

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~~ \$1 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~~ \$500,000 for nonpoint source pollution reduction grants to be awarded by the department over the biennium.

(2) There is appropriated ~~\$5.25 million~~ \$2.5 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

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Drafter: Julie Johnson,

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1 2026–2027 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 5	Harrison Water and Sewer District	
20	Harrison Wastewater System Improvements	\$125,000
21 6	Madison County	
22	Madison County Pennington Bridge Big Hole River Restoration	\$125,000
23 7	South Wind County Water and Sewer District	
24	South Wind Drinking Water and Wastewater Improvements, Phase 4	\$125,000
25 8	Willow Creek Sewer District	
26	Willow Creek Sewer District Wastewater System Improvements	\$125,000
27 9	Roundup, City of	
28	Roundup Wastewater Lagoon System Upgrades	\$125,000

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

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1	24	Manhattan, Town of	
2		Manhattan Water System Improvements	\$125,000
3	25	Cooke City Water District	
4		Cooke City Drinking Water Infrastructure Improvements	\$125,000
5	26	Treasure State Acres Water and Sewer District	
6		Treasure State Acres Wastewater Treatment System Improvements	\$125,000
7	27	St. Ignatius, Town of	
8		St. Ignatius Wastewater Collection Main Replacement	\$125,000
9	28	Twin Bridges, Town of	
10		Twin Bridges Drinking Water System Improvements	\$125,000
11	29	Libby, City of	
12		Libby Wastewater System Improvements	\$125,000
13	30	Sun Prairie Village County Water and Sewer District	
14		Sun Prairie Village Drinking Water System Upgrades	\$125,000
15	31	Plentywood, City of	
16		Plentywood Drinking Water System Improvements	\$125,000
17	32	White Sulphur Springs, City of	
18		White Sulphur Springs Drinking Water System Improvements	\$125,000
19	33	Big Timber, City of	
20		Big Timber Drinking Water Storage Improvements	\$125,000
21	34	Wolf Point, City of	
22		Wolf Point Wastewater System Improvements, Phase 3	\$125,000
23	35	Bigfork County Water and Sewer District	
24		Bigfork Drinking Water System Improvements	\$125,000
25	36	Shelby, City of	
26		Shelby Wastewater System Improvements	\$125,000
27	37	Ronan, City Of	
28		Ronan Wastewater System Improvements	\$125,000

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1	38	Bearcreek, Town of	
2		Bearcreek Drinking Water System Improvements, Phase 1	\$125,000
3	39	Conrad, City of	
4		Conrad Wastewater System Improvements	\$125,000
5	40	Pinesdale, Town of	
6		Pinesdale Drinking Water System Improvements	\$125,000
7	41	Hinsdale County Water and Sewer District	
8		Hinsdale County Water and Sewer District Water System Upgrades	\$125,000
9	42	Joliet, Town of	
10		Joliet Wastewater System Improvements	\$125,000

(5) There is appropriated ~~\$3,474,500~~ \$2,500,000 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

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1	21	Pondera County Conservation District	
2		Pondera County Conservation District S-Canal Pipeline Conversion	\$125,000
3	32	Yellowstone County	
4		Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management	
5		Improvements	\$125,000
6	43	Yellowstone Irrigation District	
7		Yellowstone Irrigation District Canal Rehabilitation	\$125,000
8	54	Lower Yellowstone Irrigation District #1	
9		Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2	
10			\$125,000
11	65	Savage Irrigation District	
12		Savage Irrigation District Pumping Plant Rehabilitation, Phase 2	\$125,000
13	76	Clinton Irrigation District	
14		Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4	\$125,000
15	87	Helena Valley Irrigation District	
16		Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation	
17			\$125,000
18	98	Helena Valley Irrigation District	
19		Helena Valley Irrigation District Pumping Plant Automation	\$125,000
20	109	Greenfields Irrigation District	
21		Greenfields Irrigation District Check Replacement, Phase 2	\$125,000
22	110	Tongue and Yellowstone River Irrigation District	
23		Tongue and Yellowstone River Irrigation District Cowles Creek Flume Replacement	
24			\$125,000
25	121	Tongue and Yellowstone River Irrigation District	
26		Tongue and Yellowstone River Irrigation District Jones Creek Flume and Canal Conversion	
27			\$125,000
28	1312	Bitterroot Conservation District	

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1	Bitterroot Conservation District Union Diversion Resource Improvements	\$125,000
2	4413 Fort Belknap Irrigation District	
3	Fort Belknap Irrigation District Main Canal Lining Project	\$125,000
4	4514 Petroleum County Conservation District	
5	Petroleum County Conservation District McDonald Creek Diversion Structures Replacement	
6		\$125,000
7	4615 Malta Irrigation District	
8	Malta Irrigation District Black Coulee Siphon Replacement	\$125,000
9	4716 Yellowstone Irrigation District	
10	Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1	\$125,000
11	4817 Sweet Grass Conservation District	
12	Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation	\$125,000
13	4918 Petrolia Irrigation District	
14	Petrolia Irrigation District Main Canal Pipeline Conversion	\$125,000
15	2019 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	2220 Hammond Irrigation District	
20	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	\$125,000
21	2321 Greenfields Irrigation District	
22	Greenfields Irrigation District J-Wasteway Modernization	\$125,000
23	2422 Bitter Root Irrigation District	
24	Bitter Root Irrigation District Diversion Control Modernization	\$99,500
25	2523 Zurich Irrigation District	
26	Zurich Irrigation District Brown Creek Siphon Rehabilitation	\$125,000
27	2624 Kinsey Irrigation District	
28	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	\$125,000

1 ~~2725~~ Kinsey Irrigation District
2 Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion \$125,000

3 ~~2826~~ Fort Shaw Irrigation District
4 Fort Shaw Irrigation District Simms Creek Siphon Replacement \$125,000

5
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