_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE WATER POLICY INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO STUDY CURRENT WATER RIGHT PERMITTING AND CHANGE PROCESSES AND IDENTIFY IMPROVEMENTS; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING AN APPROPRIATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

NEW SECTION. **Section 1. Study of water right permitting and change processes -- department duties.** (1) The department of natural resources and conservation shall consult with a diverse group of water users and stakeholders to:

(a) review water right permitting processes under Title 85, chapter 2, parts 3 and 4, and identify opportunities to increase efficiencies while protecting senior water right holders;

(b) identify tools in Title 85 and potential tools from other prior-appropriation states that provide flexibility and multiple pathways to meet new and changing water use demands on a changing water supply while also protecting senior water right holders;

(c) compile a list of available data sources and identify gaps in data or information that is needed to determine the physical and legal availability of water in the state; and

(d) develop recommendations for changes in policy, administrative rule, or agency implementation practices that allow for greater use of mitigation approaches that reduce barriers to water right transactions and allow for more timely permitting approval.

(2) The department shall:

(a) provide study progress updates at each water policy interim committee meeting held during the 2027-2028 interim; and

(b) complete the requirements of subsection (1) prior to July 1, 2028, and report findings, including

recommendations for future legislation, to the water policy interim committee by September 15, 2028.

NEW SECTION. **Section 2. Appropriation.** There is appropriated $50,000 from the general fund to the department of natural resources and conservation for the biennium beginning July 1, 2027, to pay for costs associated with the study of water right permitting and change processes required in [section 1].

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 4. Termination.** [Section 1] terminates January 1, 2029.

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