

1 HOUSE BILL NO. 7

2 INTRODUCED BY J. FITZPATRICK

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT
6 GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND
7 CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM;
8 PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AND
9 PROVIDING AN EFFECTIVE DATE."

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

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

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

21 (3) There is appropriated \$7,110,975 from the natural resources projects state special revenue
22 account established in 15-38-302 to the department of natural resources and conservation for grants to political
23 subdivisions and local governments during the biennium beginning July 1, 2025. The funds in this subsection

24 (3) must be awarded by the department to the named entities for the described purposes and in the grant
25 amounts set out in subsection (5) subject to the conditions set forth in [sections 2 and 3] and the contingencies
26 described in the reclamation and development grants program report to the 69th legislature titled: "Governor's
27 Executive Budget Fiscal Years 2026–2027 Volume 5".

28 (4) Funds must be awarded up to the amounts approved in this section in the order of priority listed

in subsection (5) 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) 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 | \$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 |
| 11 | DNRC Water Resources Division | |
| | DNRC Willow Creek Dam Rehabilitation | \$500,000 |

| | | | |
|----|----|--|-----------|
| 1 | 12 | Granite County | |
| 2 | | Flint Creek Watershed Resiliency and Drought Mitigation | \$300,000 |
| 3 | 13 | Milk River Joint Board of Control | |
| 4 | | Milk River Joint Board of Control Fresno Dam and Spillway Rehabilitation Project | \$500,000 |
| 5 | 14 | Glasgow, City of | |
| 6 | | Glasgow Levee Improvements | \$243,445 |
| 7 | 15 | Forsyth, City of | |
| 8 | | Forsyth Slaughterhouse Creek Flood Mitigation | \$500,000 |
| 9 | 16 | DNRC Water Resources Division | |
| 10 | | DNRC Front Range Flood Preparedness | \$310,000 |
| 11 | 17 | Montana Technological University | |
| 12 | | Phytomining Remediation and Minerals Recovery Demonstration | \$234,270 |

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

15 **and local governments.** A grant recipient listed under [section 1(5)] may not receive funds from both the

16 reclamation and development grants program and the renewable resource grant and loan program for the same

17 project during the same biennium.

18

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

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

21 (1) The grant recipient must have a scope of work, schedule, and budget for the project that is

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

23 subsequent to legislative approval may not alter project goals and objectives. Changes in activities that would

24 reduce the public or natural resource benefits as presented in department of natural resources and

25 conservation reports and applicant testimony to the 69th legislature may result in a proportional reduction in the

26 grant amount.

27 (2) The grant recipient shall document that other matching funds required for the completion of the

28 project are firmly committed.

(3) The grant recipient must have a project management plan that clearly outlines the roles of participating entities and 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 submit documentation to the department demonstrating satisfactory completion of the conditions of 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. Appropriations established. There is appropriated to any entity of state government that receives a grant under [section 1] the amount of the grant upon award of the grant by the department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for the completion of contract work.

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. Notification to tribal governments. The secretary of state shall send a

1 copy of [this act] to each federally recognized tribal government in Montana.

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3 NEW SECTION. Section 7. Coordination instruction. (1) If both [this act] and an act that provides
4 additional funding for reclamation and development grants from a source other than the natural resources
5 projects state special revenue account established in 15-38-302 are passed and approved, the projects listed in
6 [section 1(5) of this act] that do not receive funding from the appropriations in [section 1(3) of this act] may
7 receive funding from the appropriation in the other act designated for reclamation and development grants as
8 follows:

9 (a) in the order of completion of the conditions of [section 3 of this act]; and

10 (b) to the extent that there is appropriation authority available.

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

16

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

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

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