

HOUSE BILL NO. 7

INTRODUCED BY J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations for reclamation and development grants. (1) There is appropriated up ~~to \$1.5 million to \$750,000~~ from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants for planning reclamation and development projects to be awarded by the department over the course of the biennium beginning July 1, 2025.

~~(2) — There is appropriated up to \$5.3 million from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants for pilot water storage planning and projects to be awarded by the department over the course of the biennium beginning July 1, 2025.~~

~~(3)(2)~~ There is appropriated ~~\$7,110,975~~ \$3,774,208 from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants to political subdivisions and local governments during the biennium beginning July 1, 2025. The funds in this subsection ~~(3)(2)~~ must be awarded by the department to the named entities for the described purposes and in the grant amounts set out in subsection ~~(5)-(4)~~ subject to the conditions set forth in [sections 2 and 3] and the contingencies described in the reclamation and development grants program report to the 69th legislature titled: "Governor's Executive Budget Fiscal Years 2026–2027 Volume 5".

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(4)(3) Funds must be awarded up to the amounts approved in this section in the order of priority listed in subsection (5)-(4) until the 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. After all eligible projects are funded, any remaining funds may be used for any reclamation and development project authorized under this section.

(5)(4) The prioritized grant applicants and projects are as follows:

Rank	Applicant/Project	Amount
1	Powell County	
	Upper Little Blackfoot Watershed Mine Reclamation Project	\$495,123
2	Lewis and Clark County	
	Upper Blackfoot Mining Complex Water Treatment Plant Upgrades	\$479,085
3	Montana Department of Environmental Quality	
	DEQ Landusky Biological Treatment Plant Improvement	\$500,000
4	Powell County	
	Milwaukee Roundhouse Soil Remediation Phase 2	\$500,000
5	Cooke Pass, Cooke City, Silver Gate Sewer District	
	Cooke City Wastewater System	\$500,000
6	Beaverhead Conservation District	
	Elkhorn Mine and Mill Remedy and Restoration	\$300,000
7	DNRC Water Resources Division	
	DNRC Painted Rocks Dam Rehabilitation Phase 1	
	DNRC Willow Creek Dam Rehabilitation	\$500,000
8	DNRC Water Resources Division	
	DNRC East Fork of Rock Creek Dam Rehabilitation	\$500,000
9	Montana Department of Environmental Quality	
	DEQ CR Kendall Mine Long-Term Seep Water Management	\$290,352
	10 Ruby Valley Conservation District	
	Upper Ruby River Habitat Rehabilitation Demonstration	\$458,700

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1	4410 DNRC Water Resources Division	
2	DNRC Willow Creek Dam Rehabilitation	
3	Painted Rocks Dam Rehabilitation Phase I	\$500,000
4	12 Granite County	
5	Flint Creek Watershed Resiliency and Drought Mitigation	\$300,000
6	4311 Milk River Joint Board of Control	
7	Milk River Joint Board of Control Fresno Dam and Spillway Rehabilitation Project	\$500,000
8	4412 Glasgow, City of	
9	Glasgow Levee Improvements	\$243,445
10	4513 Forsyth, City of	
11	Forsyth Slaughterhouse Creek Flood Mitigation	\$500,000
12	16 DNRC Water Resources Division	
13	DNRC Front Range Flood Preparedness	\$310,000
14	4714 Montana Technological University	
15	Phytomining Remediation and Minerals Recovery Demonstration	\$234,270
16	15 Granite County	
17	Flint Creek Watershed Resiliency and Drought Mitigation	\$300,000

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

and local governments. A grant recipient listed under ~~[section 1(5)]~~ [section 1(4)] 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.

NEW SECTION. **Section 3. Condition of grants.** The disbursement of funds under [section 1] is

subject to the following conditions that must be met by the grant recipient:

- (1) The grant recipient must have a scope of work, schedule, and budget for the project that is approved by the department of natural resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may not alter project goals and objectives. Changes in activities that would

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legislature, pursuant to 90-2-1111, approves the reclamation and development 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.

NEW SECTION. Section 6. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

NEW SECTION. Section 7. Coordination instruction. (1) If both [this act] and an act that provides additional funding for reclamation and development 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(5) of this act]~~ ~~[section 1(4) of this act]~~ that do not receive funding from the appropriations in ~~[section 1(3) of this act]~~ in ~~[section 1(2) of this act]~~ may receive funding from the appropriation in the other act designated for reclamation and development grants as follows:

(a) in the order of completion of the conditions of [section 3 of this act]; and

(b) to the extent that there is appropriation authority available.

(2) If both [section 1(1)(b) of House Bill No. 6] and [section 1(1) of this act] are passed and approved and if all of the ~~\$1.5 million~~ ~~\$750,000~~ in grant funds authorized in [section 1(1) of this act] are not expended for planning reclamation and development projects by the end of the biennium, then projects eligible for funding under [section 1(1)(b) of House Bill No. 6] are eligible to apply for funding under [section 1(1) of this act] for renewable resource project planning grants.

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. Effective date. [This act] is effective July 1, 2025.

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