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1	HOUSE BILL NO. 6		
2	INTRODUCED BY J. FITZPATRICK		
3	BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING		
4			
5	A BILL FOR A	AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RENEWABLE RESOURCE GRANT AND	
6	LOAN PROG	RAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND	
7	CONSERVAT	TION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM;	
8	PRIORITIZING PROJECT GRANTS AND AMOUNTS; REQUIRING A LOCAL GOVERNMENT TO		
9	ESTABLISH A	AND FUND A CAPITAL RESERVE ACCOUNT BEFORE RECEIVING GRANT FUNDING;	
10	AMENDING SECTION 85-1-612, MCA; ESTABLISHING CONDITIONS FOR GRANTS; PROVIDING FOR THE		
11	COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE."		
12			
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:		
14			
15	NEW	SECTION. Section 1. Appropriations. (1) There is appropriated from the natural resources	
16	projects state special revenue account established in 15-38-302 to the department of natural resources and		
17	conservation t	for the biennium beginning July 1, 2025, up to:	
18	(a)	\$500,000 for emergency projects grants to be awarded by the department over the biennium;	
19	(b)	\$2 million \$1 MILLION for planning grants to be awarded by the department over the biennium;	
20	(c)	\$500,000 for irrigation development grants to be awarded by the department over the	
21	biennium;		
22	(d)	\$150,000 for private grants to be awarded by the department over the biennium; and	
23	(e)	\$1 million \$500,000 for nonpoint source pollution reduction grants to be awarded by the	
24	department over the biennium.		
25	(2)	There is appropriated \$5.25 million \$2.5 MILLION \$4,750,000 from the natural resources projects	
26	state special revenue account established in 15-38-302 to the department of natural resources and		
27	conservation for the biennium beginning July 1, 2025. The funds in this subsection (2) must be awarded by the		



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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
- 3 resource grant and loan program's January 2025 report to the 69th legislature titled: "Governor's Executive
- 4 Budget Fiscal Years 2026–2027 Volume 6".
  - (3) Funds must be awarded up to the amounts approved in subsection (4) 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.
- 11 (4) The prioritized infrastructure grant projects are as follows:

#### 12 RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

13	Rank	Applicant/Project	Amount
14	1	Arlee Lake County Water and Sewer District	
15	Arlee L	ake County Water and Sewer District Wastewater System Upgrades	\$125,000
16	2	Whitehall, Town of	
17	Whiteh	all Drinking Water System Improvements	\$125,000
18	3	Deer Lodge, City of	
19	Deer Lo	odge Wastewater Collection System Improvements	\$125,000
20	4	Missoula, City of	
21	Missou	la Public Library Living Roof Stormwater Control	\$125,000
22	5 <u>4</u>	Harrison Water and Sewer District	
23	Harriso	n Wastewater System Improvements	\$125,000
24	6 <u>5</u>	Madison County	
25	Madiso	n County Pennington Bridge Big Hole River Restoration	\$125,000
26	7 <u>6</u>	South Wind County Water and Sewer District	
27	South \	Nind Drinking Water and Wastewater Improvements, Phase 4	\$125,000



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1	8 <u>7</u>	Willow Creek Sewer District	
2	Willow	w Creek Sewer District Wastewater System Improvements	\$125,000
3	9 <u>8</u>	Roundup, City of	
4	Roun	dup Wastewater Lagoon System Upgrades	\$125,000
5	<del>10</del> <u>9</u>	Judith Basin County	
6	Judith	n Basin County Geyser Wastewater Treatment System Improvements	\$125,000
7	<del>11</del> <u>10</u>	Martinsdale Water and Sewer District	
8	Martii	nsdale Water and Sewer District Water System Improvements	\$125,000
9	<del>12</del> <u>11</u>	Alder Water and Sewer District	
10	Alder	Water and Sewer District Wastewater System Improvements	\$125,000
11	<del>13</del> <u>12</u>	Pairfield, Town of	
12	Fairfi	eld Drinking Water System Improvements	\$125,000
13	<del>14</del> <u>13</u>	Dutton, Town of	
14	Dutto	n Drinking Water System Improvements, Phase 2	\$125,000
15	<del>15</del> <u>14</u>	Circle, Town of	
16	Circle	e Water System Improvements, Phase 5	\$125,000
17	<del>16</del> <u>15</u>	Malta, City of	
18	Malta	Drinking Water System Improvements	\$125,000
19	<del>17</del> <u>16</u>	Red Lodge, City of	
20	Red I	Lodge Wastewater System Improvements, Phases 2 and 3	\$125,000
21	<del>18</del> <u>17</u>	Y Hysham, Town of	
22	Hysh	am Drinking Water System Improvements, Phase 2	\$125,000
23	<del>19</del> <u>18</u>	Darby, Town of	
24	Darby	y Wastewater System Improvements	\$125,000
25	<del>20</del> <u>19</u>	Sheridan, Town of	
26	Sheri	dan Drinking Water System Improvements	\$125,000
27	<del>21</del> <u>20</u>	Richey, Town of	



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



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1	I	<del>35</del> <u>34</u>	Bigfork County Water and Sewer District	
2	2	Bigfork	Drinking Water System Improvements	\$125,000
3	3	36 <u>35</u>	Shelby, City of	
2	1	Shelby	Wastewater System Improvements	\$125,000
5	5	<del>37</del> <u>36</u>	Ronan, City Of	
6	3	Ronan	Wastewater System Improvements	\$125,000
7	7	<del>38</del> <u>27</u>	Bearcreek, Town of	
8	3	Bearcre	eek Drinking Water System Improvements, Phase 1	\$125,000
Ş	)	<del>39</del> <u>38</u>	Conrad, City of	
10	)	Conrad	Wastewater System Improvements	\$125,000
11	I	40 <u>39</u>	Pinesdale, Town of	
12	2	Pinesda	ale Drinking Water System Improvements	\$125,000
13	3	41 <u>40</u>	Hinsdale County Water and Sewer District	
14	1	Hinsda	le County Water and Sewer District Water System Upgrades	\$125,000
15	5	4 <del>2</del> 41	Joliet, Town of	
16	3	Joliet V	Vastewater System Improvements	\$125,000
17	7	(5)	There is appropriated \$3,474,500 <u>\$2,520,000</u> \$2,744,500 from the natura	al resources projects

- (5) There is appropriated \$3,474,500 \$2,520,000 \$2,744,500 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



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1 department of natural resources and conservation. After all eligible projects are funded, any remaining funds 2 may be used for any renewable resource project authorized under this section. 3 (7) The prioritized irrigation grant projects are as follows: 4 RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS 5 Amount Rank Applicant/Project 6 **Granite County Conservation District** 7 \$125,000 Granite County Flint Creek Dam Improvements 8 <del>2</del> 1 Pondera County Conservation District \$125,000 9 Pondera County Conservation District S-Canal Pipeline Conversion 32 10 Yellowstone County 11 Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management 12 Improvements \$125,000 13 43 Yellowstone Irrigation District 14 Yellowstone Irrigation District Canal Rehabilitation \$125,000 Lower Yellowstone Irrigation District #1 15 <u>54</u> Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2 16 17 \$125,000 18 <u>6 5</u> Savage Irrigation District 19 Savage Irrigation District Pumping Plant Rehabilitation, Phase 2 \$125,000 20 76 Clinton Irrigation District 21 Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4 \$125,000 22 87 Helena Valley Irrigation District 23 Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation \$125,000 24 25 98 Helena Valley Irrigation District 26 Helena Valley Irrigation District Pumping Plant Automation \$125,000 27 <del>10</del> 9 **Greenfields Irrigation District** 



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1 Greenfields Irrigation District Check Replacement, Phase 2 \$125,000 2 11 10 Tongue and Yellowstone River Irrigation District 3 Tongue and Yellowstone River Irrigation District Cowles Creek Flume Replacement 4 \$125,000 5 42 11 Tongue and Yellowstone River Irrigation District 6 Tongue and Yellowstone River Irrigation District Jones Creek Flume and Canal Conversion 7 \$125,000 8 43 12 Bitterroot Conservation District \$125,000 9 Bitterroot Conservation District Union Diversion Resource Improvements 10 14 13 Fort Belknap Irrigation District 11 Fort Belknap Irrigation District Main Canal Lining Project \$125,000 12 45 14 Petroleum County Conservation District Petroleum County Conservation District McDonald Creek Diversion Structures Replacement 13 14 \$125,000 46 15 Malta Irrigation District 15 Malta Irrigation District Black Coulee Siphon Replacement 16 \$125.000 17 47 16 Yellowstone Irrigation District 18 Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1 \$125,000 19 48 17 Sweet Grass Conservation District 20 Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation \$125,000 21 19 18 Petrolia Irrigation District 22 Petrolia Irrigation District Main Canal Pipeline Conversion \$125,000 23 20 19 Glen Lake Irrigation District 24 Glen Lake Irrigation District Doxie Slough Seepage Mitigation Project \$125,000 25 21 Granite Conservation District 26 Granite Conservation District Allendale Ditch Rehabilitation \$125,000



22 20 Hammond Irrigation District

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1	Hammond Irrigation District Big Porcupine Siphon Rehabilitation \$125,000
2	21 Sunset Irrigation District
3	HEADGATE REPAIR \$20,000
4	23 22 Greenfields Irrigation District
5	Greenfields Irrigation District J-Wasteway Modernization \$125,000
6	24 23 Bitter Root Irrigation District
7	Bitter Root Irrigation District Diversion Control Modernization \$99,500
8	25 24 Zurich Irrigation District
9	Zurich Irrigation District Brown Creek Siphon Rehabilitation \$125,000
10	26 25 Kinsey Irrigation District
11	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation \$125,000
12	27 26 Kinsey Irrigation District
13	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion \$125,000
14	28 27 Fort Shaw Irrigation District
15	Fort Shaw Irrigation District Simms Creek Siphon Replacement \$125,000
16	
17	NEW SECTION. Section 2. Coordination of fund sources for grants to political subdivisions
18	and local governments. A grant recipient listed under [section 1(4) and (7)] may not receive funds from both
19	the reclamation and development grants program and the renewable resource grant and loan program for the
20	same project during the same biennium.
21	
22	NEW SECTION. Section 3. Condition of grants. The disbursement of funds under [section 1] is
23	subject to the following conditions that must be met by the grant recipient:
24	(1) The grant recipient must have a scope of work, schedule, and budget for the project that is



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approved by the department of natural resources and conservation. Any changes in scope of work or budget

after legislative approval may not alter project goals and objectives. Changes in activities that would reduce the

public or natural resource benefits as presented in department of natural resources and conservation reports

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1 and applicant testimony to the 69th legislature may result in a proportional reduction in the grant amount.

- (2) The grant recipient must document that other matching funds required for completion of the project are firmly committed.
- (3) The grant recipient must have a project management plan that is approved by the department of natural resources and conservation.
- (4) The grant recipient shall comply with the auditing and reporting requirements provided for in 2-7-503 and establish a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles. Tribal governments shall comply with the auditing and reporting requirements provided for in 2 CFR 200.
- (5) The grant recipient shall satisfactorily complete the conditions described in the recommendation section of the project narrative of the program report to the legislature for the biennium ending 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. LOCAL GOVERNMENT REQUIREMENTS BEFORE FUNDS ARE RELEASED: (1) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER [THIS ACT], A LOCAL GOVERNMENT SHALL ESTABLISH AND CONTINUALLY FUND A CAPITAL RESERVE ACCOUNT MEETING THE REQUIREMENTS OF SUBSECTION (3) FOR NECESSARY INFRASTRUCTURE IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO IMPROVEMENTS TO WATER SUPPLY SYSTEMS, WASTEWATER SYSTEMS, IRRIGATION SYSTEMS, AND WATER STORAGE DAMS WITH WATER STORAGE CAPACITY IN EXCESS OF 3,000 ACRE FEET AND THAT ARE NOT PART OF A PUBLIC WATER SYSTEM.

(2) THE CAPITAL RESERVE ACCOUNT MUST BE ESTABLISHED PRIOR TO THE RECEIPT OF GRANT FUNDS

UNDER [THIS ACT].



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1	(3) THE LOCAL GOVERNMENT SHALL DEPOSIT INTO THE CAPITAL RESERVE ACCOUNT:
2	(A) AN AMOUNT EQUAL TO 10% OF THE REVENUES RECEIVED BY THE LOCAL GOVERNMENT FROM WATER
3	SUPPLY FEES, WASTEWATER SYSTEM USAGE FEES, OR WATER DELIVERY FEES ASSESSED BY THE LOCAL GOVERNMENT;
4	<u>OR</u>
5	(B) FOR THE OWNERS OF WATER STORAGE DAMS DESCRIBED IN SUBSECTION (1), AN AMOUNT EQUAL TO \$5
6	PER ACRE FOOT OF WATER STORAGE CAPACITY. REVENUES OR ROYALTIES FROM THE PRODUCTION AND SALE OF
7	ELECTRICITY, GENERAL FUND REVENUES USED FOR THE MAINTENANCE OF WATER STORAGE DAMS AND OTHER
8	STRUCTURES OWNED BY THE LOCAL GOVERNMENT, AND FEES LEVIED ON ALL MEMBERS OF A CONSERVATION DISTRICT
9	AS THE CONSERVATION DISTRICT EXISTED ON JANUARY 1, 2025, WHERE THE DAM IS LOCATED MAY BE USED TO MEET
10	THE REQUIREMENT OF THIS SUBSECTION (3)(B).
11	(C) A LOCAL GOVERNMENT MAY NOT CREATE ANY FORM OF SPECIAL OR IMPROVEMENT DISTRICT TO FUND
12	THE CAPITAL RESERVE ACCOUNT PROVIDED FOR IN THIS SECTION.
13	(4) A LOCAL GOVERNMENT MAY ONLY EXPEND FUNDS FROM THE CAPITAL RESERVE ACCOUNT TO FUND
14	PROJECTS WITH A TOTAL ESTIMATED COST OF AT LEAST \$50,000.
15	(5) AS USED IN THIS SECTION, "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, CONSOLIDATED CITY-
16	COUNTY, IRRIGATION DISTRICT, DRAINAGE DISTRICT, CONSERVATION DISTRICT, OR WATER USERS' ASSOCIATION OR
17	DITCH COMPANY ORGANIZED AND INCORPORATED PURSUANT TO TITLE 35, CHAPTER 14, OR TITLE 85, CHAPTER 6, PART
18	<u>4.</u>
19	
20	NEW SECTION. Section 4. Appropriations established. There is appropriated to any entity of state
21	government that receives a grant under [section 1] the amount of the grant upon award of the grant by the
22	department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for the
23	completion of contract work.
24	
25	NEW SECTION. Section 5. Approval of grants completion of biennial appropriation. The
26	legislature, pursuant to 85-1-605, approves the renewable resource grant and loan program grants listed in
27	[section 1]. The authorization of these grants constitutes a biennial appropriation from the natural resources



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1	projects state special revenue account established in 15-38-302.
2	
3	SECTION 6. SECTION 85-1-612, MCA, IS AMENDED TO READ:
4	"85-1-612. Rulemaking authority. The department shall adopt rules:
5	(1) prescribing a reasonable application fee and the form and content of applications for grants
6	and loans;
7	(2) governing the application of the criteria for awarding loans and grants to private persons;
8	(3) providing for the servicing of loans including arrangements for obtaining security interests and
9	the establishment of reasonable fees or charges to be made;
10	(4) describing the terms and conditions for making grants and loans, the security instruments, and
11	the agreements necessary;
12	(5) describing the ranking criteria used to evaluate and prioritize grants to governmental entities,
13	which must include a ratio calculated by dividing the amount of the locally provided match, which includes cash
14	or capital improvement funds, by the annual operating budget for the system. Projects with a higher ratio of
15	match may be given priority over other projects with a lower ratio, and consideration must be given to the size
16	and cost of the proposed project, the number of users the project serves, and the ability of the applicant to fund
17	the fund dedicated to capital improvements.
18	(6) specifying any other procedures necessary to accomplish the objectives of the renewable
19	resource grant and loan program."
20	
21	NEW SECTION. Section 7. Notification to tribal governments. The secretary of state shall send a
22	copy of [this act] to each federally recognized tribal government in Montana.
23	
24	NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are
25	severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
26	the part remains in effect in all valid applications that are severable from the invalid applications.
27	



- 2025 60th Legislature 202

1	COORDINATION SECTION. Section 9. Coordination instruction. (1) If both [this act] and an act
2	that provides additional funding for renewable resource grant and loan program grants from a source other than
3	the natural resources projects state special revenue account established in 15-38-302 are passed and
4	approved, the projects listed in [section 1(4) and (7) of this act] that do not receive funding from the
5	appropriations in [section 1(2) and (5) of this act] may receive funding from the appropriation in the other act
6	designated for renewable resource grant and loan program grants in the order of completion of the conditions of
7	[section 3 of this act] and to the extent that there is appropriation authority available.
8	(2) Appropriations made in [section 1(1)(a) through(1)(e)] may be adjusted within [section 1(1)(a)
9	through (1)(e)] within the biennium based on demand or emergencies.
10	
11	NEW SECTION. Section 10. Effective date. [This act] is effective July 1, 2025.
12	- END -