

## 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–

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 | 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 |

|    |    |                                                                      |           |
|----|----|----------------------------------------------------------------------|-----------|
| 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 |

|    |    |                                                               |           |
|----|----|---------------------------------------------------------------|-----------|
| 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 |

|    |      |                                                                                                                       |           |
|----|------|-----------------------------------------------------------------------------------------------------------------------|-----------|
| 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 |
| 11 | (5)  | There is appropriated \$3,474,500 from the natural resources projects state special revenue                           |           |
| 12 |      | account established in 15-38-302 to the department of natural resources and conservation for the biennium             |           |
| 13 |      | beginning July 1, 2025. The funds in this subsection (5) must be awarded by the department to the named               |           |
| 14 |      | entities for the described purposes and in the grant amounts listed in subsection (7), subject to the conditions      |           |
| 15 |      | set forth in [sections 2 and 3] and the contingencies described in the renewable resource grant and loan              |           |
| 16 |      | program's January 2025 report to the 68th legislature titled: "Governor's Executive Budget Fiscal Years 2026–         |           |
| 17 |      | 2027 Volume 6".                                                                                                       |           |
| 18 | (6)  | Funds must be awarded up to the amounts approved in subsection (7) in the order of priority                           |           |
| 19 |      | listed until the available funds are expended. Funds not accepted or used by higher-ranked projects must be           |           |
| 20 |      | provided for projects farther down the priority list that would not otherwise receive funding. If at any time a grant |           |
| 21 |      | recipient determines that a project will not begin before June 30, 2027, the grant recipient shall notify the         |           |
| 22 |      | department of natural resources and conservation. After all eligible projects are funded, any remaining funds         |           |
| 23 |      | may be used for any renewable resource project authorized under this section.                                         |           |
| 24 | (7)  | The prioritized irrigation grant projects are as follows:                                                             |           |
| 25 |      | RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS                                                                          |           |
| 26 | Rank | Applicant/Project                                                                                                     | Amount    |
| 27 | 1    | Granite County Conservation District                                                                                  |           |
| 28 |      | Granite County Flint Creek Dam Improvements                                                                           | \$125,000 |

|    |    |                                                                                            |           |
|----|----|--------------------------------------------------------------------------------------------|-----------|
| 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                                                           |           |

|    |                                                                                        |           |
|----|----------------------------------------------------------------------------------------|-----------|
| 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 |

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

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

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

4 (7) Any other specific requirements considered necessary by the department must be met to  
5 accomplish the purpose of the grant as evidenced from the application to the department or from the proposal  
6 as presented to the legislature.

7  
8 **NEW SECTION. Section 4. Appropriations established.** There is appropriated to any entity of state  
9 government that receives a grant under [section 1] the amount of the grant upon award of the grant by the  
10 department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for the  
11 completion of contract work.

12  
13 **NEW SECTION. Section 5. Approval of grants -- completion of biennial appropriation.** The  
14 legislature, pursuant to 85-1-605, approves the renewable resource grant and loan program grants listed in  
15 [section 1]. The authorization of these grants constitutes a biennial appropriation from the natural resources  
16 projects state special revenue account established in 15-38-302.

17  
18 **NEW SECTION. Section 6. Notification to tribal governments.** The secretary of state shall send a  
19 copy of [this act] to each federally recognized tribal government in Montana.

20  
21 **NEW SECTION. Section 7. Coordination Instruction.** (1) If both [this act] and an act that provides  
22 additional funding for renewable resource grant and loan program grants from a source other than the natural  
23 resources projects state special revenue account established in 15-38-302 are passed and approved, the  
24 projects listed in [section 1(4) and (7) of this act] that do not receive funding from the appropriations in [section  
25 1(2) and (5) of this act] may receive funding from the appropriation in the other act designated for renewable  
26 resource grant and loan program grants in the order of completion of the conditions of [section 3 of this act] and  
27 to the extent that there is appropriation authority available.

28 (2) Appropriations made in [section 1(1)(a) through (1)(e)] may be adjusted within [section 1(1)(a)]

1 through (1)(e)] within the biennium based on demand or emergencies.

2

3 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are  
4 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
5 the part remains in effect in all valid applications that are severable from the invalid applications.

6

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

8

- END -