

HOUSE BILL NO. 7

INTRODUCED BY J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations for reclamation and development grants. (1) There is appropriated up to ~~\$1.5 million~~ \$750,000 from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants for planning reclamation and development projects to be awarded by the department over the course of the biennium beginning July 1, 2025.

~~(2) — There is appropriated up to \$5.3 million from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants for pilot water storage planning and projects to be awarded by the department over the course of the biennium beginning July 1, 2025.~~

~~(3)~~(2) There is appropriated ~~\$7,140,975~~ \$6,342,275 from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for grants to political subdivisions and local governments during the biennium beginning July 1, 2025. The funds in this subsection ~~(3)~~ (2) must be awarded by the department to the named entities for the described purposes and in the grant amounts set out in subsection ~~(5)~~ (4) subject to the conditions set forth in [sections 2 and 3] and the

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contingencies described in the reclamation and development grants program report to the 69th legislature titled:
"Governor's Executive Budget Fiscal Years 2026–2027 Volume 5".

~~(4)~~(3) Funds must be awarded up to the amounts approved in this section in the order of priority listed
in subsection ~~(5)~~ (4) 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.
After all eligible projects are funded, any remaining funds may be used for any reclamation and development
project authorized under this section.

~~(5)~~(4) The prioritized grant applicants and projects are as follows:

Rank	Applicant/Project	Amount
1	Powell County Upper Little Blackfoot Watershed Mine Reclamation Project	\$495,123
2	Lewis and Clark County Upper Blackfoot Mining Complex Water Treatment Plant Upgrades	\$479,085
3	Montana Department of Environmental Quality DEQ Landusky Biological Treatment Plant Improvement	\$500,000
4	Powell County Milwaukee Roundhouse Soil Remediation Phase 2	\$500,000
5	Cooke Pass, Cooke City, Silver Gate Sewer District Cooke City Wastewater System	\$500,000
6	Beaverhead Conservation District Elkhorn Mine and Mill Remedy and Restoration	\$300,000
7	DNRC Water Resources Division DNRC Painted Rocks Dam Rehabilitation Phase 1	
	DNRC Willow Creek Dam Rehabilitation	\$500,000
8	DNRC Water Resources Division DNRC East Fork of Rock Creek Dam Rehabilitation	\$500,000
9	Montana Department of Environmental Quality DEQ CR Kendall Mine Long-Term Seep Water Management	\$290,352

~~10 Ruby Valley Conservation District~~

~~Upper Ruby River Habitat Rehabilitation Demonstration \$458,700~~

~~1110~~ DNRC Water Resources Division

~~DNRC Willow Creek Dam Rehabilitation~~

~~Painted Rocks Dam Rehabilitation Phase I \$500,000~~

~~1211~~ Granite County

Flint Creek Watershed Resiliency and Drought Mitigation \$300,000

~~1312~~ Milk River Joint Board of Control

Milk River Joint Board of Control Fresno Dam and Spillway Rehabilitation Project \$500,000

~~1413~~ Glasgow, City of

Glasgow Levee Improvements \$243,445

~~1514~~ Forsyth, City of

Forsyth Slaughterhouse Creek Flood Mitigation \$500,000

~~16 DNRC Water Resources Division~~

~~DNRC Front Range Flood Preparedness \$310,000~~

~~1715~~ Montana Technological University

Phytomining Remediation and Minerals Recovery Demonstration \$234,270

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

and local governments. A grant recipient listed under ~~[section 1(5)]~~ [section 1(4)] may not receive funds from both the reclamation and development grants program and the renewable resource grant and loan program for the same project during the same biennium.

NEW SECTION. Section 3. Condition of grants. The disbursement of funds under [section 1] is

subject to the following conditions that must be met by the grant recipient:

(1) The grant recipient must have a scope of work, schedule, and budget for the project that is approved by the department of natural resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may not alter project goals and objectives. Changes in activities that would

1 reduce the public or natural resource benefits as presented in department of natural resources and
2 conservation reports and applicant testimony to the 69th legislature may result in a proportional reduction in the
3 grant amount.

4 (2) The grant recipient shall document that other matching funds required for the completion of the
5 project are firmly committed.

6 (3) The grant recipient must have a project management plan that clearly outlines the roles of
7 participating entities and that is approved by the department of natural resources and conservation.

8 (4) The grant recipient shall comply with the auditing and reporting requirements provided for in 2-
9 7-503 and establish a financial accounting system that the department can reasonably ensure conforms to
10 generally accepted accounting principles. Tribal governments shall comply with the auditing and reporting
11 requirements provided for in 2 CFR 200.

12 (5) The grant recipient shall submit documentation to the department demonstrating satisfactory
13 completion of the conditions of described in the recommendation section of the project narrative of the program
14 report to the legislature for the biennium ending June 30, 2027, or, in the case of planning grants issued under
15 [section 1(1)], complete the conditions specified at the time of written notification of the approved grant
16 authority.

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

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

22
23 **NEW SECTION. Section 4. Appropriations established.** There is appropriated to any entity of state
24 government that receives a grant under [section 1] the amount of the grant upon award of the grant by the
25 department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for the
26 completion of contract work.

27
28 **NEW SECTION. Section 5. Approval of grants -- completion of biennial appropriation.** The

legislature, pursuant to 90-2-1111, approves the reclamation and development 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. Transfer of funds. By July 1, 2025, the state treasurer shall transfer \$2,568,067 from the general fund to the natural resources projects state special revenue account established in 15-38-302.

NEW SECTION. Section 7. 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 8. Coordination instruction. (1) If both [this act] and an act that provides additional funding for reclamation and development 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(5) of this act]~~ ~~[section 1(4) of this act]~~ that do not receive funding from the appropriations in ~~[section 1(3) of this act]~~ ~~[section 1(2) of this act]~~ may receive funding from the appropriation in the other act designated for reclamation and development grants as follows:

- (a) in the order of completion of the conditions of [section 3 of this act]; and
- (b) to the extent that there is appropriation authority available.

(2) If both [section 1(1)(b) of House Bill No. 6] and [section 1(1) of this act] are passed and approved and if all of the ~~\$1.5 million~~ \$750,000 in grant funds authorized in [section 1(1) of this act] are not expended for planning reclamation and development projects by the end of the biennium, then projects eligible for funding under [section 1(1)(b) of House Bill No. 6] are eligible to apply for funding under [section 1(1) of this act] for renewable resource project planning grants.

NEW SECTION. Section 9. 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.

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2 NEW SECTION. **Section 10. Effective date.** [This act] is effective July 1, 2025.

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AMENDED