

HOUSE BILL NO. 6

INTRODUCED BY J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "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 THE COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations. (1) There is appropriated 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 July1, 2025, up to:

- (a) \$500,000 for emergency projects grants to be awarded by the department over the biennium;
- (b) \$2 million 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) \$150,000 for private grants to be awarded by the department over the biennium; and
- (e) \$1 million for nonpoint source pollution reduction grants to be awarded by the department over the biennium.

(2) There is appropriated \$5.25 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, 2025. The funds in this subsection (2) 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 3] and the contingencies described in the renewable resource grant and loan program's January 2025 report to the 69th legislature titled: "Governor's Executive Budget Fiscal Years 2026–

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1 2027 Volume 6".

2 (3) Funds must be awarded up to the amounts approved in subsection (4) in the order of priority
3 listed until the available funds are expended. Funds not accepted or used by higher-ranked projects must be
4 provided for projects farther down the priority list that would not otherwise receive funding. If at any time a grant
5 recipient determines that a project will not begin before June 30, 2027, the grant recipient shall notify the
6 department of natural resources and conservation. After all eligible projects are funded, any remaining funds
7 may be used for any renewable resource project authorized under this section.

8 (4) The prioritized infrastructure grant projects are as follows:

9 RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

10 Rank	Applicant/Project	Amount
11 1	Arlee Lake County Water and Sewer District	
12	Arlee Lake County Water and Sewer District Wastewater System Upgrades	\$125,000
13 2	Whitehall, Town of	
14	Whitehall Drinking Water System Improvements	\$125,000
15 3	Deer Lodge, City of	
16	Deer Lodge Wastewater Collection System Improvements	\$125,000
17 4	Missoula, City of	
18	Missoula Public Library Living Roof Stormwater Control	\$125,000
19 54	Harrison Water and Sewer District	
20	Harrison Wastewater System Improvements	\$125,000
21 65	Madison County	
22	Madison County Pennington Bridge Big Hole River Restoration	\$125,000
23 76	South Wind County Water and Sewer District	
24	South Wind Drinking Water and Wastewater Improvements, Phase 4	\$125,000
25 87	Willow Creek Sewer District	
26	Willow Creek Sewer District Wastewater System Improvements	\$125,000
27 98	Roundup, City of	
28	Roundup Wastewater Lagoon System Upgrades	\$125,000

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1	409 Judith Basin County	
2	Judith Basin County Geyser Wastewater Treatment System Improvements	\$125,000
3	4110 Martinsdale Water and Sewer District	
4	Martinsdale Water and Sewer District Water System Improvements	\$125,000
5	4211 Alder Water and Sewer District	
6	Alder Water and Sewer District Wastewater System Improvements	\$125,000
7	4312 Fairfield, Town of	
8	Fairfield Drinking Water System Improvements	\$125,000
9	4413 Dutton, Town of	
10	Dutton Drinking Water System Improvements, Phase 2	\$125,000
11	4514 Circle, Town of	
12	Circle Water System Improvements, Phase 5	\$125,000
13	4615 Malta, City of	
14	Malta Drinking Water System Improvements	\$125,000
15	4716 Red Lodge, City of	
16	Red Lodge Wastewater System Improvements, Phases 2 and 3	\$125,000
17	4817 Hysham, Town of	
18	Hysham Drinking Water System Improvements, Phase 2	\$125,000
19	4918 Darby, Town of	
20	Darby Wastewater System Improvements	\$125,000
21	2019 Sheridan, Town of	
22	Sheridan Drinking Water System Improvements	\$125,000
23	2120 Richey, Town of	
24	Richey Drinking Water System Improvements, Phase 3	\$125,000
25	2221 Ennis, Town of	
26	Ennis Drinking Water System Improvements	\$125,000
27	2322 Basin Water and/or Sewer District	
28	Basin Water and/or Sewer District Drinking Water System Improvements	\$125,000

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1	2423	Manhattan, Town of	
2		Manhattan Water System Improvements	\$125,000
3	2524	Cooke City Water District	
4		Cooke City Drinking Water Infrastructure Improvements	\$125,000
5	2625	Treasure State Acres Water and Sewer District	
6		Treasure State Acres Wastewater Treatment System Improvements	\$125,000
7	2726	St. Ignatius, Town of	
8		St. Ignatius Wastewater Collection Main Replacement	\$125,000
9	2827	Twin Bridges, Town of	
10		Twin Bridges Drinking Water System Improvements	\$125,000
11	2928	Libby, City of	
12		Libby Wastewater System Improvements	\$125,000
13	3029	Sun Prairie Village County Water and Sewer District	
14		Sun Prairie Village Drinking Water System Upgrades	\$125,000
15	3130	Plentywood, City of	
16		Plentywood Drinking Water System Improvements	\$125,000
17	3231	White Sulphur Springs, City of	
18		White Sulphur Springs Drinking Water System Improvements	\$125,000
19	3332	Big Timber, City of	
20		Big Timber Drinking Water Storage Improvements	\$125,000
21	3433	Wolf Point, City of	
22		Wolf Point Wastewater System Improvements, Phase 3	\$125,000
23	3534	Bigfork County Water and Sewer District	
24		Bigfork Drinking Water System Improvements	\$125,000
25	3635	Shelby, City of	
26		Shelby Wastewater System Improvements	\$125,000
27	3736	Ronan, City Of	
28		Ronan Wastewater System Improvements	\$125,000

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1	<u>3837</u>	Bearcreek, Town of	
2		Bearcreek Drinking Water System Improvements, Phase 1	\$125,000

3	<u>3938</u>	Conrad, City of	
4		Conrad Wastewater System Improvements	\$125,000

5	<u>4039</u>	Pinesdale, Town of	
6		Pinesdale Drinking Water System Improvements	\$125,000

7	<u>4140</u>	Hinsdale County Water and Sewer District	
8		Hinsdale County Water and Sewer District Water System Upgrades	\$125,000

9	<u>4241</u>	Joliet, Town of	
10		Joliet Wastewater System Improvements	\$125,000

(5) There is appropriated \$3,474,500 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, 2025. The funds in this subsection (5) 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 3] and the contingencies described in the renewable resource grant and loan program's January 2025 report to the 68th legislature titled: "Governor's Executive Budget Fiscal Years 2026–2027 Volume 6".

(6) Funds must be awarded up to the amounts approved in subsection (7) in the order of priority listed 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. If at any time a grant recipient determines that a project will not begin before June 30, 2027, the grant recipient shall notify the department of natural resources and conservation. After all eligible projects are funded, any remaining funds may be used for any renewable resource project authorized under this section.

(7) The prioritized irrigation grant projects are as follows:

RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS

Rank	Applicant/Project	Amount
1	Granite County Conservation District	
	Granite County Flint Creek Dam Improvements	\$125,000

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1	2	Pondera County Conservation District	
2		Pondera County Conservation District S-Canal Pipeline Conversion	\$125,000
3	3	Yellowstone County	
4		Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management	
5		Improvements	\$125,000
6	4	Yellowstone Irrigation District	
7		Yellowstone Irrigation District Canal Rehabilitation	\$125,000
8	5	Lower Yellowstone Irrigation District #1	
9		Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2	
10			\$125,000
11	6	Savage Irrigation District	
12		Savage Irrigation District Pumping Plant Rehabilitation, Phase 2	\$125,000
13	7	Clinton Irrigation District	
14		Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4	\$125,000
15	8	Helena Valley Irrigation District	
16		Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation	
17			\$125,000
18	9	Helena Valley Irrigation District	
19		Helena Valley Irrigation District Pumping Plant Automation	\$125,000
20	10	Greenfields Irrigation District	
21		Greenfields Irrigation District Check Replacement, Phase 2	\$125,000
22	11	Tongue and Yellowstone River Irrigation District	
23		Tongue and Yellowstone River Irrigation District Cowles Creek Flume Replacement	
24			\$125,000
25	12	Tongue and Yellowstone River Irrigation District	
26		Tongue and Yellowstone River Irrigation District Jones Creek Flume and Canal Conversion	
27			\$125,000
28	13	Bitterroot Conservation District	

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1	Bitterroot Conservation District Union Diversion Resource Improvements	\$125,000
2	14 Fort Belknap Irrigation District	
3	Fort Belknap Irrigation District Main Canal Lining Project	\$125,000
4	15 Petroleum County Conservation District	
5	Petroleum County Conservation District McDonald Creek Diversion Structures Replacement	
6		\$125,000
7	16 Malta Irrigation District	
8	Malta Irrigation District Black Coulee Siphon Replacement	\$125,000
9	17 Yellowstone Irrigation District	
10	Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1	\$125,000
11	18 Sweet Grass Conservation District	
12	Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation	\$125,000
13	19 Petrolia Irrigation District	
14	Petrolia Irrigation District Main Canal Pipeline Conversion	\$125,000
15	20 Glen Lake Irrigation District	
16	Glen Lake Irrigation District Doxie Slough Seepage Mitigation Project	\$125,000
17	21 Granite Conservation District	
18	Granite Conservation District Allendale Ditch Rehabilitation	\$125,000
19	22 Hammond Irrigation District	
20	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	\$125,000
21	23 Greenfields Irrigation District	
22	Greenfields Irrigation District J-Wasteway Modernization	\$125,000
23	24 Bitter Root Irrigation District	
24	Bitter Root Irrigation District Diversion Control Modernization	\$99,500
25	25 Zurich Irrigation District	
26	Zurich Irrigation District Brown Creek Siphon Rehabilitation	\$125,000
27	26 Kinsey Irrigation District	
28	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	\$125,000

1	27	Kinsey Irrigation District	
2		Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	\$125,000
3	28	Fort Shaw Irrigation District	
4		Fort Shaw Irrigation District Simms Creek Siphon Replacement	\$125,000

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

7 **and local governments.** A grant recipient listed under [section 1(4) and (7)] may not receive funds from both
8 the reclamation and development grants program and the renewable resource grant and loan program for the
9 same project during the same biennium.

10

11 **NEW SECTION. Section 3. Condition of grants.** The disbursement of funds under [section 1] is
12 subject to the following conditions that must be met by the grant recipient:

13 (1) The grant recipient must have a scope of work, schedule, and budget for the project that is
14 approved by the department of natural resources and conservation. Any changes in scope of work or budget
15 after legislative approval may not alter project goals and objectives. Changes in activities that would reduce the
16 public or natural resource benefits as presented in department of natural resources and conservation reports
17 and applicant testimony to the 69th legislature may result in a proportional reduction in the grant amount.

18 (2) The grant recipient must document that other matching funds required for completion of the
19 project are firmly committed.

20 (3) The grant recipient must have a project management plan that is approved by the department
21 of natural resources and conservation.

22 (4) The grant recipient shall comply with the auditing and reporting requirements provided for in 2-
23 7-503 and establish a financial accounting system that the department can reasonably ensure conforms to
24 generally accepted accounting principles. Tribal governments shall comply with the auditing and reporting
25 requirements provided for in 2 CFR 200.

26 (5) The grant recipient shall satisfactorily complete the conditions described in the
27 recommendation section of the project narrative of the program report to the legislature for the biennium ending
28 June 30, 2027, or, in the case of planning grants issued under [section 1(1)], complete the conditions specified

at the time of written notification of the approved grant authority.

(6) The grant recipient shall execute a grant agreement with the department of natural resources and conservation.

(7) 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.

NEW SECTION. Section 4. 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 biennia are reauthorized for the completion of contract work.

NEW SECTION. Section 5. Approval of grants -- completion of biennial appropriation. The legislature, pursuant to 85-1-605, approves the renewable resource grant and loan program 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. 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.

COORDINATION SECTION. Section 8. 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 (7) of this act] that do not receive funding from the

Amendment - 1st Reading-white - Requested by: John Fitzpatrick - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0006.001.006

1 appropriations in [section 1(2) and (5) of this act] may receive funding from the appropriation in the other act
2 designated for renewable resource grant and loan program grants in the order of completion of the conditions of
3 [section 3 of this act] and to the extent that there is appropriation authority available.

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

6

7 **NEW SECTION. Section 9. Effective date.** [This act] is effective July 1, 2025.

8

- END -