125,000
23 Superior, Town of	
24 Superior Wastewater System Improvements Project	\$125,000
25 Choteau, City of	
26 Choteau Water System Improvements	\$125,000
27 Cascade, Town of	

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	Cascade Wastewater System Improvements	\$125,000
2	Sand Coulee, Town of	
3	Sand Coulee Wastewater Improvements	\$125,000
4	Kalispell, City of	
5	Kalispell Morning Star Court Water and Wastewater Improvement Project	\$125,000
6	Saco, Town of	
7	Saco Wastewater System Improvements	\$125,000
8	Drummond, Town of	
9	Drummond Wastewater Treatment Facility Upgrade	\$125,000
10	Craig County WSD	
11	Craig Wastewater System Improvements	\$125,000
12	Gallatin Canyon County Water Sewer District	
13	Gallatin Canyon County Water Sewer District Gallatin Canyon Sewer Project Phase 1.2	
14		\$125,000
15	Thompson Falls, City of	
16	Thompson Falls Water System Improvements Project	\$125,000
17	Corvallis County Sewer District	
18	Corvallis Wastewater Collection System Improvements	\$125,000
19	Helena, City of	
20	Helena Red Mountain Flume Repairs Project #22-05	\$125,000
21	Havre, City of	
22	Havre Water System Improvements Project	\$125,000
23	Bigfork County Water and Sewer District	
24	Bigfork County Water and Sewer District West Trunk Sewer Replacement and Collection Basin	
25	Rehabilitation Project	\$125,000
26	Belt, Town of	
27	Belt Water System Improvements	\$125,000

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	Lincoln County	
2	Lincoln County Libby Creek Community Water and Wastewater Improvements	\$125,000
3	Richey, Town of	
4	Richey Water Main Replacement Phase 2	\$125,000
5	Geraldine, Town of	
6	Geraldine Water System Improvements	\$125,000
7	Victor Water and Sewer District	
8	Victor Wastewater Collection and Treatment Improvements Project	\$125,000
9	Forsyth, City of	
10	Forsyth Water System Improvements	\$125,000
11	Townsend, Town of	
12	Townsend Water System Improvements Project	\$125,000
13	Martinsdale Water and Sewer District	
14	Martinsdale Water and Sewer District Water System Improvements	\$125,000
15	Twin Bridges, Town of	
16	Twin Bridges Water System Improvements	\$125,000
17	Dodson, Town of	
18	Dodson Water System Improvements	\$125,000
19	Sunburst, Town of	
20	Sunburst Wastewater Distribution and Treatment Project	\$125,000
21	Philipsburg, Town of	
22	Water Main Replacement Alley between Broadway and Stockton (Duffy-Sansome)	\$125,000
23	Missoula, City of	
24	Missoula Comprehensive Stormwater Plan	\$125,000
25	Denton, Town of	
26	Denton Wastewater System Upgrades Phase 1	\$125,000
27	Dutton, Town of	

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	Dutton Water System Improvements	\$125,000
2	Circle, Town of	
3	Circle Waterline Replacement Project Phase 4	\$125,000
4	Clancy Water and Sewer District	
5	Clancy Water and Sewer District Water System Improvements	\$125,000
6	Basin County Water and/or Sewer District	
7	Basin Water System Improvements Project	\$125,000
8	Wolf Point, City of	
9	Wolf Point Wastewater Project Phase 1	\$125,000
10	Hideaway Community County Water & Sewer District	
11	Hideaway Court Community Sewer Project (HCCWSD)	\$125,000
12	Chester, Town of	
13	Chester Wastewater Improvements Project	\$125,000
14	Troy, City of	
15	Troy Water System Improvements Project	\$125,000
16	Lockwood Water and Sewer District	
17	Lockwood Water and Sewer District Mid Zone Reservoir	\$125,000
18	Hot Springs, Town of	
19	Hot Springs Sewer Lagoon Rehabilitation Project	\$125,000
20	Hingham, Town of	
21	Hingham Wastewater System Improvements Project	\$125,000
22	Chester, Town of	
23	Chester Water System Improvements Project	\$125,000
24	Shelby, City of	
25	Shelby Wastewater Improvements Project	\$125,000
26	Conrad, City of	
27	Conrad Storm Water Project	\$125,000

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	Absarokee Water and Sewer District	
2	Absarokee Water and Sewer District Water System Improvements	\$125,000
3	North Cut Bank Glacier County Water and Sewer District	
4	North Cut Bank Glacier County Wastewater Lift Station Improvements	\$125,000
5	Yellowstone Boys and Girls Ranch County Water and Sewer District	
6	Yellowstone Boys and Girls Ranch County WSD Wastewater System Improvements	
7		\$125,000
8	Judith Gap, Town of	
9	Judith Gap Wastewater Water Line and Meter Upgrade Project	\$125,000
10	Boulder, City of	
11	Boulder Drinking Water System Improvements	\$125,000
12	<u>ANACONDA - DEER LODGE COUNTY</u>	
13	<u>WATER & SEWER PLANNING PROJECT</u>	<u>\$100,000</u>

14 (5) The amount of ~~\$2,500,000~~ \$2,560,000 is appropriated to the department of natural resources
15 and conservation from the natural resources projects state special revenue account established in 15-38-302
16 for the biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the
17 department to the named entities for the described purposes and in the grant amounts listed in subsection (7),
18 subject to the conditions set forth in [sections 2 and 36] and the contingencies described in the renewable
19 resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive
20 Budget Fiscal Years 2023-2025 Volume 6".

21 (6) Funds must be awarded up to the amounts approved in subsection (7) in the following listed
22 order of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must
23 be provided for projects farther down the priority list that would not otherwise receive funding. If at any time a
24 grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the
25 department of natural resources and conservation. After all eligible projects are funded, remaining funds may
26 be used for any renewable resource project authorized under this section.

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

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS	
2	Applicant/Project	Amount
3	Greenfields Irrigation District	
4	Greenfields Irrigation District Pishkun Inlet Hydroelectric Project	\$125,000
5	Lower Yellowstone Irrigation District #1	
6	Lower Yellowstone Irrigation District #1 Thomas Point Pumping Plant Rehabilitation	\$125,000
7	Lower Yellowstone Irrigation Project	
8	Lower Yellowstone Irrigation Project Critical Structures Rehabilitation Project	\$125,000
9	Helena Valley Irrigation District	
10	Helena Valley Irrigation District Regulating Reservoir Preservation & Bypass Project	\$125,000
11	Buffalo Rapids Irrigation Project 2	
12	Shirley Main Canal Rehabilitation Phase 2	\$125,000
13	Pondera County Conservation District	
14	Pondera County Conservation District Birch Creek Diversion Automation Project	\$125,000
15	Madison County	
16	Madison County Big Hole River Restoration Design and Permitting	\$125,000
17	Ruby Valley Conservation District	
18	Ruby Valley CD Upper Jefferson Channel Restoration Project	\$125,000
19	Newlan Creek Water District	
20	Newlan Creek Water District Newlan Creek Dam Safety Improvements	\$125,000
21	Savage Irrigation District	
22	Savage Irrigation District Pump Station Rehabilitation	\$125,000
23	Pondera County Conservation District	
24	Pondera County Conservation District PCCRC C-Canal Headworks Automation	\$125,000
25	East Bench Irrigation District	
26	East Bench Irrigation District Carter Creek Lining & Headgate Automation	\$125,000
27	Buffalo Rapids Irrigation Project 1	

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1	Eiker Reach Canal Rehabilitation Project	\$125,000
2	Hill County	
3	Hill County Beaver Creek Dam Tailwater Channel Restoration	\$125,000
4	Granite Conservation District	
5	Granite Conservation District - Allendale Ditch Rehabilitation	\$125,000
6	Blaine County	
7	Blaine County NCIA North Chinook Reservoir Dam Outlet Rehabilitation Project	\$125,000
8	Paradise Valley Irrigation District	
9	Paradise Valley Irrigation District Hillside Ditch Pipeline Conversion Phase 2	\$125,000
10	Huntley Project Irrigation District	
11	Highline Discharge Pipeline Rehabilitation	\$125,000
12	Tin Cup Water and Sewer District	
13	Tin Cup and Mill Ditch Improvements	\$125,000
14	Billings, City of	
15	Rim Tunnel Rehabilitation Project	\$125,000
16	<u>CLINTON IRRIGATION DISTRICT</u>	
17	<u>SCHOOLHOUSE LATERAL PIPELINE CONVERSION</u>	<u>\$60,000</u>

18

19 **NEW SECTION. Section 2. Coordination of fund sources for grants to political subdivisions**

20 **and local governments.** A project sponsor listed under [section 1(4) or section 1(7)] may not receive funds

21 from both the reclamation and development grants program and the renewable resource grant and loan

22 program for the same project during the same biennium.

23

24 **NEW SECTION. Section 3. Milk River repair and maintenance fund.** (1) There is an account in the

25 state special revenue fund established in 17-2-102 to be known as the Milk River repair and maintenance fund.

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

27 (3) Eligible uses include long-term operations and maintenance of the Milk River project, and the

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1 authorization of loans specified in [Section 4].

2

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

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

8 (3) Loan repayment may be interest only.

9 (4) The interest repaid must be placed in the state special revenue account established in [section
10 3] for use by the Milk River project for long-term operation and maintenance of the Milk River project.

11

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

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

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

24

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

27 (1) A scope of work, schedule, and budget for the project must be approved by the department of

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1 natural resources and conservation. Any changes in scope of work or budget after legislative approval may not
2 change project goals and objectives. Changes in activities that would reduce the public or natural resource
3 benefits as presented in department of natural resources and conservation reports and applicant testimony to
4 the 68th legislature may result in a proportional reduction in the grant amount.

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

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

10 (4) Any other specific requirements considered necessary by the department must be met to
11 accomplish the purpose of the grant as evidenced from the application to the department or from the proposal
12 as presented to the legislature.

13
14 **NEW SECTION. Section 7. Appropriations established.** There is appropriated to any entity of state
15 government that receives a grant under [section 1] the amount of the grant upon award of the grant by the
16 department of natural resources and conservation. Grants to entities from prior bienniums are reauthorized for
17 completion of contract work.

18
19 **NEW SECTION. Section 8. Approval of grants -- completion of biennial appropriation.** The
20 legislature, pursuant to 85-1-605, approves the renewable resource programs grants listed in [section 1]. The
21 authorization of these grants constitutes a biennial appropriation from the natural resources projects state
22 special revenue account established in 15-38-302.

23
24 **NEW SECTION. Section 9. Notification to tribal governments.** The secretary of state shall send a
25 copy of [this act] to each federally recognized tribal government in Montana.

26
27 **NEW SECTION. Section 10. TRANSFER OF FUNDS. BY JULY 1, 2023, THE STATE TREASURER SHALL**

Amendment - 1st Reading/2nd House-blue - Requested by: Mike Lang - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0006.002.001

1 TRANSFER \$26 MILLION FROM THE GENERAL FUND TO THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE
2 ACCOUNT ESTABLISHED IN 15-38-302.

3
4 NEW SECTION. Section 11. APPROPRIATION -- contingency. ~~THERE~~ Contingent on satisfaction of the
5 conditions in [section 5], there IS APPROPRIATED \$26 MILLION FROM THE NATURAL RESOURCES PROJECTS STATE
6 SPECIAL REVENUE ACCOUNT ESTABLISHED IN 15-38-302 TO THE DEPARTMENT OF NATURAL RESOURCES AND
7 CONSERVATION FOR THE BIENNIUM BEGINNING JULY 1, 2023, FOR A ~~GRANT~~ loan TO THE MILK RIVER JOINT BOARD OF
8 CONTROL FOR THE PROJECT STAKEHOLDER COST SHARE FOR THE ~~SAINT MARY'S UNIT SIPHON REPLACEMENT- Milk~~
9 River repair PROJECTS.

10
11 COORDINATION SECTION. Section 12. Coordination instruction. (1) If both [this act] and an act
12 that provides additional funding for renewable resource grant and loan program grants from a source other than
13 the natural resources projects state special revenue account established in 15-38-302 are passed and
14 approved, the projects listed in [section 1(4) and section 1(7) of this act] that do not receive funding from the
15 appropriations in [section 1(2) and section 1(5) of this act] may receive funding from the appropriation in the
16 other act designated for renewable resource grant and loan program grants in the order of completion of the
17 conditions of [section ~~36~~ of this act] and to the extent that there is appropriation authority available.

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

20
21 NEW SECTION. Section 13. Severability. If a part of [this act] is invalid, all valid parts that are
22 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
23 the part remains in effect in all valid applications that are severable from the invalid applications.

24
25 NEW SECTION. Section 14. Effective date. [This act] is effective July 1, 2023.

26 - END -