



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; AMENDING SECTION 85-1-612, MCA; 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:

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 July 1, 2025, up to:

- (a) \$500,000 for emergency projects grants to be awarded by the department over the biennium;
- (b) ~~\$2 million~~ \$1 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~~ \$500,000 for nonpoint source pollution reduction grants to be awarded by the department over the biennium.

(2) There is appropriated ~~\$5.25 million~~ \$4,750,000 from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation for 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 2026–2027 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.

(4) The prioritized infrastructure grant projects are as follows:

RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

Rank	Applicant/Project	Amount
1	Arlee Lake County Water and Sewer District	
	Arlee Lake County Water and Sewer District Wastewater System Upgrades	\$125,000
2	Whitehall, Town of	
	Whitehall Drinking Water System Improvements	\$125,000
3	Deer Lodge, City of	
	Deer Lodge Wastewater Collection System Improvements	\$125,000
4	Missoula, City of	
	Missoula Public Library Living Roof Stormwater Control	\$125,000
5 <u>4</u>	Harrison Water and Sewer District	
	Harrison Wastewater System Improvements	\$125,000
6 <u>5</u>	Madison County	
	Madison County Pennington Bridge Big Hole River Restoration	\$125,000
7 <u>6</u>	South Wind County Water and Sewer District	
	South Wind Drinking Water and Wastewater Improvements, Phase 4	\$125,000
8 <u>7</u>	Willow Creek Sewer District	
	Willow Creek Sewer District Wastewater System Improvements	\$125,000
9 <u>8</u>	Roundup, City of	

Roundup Wastewater Lagoon System Upgrades	\$125,000
10 -9 Judith Basin County	
Judith Basin County Geyser Wastewater Treatment System Improvements	\$125,000
11 -10 Martinsdale Water and Sewer District	
Martinsdale Water and Sewer District Water System Improvements	\$125,000
12 -11 Alder Water and Sewer District	
Alder Water and Sewer District Wastewater System Improvements	\$125,000
13 -12 Fairfield, Town of	
Fairfield Drinking Water System Improvements	\$125,000
14 -13 Dutton, Town of	
Dutton Drinking Water System Improvements, Phase 2	\$125,000
15 -14 Circle, Town of	
Circle Water System Improvements, Phase 5	\$125,000
16 -15 Malta, City of	
Malta Drinking Water System Improvements	\$125,000
17 -16 Red Lodge, City of	
Red Lodge Wastewater System Improvements, Phases 2 and 3	\$125,000
18 -17 Hysham, Town of	
Hysham Drinking Water System Improvements, Phase 2	\$125,000
19 -18 Darby, Town of	
Darby Wastewater System Improvements	\$125,000
20 -19 Sheridan, Town of	
Sheridan Drinking Water System Improvements	\$125,000
21 -20 Richey, Town of	
Richey Drinking Water System Improvements, Phase 3	\$125,000
22 -21 Ennis, Town of	
Ennis Drinking Water System Improvements	\$125,000
23 -22 Basin Water and/or Sewer District	

Basin Water and/or Sewer District Drinking Water System Improvements	\$125,000
24 <u>23</u> Manhattan, Town of	
Manhattan Water System Improvements	\$125,000
25 <u>24</u> Cooke City Water District	
Cooke City Drinking Water Infrastructure Improvements	\$125,000
26 <u>25</u> Treasure State Acres Water and Sewer District	
Treasure State Acres Wastewater Treatment System Improvements	\$125,000
<u>26</u> St. Ignatius, Town of	
St. Ignatius Wastewater Collection Main Replacement	\$125,000
28 <u>27</u> Twin Bridges, Town of	
Twin Bridges Drinking Water System Improvements	\$125,000
29 <u>28</u> Libby, City of	
Libby Wastewater System Improvements	\$125,000
30 <u>29</u> Sun Prairie Village County Water and Sewer District	
Sun Prairie Village Drinking Water System Upgrades	\$125,000
34 <u>30</u> Plentywood, City of	
Plentywood Drinking Water System Improvements	\$125,000
32 <u>31</u> White Sulphur Springs, City of	
White Sulphur Springs Drinking Water System Improvements	\$125,000
33 <u>32</u> Big Timber, City of	
Big Timber Drinking Water Storage Improvements	\$125,000
34 <u>33</u> Wolf Point, City of	
Wolf Point Wastewater System Improvements, Phase 3	\$125,000
35 <u>34</u> Bigfork County Water and Sewer District	
Bigfork Drinking Water System Improvements	\$125,000
36 <u>35</u> Shelby, City of	
Shelby Wastewater System Improvements	\$125,000
37 <u>36</u> Ronan, City Of	

Ronan Wastewater System Improvements	\$125,000
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38 27 Bearcreek, Town of

Bearcreek Drinking Water System Improvements, Phase 1	\$125,000
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39 38 Conrad, City of

Conrad Wastewater System Improvements	\$125,000
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40 39 Pinesdale, Town of

Pinesdale Drinking Water System Improvements	\$125,000
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41 40 Hinsdale County Water and Sewer District

Hinsdale County Water and Sewer District Water System Upgrades	\$125,000
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42 41 Joliet, Town of

Joliet Wastewater System Improvements	\$125,000
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(5) There is appropriated ~~\$3,474,500~~ \$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 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.

(7) The prioritized irrigation grant projects are as follows:

RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS

Rank	Applicant/Project	Amount
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1	Granite County Conservation District	
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	Granite County Flint Creek Dam Improvements	\$125,000
2	<u>1</u> Pondera County Conservation District	
	Pondera County Conservation District S-Canal Pipeline Conversion	\$125,000
3	<u>2</u> Yellowstone County	
	Yellowstone County Billings Bench Water Association Rattlesnake Reservoir Water Management Improvements	\$125,000
4	<u>3</u> Yellowstone Irrigation District	
	Yellowstone Irrigation District Canal Rehabilitation	\$125,000
5	<u>4</u> Lower Yellowstone Irrigation District #1	
	Lower Yellowstone Irrigation District Thomas Point Pump Station Rehabilitation, Phase 2	\$125,000
6	<u>5</u> Savage Irrigation District	
	Savage Irrigation District Pumping Plant Rehabilitation, Phase 2	\$125,000
7	<u>6</u> Clinton Irrigation District	
	Clinton Irrigation District Schoolhouse Lateral Pipeline Conversion, Phase 4	\$125,000
8	<u>7</u> Helena Valley Irrigation District	
	Helena Valley Irrigation District Lateral 26.6 and Lateral 20.7-3.3 Seepage Mitigation	\$125,000
9	<u>8</u> Helena Valley Irrigation District	
	Helena Valley Irrigation District Pumping Plant Automation	\$125,000
10	<u>9</u> Greenfields Irrigation District	
	Greenfields Irrigation District Check Replacement, Phase 2	\$125,000
11	<u>10</u> Tongue and Yellowstone River Irrigation District	
	Tongue and Yellowstone River Irrigation District Cowles Creek Flume Replacement	\$125,000
12	<u>11</u> Tongue and Yellowstone River Irrigation District	
	Tongue and Yellowstone River Irrigation District Jones Creek Flume and Canal Conversion	\$125,000

43 <u>12</u>	Bitterroot Conservation District	
	Bitterroot Conservation District Union Diversion Resource Improvements	\$125,000
44 <u>13</u>	Fort Belknap Irrigation District	
	Fort Belknap Irrigation District Main Canal Lining Project	\$125,000
45 <u>14</u>	Petroleum County Conservation District	
	Petroleum County Conservation District McDonald Creek Diversion Structures Replacement	\$125,000
46 <u>15</u>	Malta Irrigation District	
	Malta Irrigation District Black Coulee Siphon Replacement	\$125,000
47 <u>16</u>	Yellowstone Irrigation District	
	Yellowstone Irrigation District Lateral 17.6 Rehabilitation, Phase 1	\$125,000
48 <u>17</u>	Sweet Grass Conservation District	
	Sweet Grass Conservation District Crest Ditch Headgate Rehabilitation	\$125,000
49 <u>18</u>	Petrolia Irrigation District	
	Petrolia Irrigation District Main Canal Pipeline Conversion	\$125,000
20 <u>19</u>	Glen Lake Irrigation District	
	Glen Lake Irrigation District Doxie Slough Seepage Mitigation Project	\$125,000
21	Granite Conservation District	
	Granite Conservation District Allendale Ditch Rehabilitation	\$125,000
22 <u>20</u>	Hammond Irrigation District	
	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	\$125,000
21	<u>Sunset Irrigation District</u>	
	<u>Headgate Repair</u>	<u>\$20,000</u>
23 <u>22</u>	Greenfields Irrigation District	
	Greenfields Irrigation District J-Wasteway Modernization	\$125,000
24 <u>23</u>	Bitter Root Irrigation District	
	Bitter Root Irrigation District Diversion Control Modernization	\$99,500
25 <u>24</u>	Zurich Irrigation District	

Zurich Irrigation District Brown Creek Siphon Rehabilitation	\$125,000
26 <u>25</u> Kinsey Irrigation District	
Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	\$125,000
27 <u>26</u> Kinsey Irrigation District	
Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	\$125,000
28 <u>27</u> Fort Shaw Irrigation District	
Fort Shaw Irrigation District Simms Creek Siphon Replacement	\$125,000

Section 2. Coordination of fund sources for grants to political subdivisions and local governments. A grant recipient listed under [section 1(4) and (7)] 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.

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 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 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.

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.

Section 5. Approval of grants -- completion of biennial appropriation. The legislature, pursuant to 85-1-605, approves the renewable resource grant and loan program 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.

Section 6. Section 85-1-612, MCA, is amended to read:

"85-1-612. Rulemaking authority. The department shall adopt rules:

- (1) prescribing a reasonable application fee and the form and content of applications for grants and loans;
- (2) governing the application of the criteria for awarding loans and grants to private persons;
- (3) providing for the servicing of loans including arrangements for obtaining security interests and the establishment of reasonable fees or charges to be made;
- (4) describing the terms and conditions for making grants and loans, the security instruments, and the agreements necessary;

(5) describing the ranking criteria used to evaluate and prioritize grants to governmental entities, which must include a ratio calculated by dividing the amount of the locally provided match, which includes cash or capital improvement funds, by the annual operating budget for the system. Projects with a higher ratio of match may be given priority over other projects with a lower ratio, and consideration must be given to the size and cost of the proposed project, the number of users the project serves, and the ability of the applicant to fund the fund dedicated to capital improvements.

(6) specifying any other procedures necessary to accomplish the objectives of the renewable resource grant and loan program."

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.

Section 8. 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.

Section 9. Coordination instruction. (1) If both [this act] and an act that provides additional funding for renewable resource grant and loan program 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(4) and (7) of this act] that do not receive funding from the appropriations in [section 1(2) and (5) of this act] may receive funding from the appropriation in the other act designated for renewable resource grant and loan program grants in the order of completion of the conditions of [section 3 of this act] and to the extent that there is appropriation authority available.

(2) Appropriations made in [section 1(1)(a) through(1)(e)] may be adjusted within [section 1(1)(a) through (1)(e)] within the biennium based on demand or emergencies.

Section 10. Effective date. [This act] is effective July 1, 2025.

- END -

I hereby certify that the within bill,
HB 6, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2025.

President of the Senate

Signed this _____ day
of _____, 2025.

HOUSE BILL NO. 6

INTRODUCED BY J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

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; AMENDING SECTION 85-1-612, MCA; ESTABLISHING CONDITIONS FOR GRANTS; PROVIDING FOR THE COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE.”