

HOUSE BILL NO. 775  
INTRODUCED BY CONNELLY  
BY REQUEST OF THE LONG-RANGE BUILDING SUBCOMMITTEE

IN THE HOUSE

MARCH 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
	FIRST READING.
MARCH 17, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 18, 1989	PRINTING REPORT.
MARCH 22, 1989	SECOND READING, DO PASS.
MARCH 23, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 96; NOES, 2.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 27, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 11, 1989	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 13, 1989	THIRD READING, CONCURRED IN. AYES, 45; NOES, 1.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 17, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 775  
2 INTRODUCED BY Connelly  
3 BY REQUEST OF THE LONG-RANGE BUILDING SUBCOMMITTEE  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO  
6 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR  
7 LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE  
8 RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS  
9 FROM WATER DEVELOPMENT BOND PROCEEDS AND APPROPRIATE FUNDS  
10 FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED  
11 BY THE 50TH LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE  
12 INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER  
13 DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE  
14 30, 1991; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS;  
15 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."  
16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
18 NEW SECTION. **Section 1.** Appropriations from the water  
19 development state special revenue account. (1) Because the  
20 legislature cannot appropriate individual grants to private  
21 entities, there is appropriated to the department of natural  
22 resources and conservation up to \$85,000 from the water  
23 development state special revenue account during the 1990-91  
24 biennium for grants to private persons for water development  
25 projects and activities pursuant to the provisions of Title

1 85, chapter 1, part 6. This appropriation is from money  
2 available in the water development state special revenue  
3 account for grants for water development projects and  
4 activities under 85-1-604(3)(c) and according to priorities  
5 established in subsections (3) and (4) of this section.  
6 (2) There are appropriated to the department the  
7 interest earnings from the proceeds of water development  
8 bonds and renewable resource development bonds issued to  
9 finance loans authorized by [this act]. Interest earnings  
10 must be deposited in the water development debt service fund  
11 and the renewable resource development debt service fund,  
12 respectively.  
13 (3) There are appropriated to the department all other  
14 funds not appropriated under subsection (1) and available  
15 for grants to political subdivisions and local government  
16 entities from the water development state special revenue  
17 account during the 1990-91 biennium. This appropriation is  
18 from money available in the water development state special  
19 revenue account and renewable resource development account  
20 for grants and from the water development or renewable  
21 resource accounts for loans for water development projects  
22 and activities under 85-1-604(3)(c) and [this act]. The  
23 funds appropriated in this section must be awarded by the  
24 department to the named entities for the described purposes  
25 and in the described grant amounts set out in subsection

(4), subject to the conditions set forth in [this act] and the contingencies described in the renewable resource and water development programs January 1989 report. The legislature, pursuant to 85-1-605, approves the grants listed in subsection (4), with grants to be made in the order indicated in the prioritized list of projects and activities. Funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted or used by higher ranked projects and activities must be provided for projects and activities further down the priority list that would not otherwise receive funding. If the total expenditure of funds appropriated under this section results in a cutoff that ends at a point at which more than one project or activity is ranked equal in priority, the decision regarding which project or projects will receive funding must be made by the department with the advice of the water development advisory committee formed pursuant to 2-15-122. Any projects that are funded by the reclamation and development grants program may not be funded under [this act]. Actual rank and score of the various projects and activities are contained within the renewable resource and water development programs project evaluations and recommendations report for the 1990-91 biennium.

(4) The following are the grant and loan prioritized

projects and activities:

#### WATER DEVELOPMENT PROGRAM

	Recommended
<u>Applicant/Project</u>	<u>Grant</u>
DALY DITCH IRRIGATION DISTRICT	
Republican West Diversion Replacement	\$100,000
PRIVATE APPLICANT	
Water System Technical Adviser	60,000
BEAVERHEAD AND MILE HIGH CONSERVATION	
DISTRICT	
Big Hole River Channel Stabilization	18,400
PRAIRIE COUNTY CONSERVATION DISTRICT	
Watershed Demonstration Management	
Practices	65,000
CARBON CONSERVATION DISTRICT	
Rushwater Creek Erosion Control	100,000
PRIVATE APPLICANT	
Wastewater Pond Effluent Irrigation System	25,000
CARBON CONSERVATION DISTRICT	
Rock Creek Decreed Water Distribution	30,000
HUNTLEY PROJECT IRRIGATION DISTRICT	
Main Canal Measuring and Flow Control	44,268
DUTTON, TOWN OF	
Streambank Stabilization Project	24,500
POPLAR, TOWN OF	

1 Water Treatment Facility 50,000

2 NEW SECTION. **Section 2. Appropriations** under

3 **renewable resource development program.** (1) There are

4 appropriated to the department of natural resources and

5 conservation all available funds from the renewable resource

6 development account during the 1990-91 biennium for projects

7 under the renewable resource development program.

8 (2) The department shall award grants to the named

9 entities for the described purposes and in the described

10 amounts set out in subsection (3)(a). The legislature,

11 pursuant to 90-2-111, approves the listed grants, with

12 grants to be made in order of priority ranking, except

13 renewable resource development grants for water development

14 projects and activities that must be made in the order of

15 priority listed in [section 1]. Projects and activities

16 sponsored by public entities listed in [section 1] that do

17 not receive water development funding are eligible for

18 renewable resource development funds on the basis of the

19 renewable resource development program priority ranking

20 criteria. Any project or activity listed in [section 1] that

21 receives water development funds is not eligible to compete

22 for renewable resource development funds. Funds not accepted

23 or used by higher ranked projects must be provided for

24 projects further down the priority list that would not

25 otherwise receive funding. If the total expenditure of funds

1 appropriated under this section results in a cutoff that

2 ends at a point at which more than one project is ranked

3 equal in priority, the decision regarding which project or

4 projects will receive funding must be made by the department

5 with the advice of the water development advisory committee

6 formed pursuant to 2-15-122. Actual rank and score of the

7 various projects are contained within the renewable resource

8 and water development programs project evaluations and

9 recommendations report for the 1990-91 biennium.

10 (3) (a) The following are the grant and loan

11 prioritized projects and activities:

RENEWABLE RESOURCE DEVELOPMENT PROGRAM		
<u>Applicant/Project</u>	<u>Recommended Grant</u>	<u>Funding Loan</u>
GALLATIN CONSERVATION DISTRICT		
East Gallatin State Recreation Area	\$100,000	
FLATHEAD BASIN COMMISSION		
Forest Practices/Water Quality		
Cooperative Program	25,000	
MONTANA STATE LIBRARY		
Montana National Resource		
Information System	99,806	
Montana Water Information System	45,510	
Montana Natural Heritage Program	99,450	
UNIVERSITY OF MONTANA		

1	Management Guidelines/Riparian Site	41,773	
2	AGRICULTURE, DEPARTMENT OF		
3	Monitor Agricultural Chemicals in		
4	Ground Water	93,550	
5	LEWIS AND CLARK COUNTY		
6	Hydrogeologic Evaluation/Helena		
7	Valley	100,000	
8	BELGRADE, CITY OF		
9	Meter Installation and Water Main		
10	Replacement	50,000	150,000
11	HYSHAM, TOWN OF		
12	Hysham Water System Improvement		
13	Project	50,000	150,000
14	WHITEFISH WATER AND SEWER		
15	Swift Creek Clay Banks		
16	Stabilization	73,440	
17	EAST GLACIER WATER AND SEWER DISTRICT		
18	Midvale Creek Diversion	40,000	76,380
19	YELLOWSTONE COUNTY		
20	Valley Creek/Calamity Jane Study	10,000	
21	STATE LANDS, DEPARTMENT OF		
22	Integrated Forest Resource		
23	Information	89,121	
24	COLUMBIA FALLS, CITY OF		
25	Water Master Plan Phase II	20,000	

1	MISSOULA COUNTY	
2	Emergency Response/Aquifer	
3	Protection Enhancement	45,000
4	MSU-EASTERN AGRICULTURAL RESEARCH	
5	CENTER	
6	Ground Water Nitrates Under	
7	Irrigable Agricultural Land	10,700
8	DNRC CONSERVATION DISTRICT DIVISION	
9	Water Reservoir Development Program	32,000
10	GREEN MOUNTAIN CONSERVATION DISTRICT	
11	Fire Hydrants for Trout Creek Water	
12	System	18,720
13	LAKESIDE WATER DISTRICT	
14	Stoner Creek Road and Woodacres	
15	Main	28,500
16	(b) The grants approved for the university of Montana	
17	and Montana state university do not include funding for	
18	indirect costs.	
19	(4) The following contingencies apply to the grants to	
20	the Montana state library for the natural resource	
21	information system, water information system, and natural	
22	heritage program:	
23	(a) Beginning October 1, 1989, the Montana state	
24	library shall:	
25	(i) charge a minimum rate of \$25 an hour to private	

sector users of the natural resource information system, water information system, and natural heritage program;

(ii) charge a subscription fee to private sector users; or

(iii) based on the recommendation of the natural resource data system advisory committee, develop a different charging method that results in an equitable cost to private users.

(b) Charges developed pursuant to subsection (4)(a) do not apply to government agencies or public users of the natural resource information system, water information system, and natural heritage program.

(c) Charges under subsection (1)(a) are limited to charges for services of the natural resource information system, water information system, and natural heritage program and do not establish a precedent for setting charges for other library services.

(d) The Montana state library shall develop and use a recordkeeping system to specify the private sector users of the natural resource information system, water information system, and natural heritage program data bases and services. The use data must be provided to appropriate entities of the legislature for use in decisions on the long-term funding of the natural resource information system, water information system, and natural heritage

program.

(e) If the grants are funded at the approved level, money collected from the charging system developed under subsection (4)(a) must be deposited in the renewable resource development account. If the grants are funded at less than the approved level, money collected from the charging system developed under subsection (4)(a) must be deposited in the Montana state library account to offset the costs of the natural resource information system, water information system, and natural heritage program. These deposits, when combined with the available funding, may not exceed the total amount of the approved grants.

**NEW SECTION. Section 3. Opportunity to receive loans for projects that do not receive grants.** Sponsors of recommended projects and activities on the prioritized lists in [sections 1 and 2] that are not recipients of available grant funds must be offered the opportunity to receive loan funds for up to the total recommended project amount, subject to the conditions described in [this act]. The interest rate applicable to these loans must be the rate paid on bonds issued pursuant to [this act].

**NEW SECTION. Section 4. Approval of loans from bond proceeds and completion of appropriation.** (1) The legislature, pursuant to 85-1-605, 85-1-606, and 90-2-107, hereby approves loans to private sponsors approved by the

1 department of natural resources and conservation during the  
2 1990-91 biennium and the loans for projects and activities  
3 identified and described in [section 1] to public entities  
4 from water development bond proceeds, interest earnings on  
5 such proceeds deposited in the water development debt  
6 service fund, and loans from renewable resource development  
7 bond proceeds deposited in the renewable resource  
8 development account. Bond proceeds may be used for the  
9 payment of bond issuance costs. Funds are appropriated for  
10 these costs to a maximum of 4% of the amount of each bond  
11 sale.

12 (2) The approval of specific loans completes an  
13 appropriation of the coal severance tax proceeds allocated  
14 by 15-35-108 to the water development bond account for the  
15 purpose of paying, in the manner established by 85-1-619,  
16 principal of and interest and redemption premiums on any  
17 water development bonds issued to provide the proceeds for  
18 the loans to private and public entities for projects and  
19 activities approved in [section 1], and it also completes an  
20 appropriation to the renewable resource debt service fund  
21 for the purpose of paying, in the manner established by  
22 90-2-123, principal of and interest and redemption premiums  
23 on any renewable resource development bonds issued to  
24 provide the proceeds for the loans to political subdivisions  
25 and local government entities for projects and activities

1 approved in [sections 1 and 2].

2 NEW SECTION. Section 5. Reauthorization of loans and  
3 grants approved by 50th legislature. The 50th legislature,  
4 in House Bill No. 7, Laws of 1987, approved loans and grants  
5 from the water development and renewable resource  
6 development bond accounts for the Cascade County RID No. 26,  
7 Sun Prairie, in the amount of \$200,000; Carbon  
8 County/Roberts Water System Improvements in the amount of  
9 \$142,500; City of Shelby in the amount of \$100,000; Sage  
10 Creek County Water District in the amount of \$158,600; and  
11 Town of Cascade in the amount of \$200,000. Loans and grants  
12 for the entities described in this section are hereby  
13 reauthorized.

14 NEW SECTION. Section 6. Reallocation of resource  
15 indemnity trust account interest income. Except for special  
16 departmental appropriation and notwithstanding any  
17 provisions of 85-1-604 to the contrary, all remaining  
18 interest income allocated to the water development state  
19 special revenue account from the resource indemnity trust  
20 fund by 15-38-202(2) during the 1990-91 biennium may be used  
21 only for the purposes set out in 85-1-604(3)(c).

22 NEW SECTION. Section 7. Emergency grants. There is  
23 appropriated to the department of natural resources and  
24 conservation up to \$125,000 from the water development state  
25 special revenue account to be used for emergency projects.



1 If these funds are not needed for emergencies, they may be  
2 used for grants approved in [section 1].

3 NEW SECTION. Section 8. Conditions of loans and  
4 grants. Disbursement of funds under [this act] for both  
5 loans and grants is subject to the following conditions that  
6 must be met by project sponsors:

7 (1) approval of a scope of work and budget for the  
8 project by the department of natural resources and  
9 conservation. Reductions in a scope of work or budget may  
10 not affect priority activities or improvements.

11 (2) documented commitment of other funds required for  
12 project completion;

13 (3) satisfactory completion of conditions described in  
14 the recommendation section of the project narrative in the  
15 renewable resource and water development programs project  
16 evaluations and recommendations report for the 1990-91  
17 biennium or, in the case of emergency applications,  
18 conditions specified at the time of written notification of  
19 approved loan authority;

20 (4) execution of a loan or grant agreement with the  
21 department; and

22 (5) accomplishment of other specific requirements  
23 considered necessary by the department to accomplish the  
24 purpose of the loan or grant as evidenced from the  
25 application to the department or from the proposal to the

1 legislature.

2 NEW SECTION. Section 9. Conditions for grants.  
3 Notwithstanding the conditions described in [section 1],  
4 grant funds are disbursed in the order of priority listed in  
5 [section 1] as coal tax and resource indemnity trust account  
6 interest income revenues are received. No project approved  
7 by [this act] is entitled to receive grant funds not  
8 collected and allocated to the water development state  
9 special revenue account or the renewable resource  
10 development account.

11 NEW SECTION. Section 10. Conditions for loans. Each  
12 sponsor authorized for a loan from water development bond  
13 proceeds or renewable resource development bond proceeds may  
14 be required to pay to the department of natural resources  
15 and conservation a pro rata share of the bond issuance costs  
16 and the administrative costs incurred by the department to  
17 complete the loan transaction.

18 NEW SECTION. Section 11. Private and discount  
19 purchase of loans. Loans to political subdivisions and local  
20 government entities and bonds, warrants, and notes issued in  
21 evidence thereof may be made and purchased by and sold to  
22 the department of natural resources and conservation at a  
23 discount and at private negotiated sale, notwithstanding the  
24 provisions of any other law applicable to such political  
25 subdivisions or local government entities.

NEW SECTION. **Section 12.** Appropriations established.

For any entity of state government that receives a grant or loan under [this act], an appropriation is established for the amount of the grant or loan upon award of the grant or loan by the department of natural resources and conservation.

NEW SECTION. **Section 13.** 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.

NEW SECTION. **Section 14.** Effective date. [This act]

is effective on passage and approval.

-End-

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 775

INTRODUCED BY CONNELLY

BY REQUEST OF THE LONG-RANGE BUILDING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 50TH LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1991; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Appropriations from the water development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation up to \$85,000 from the water development state special revenue account during the 1990-91 biennium for grants to private persons for water development projects and activities pursuant to the provisions of Title

85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [this act]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development debt service fund, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1990-91 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [this act]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection

(4), subject to the conditions set forth in [this act] and the contingencies described in the renewable resource and water development programs January 1989 report. The legislature, pursuant to 85-1-605, approves the grants listed in subsection (4), with grants to be made in the order indicated in the prioritized list of projects and activities. Funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted or used by higher ranked projects and activities must be provided for projects and activities further down the priority list that would not otherwise receive funding. If the total expenditure of funds appropriated under this section results in a cutoff that ends at a point at which more than one project or activity is ranked equal in priority, the decision regarding which project or projects will receive funding must be made by the department with the advice of the water development advisory committee formed pursuant to 2-15-122. Any projects that are funded by the reclamation and development grants program may not be funded under [this act]. Actual rank and score of the various projects and activities are contained within the renewable resource and water development programs project evaluations and recommendations report for the 1990-91 biennium.

(4) The following are the grant and loan prioritized

projects and activities:

	Recommended
<u>Applicant/Project</u>	<u>Grant</u>
WATER DEVELOPMENT PROGRAM	
DALY DITCH IRRIGATION DISTRICT	
Republican West Diversion Replacement	\$100,000
PRIVATE APPLICANT	
Water System Technical Adviser	60,000
BEAVERHEAD AND MILE HIGH CONSERVATION DISTRICT	
Big Hole River Channel Stabilization	18,400
PRAIRIE COUNTY CONSERVATION DISTRICT	
Watershed Demonstration Management Practices	65,000
CARBON CONSERVATION DISTRICT	
Rushwater Creek Erosion Control	100,000
PRIVATE APPLICANT	
Wastewater Pond Effluent Irrigation System	25,000
CARBON CONSERVATION DISTRICT	
Rock Creek Decreed Water Distribution	30,000
HUNTLEY PROJECT IRRIGATION DISTRICT	
Main Canal Measuring and Flow Control	44,268
DUTTON, TOWN OF	
Streambank Stabilization Project	24,500
POPLAR, TOWN OF	

1 Water Treatment Facility 50,000

2 NEW SECTION. Section 2. Appropriations under  
3 renewable resource development program. (1) There are  
4 appropriated to the department of natural resources and  
5 conservation all available funds from the renewable resource  
6 development account during the 1990-91 biennium for projects  
7 under the renewable resource development program.

8 (2) The department shall award grants to the named  
9 entities for the described purposes and in the described  
10 amounts set out in subsection (3)(a). The legislature,  
11 pursuant to 90-2-111, approves the listed grants, with  
12 grants to be made in order of priority ranking, except  
13 renewable resource development grants for water development  
14 projects and activities that must be made in the order of  
15 priority listed in [section 1]. Projects and activities  
16 sponsored by public entities listed in [section 1] that do  
17 not receive water development funding are eligible for  
18 renewable resource development funds on the basis of the  
19 renewable resource development program priority ranking  
20 criteria. Any project or activity listed in [section 1] that  
21 receives water development funds is not eligible to compete  
22 for renewable resource development funds. Funds not accepted  
23 or used by higher ranked projects must be provided for  
24 projects further down the priority list that would not  
25 otherwise receive funding. If the total expenditure of funds

1 appropriated under this section results in a cutoff that  
2 ends at a point at which more than one project is ranked  
3 equal in priority, the decision regarding which project or  
4 projects will receive funding must be made by the department  
5 with the advice of the water development advisory committee  
6 formed pursuant to 2-15-122. Actual rank and score of the  
7 various projects are contained within the renewable resource  
8 and water development programs project evaluations and  
9 recommendations report for the 1990-91 biennium.

10 (3) (a) The following are the grant and loan  
11 prioritized projects and activities:

	Recommended	Funding
<u>Applicant/Project</u>	<u>Grant</u>	<u>Loan</u>
RENEWABLE RESOURCE DEVELOPMENT PROGRAM		
GALLATIN CONSERVATION DISTRICT		
East Gallatin State Recreation Area	\$100,000	
FLATHEAD BASIN COMMISSION		
Forest Practices/Water Quality		
Cooperative Program	25,000	
MONTANA STATE LIBRARY		
Montana National Resource		
Information System	99,806	
Montana Water Information System	45,510	
Montana Natural Heritage Program	99,450	
UNIVERSITY OF MONTANA		

1	Management Guidelines/Riparian Site	41,773	
2	AGRICULTURE, DEPARTMENT OF		
3	Monitor Agricultural Chemicals in		
4	Ground Water	93,550	
5	LEWIS AND CLARK COUNTY		
6	Hydrogeologic Evaluation/Helena		
7	Valley	100,000	
8	BELGRADE, CITY OF		
9	Meter Installation and Water Main		
10	Replacement	50,000	150,000
11	HYSHAM, TOWN OF		
12	Hysham Water System Improvement		
13	Project	50,000	150,000
14	WHITEFISH WATER AND SEWER		
15	Swift Creek Clay Banks		
16	Stabilization	73,440	
17	EAST GLACIER WATER AND SEWER DISTRICT		
18	Midvale Creek Diversion	40,000	76,380
19	YELLOWSTONE COUNTY		
20	Valley Creek/Calamity Jane Study	10,000	
21	STATE LANDS, DEPARTMENT OF		
22	Integrated Forest Resource		
23	Information	89,121	
24	COLUMBIA FALLS, CITY OF		
25	Water Master Plan Phase II	20,000	

1	MISSOULA COUNTY	
2	Emergency Response/Aquifer	
3	Protection Enhancement	45,000
4	MSU-EASTERN AGRICULTURAL RESEARCH	
5	CENTER	
6	Ground Water Nitrates Under	
7	Irrigable Agricultural Land	10,700
8	DNRC CONSERVATION DISTRICT DIVISION	
9	Water Reservoir Development Program	32,000
10	GREEN MOUNTAIN CONSERVATION DISTRICT	
11	Fire Hydrants for Trout Creek Water	
12	System	18,720
13	LAKESIDE WATER DISTRICT	
14	Stoner Creek Road and Woodacres	
15	Main	28,500
16	STATE LANDS, DEPARTMENT OF	
17	PILOT URBAN FORESTRY PROJECT	60,000
18	(b) The grants approved for the university of Montana	
19	and Montana state university do not include funding for	
20	indirect costs.	
21	(4) The following contingencies apply to the grants to	
22	the Montana state library for the natural resource	
23	information system, water information system, and natural	
24	heritage program:	
25	(a) Beginning October 1, 1989, the Montana state	

1 library shall:

2 (i) charge a minimum rate of \$25 an hour to private  
3 sector users of the natural resource information system,  
4 water information system, and natural heritage program;

5 (ii) charge a subscription fee to private sector users;  
6 or

7 (iii) based on the recommendation of the natural  
8 resource data system advisory committee, develop a different  
9 charging method that results in an equitable cost to private  
10 users.

11 (b) Charges developed pursuant to subsection (4)(a) do  
12 not apply to government agencies or public users of the  
13 natural resource information system, water information  
14 system, and natural heritage program.

15 (c) Charges under subsection (1)(a) are limited to  
16 charges for services of the natural resource information  
17 system, water information system, and natural heritage  
18 program and do not establish a precedent for setting charges  
19 for other library services.

20 (d) The Montana state library shall develop and use a  
21 recordkeeping system to specify the private sector users of  
22 the natural resource information system, water information  
23 system, and natural heritage program data bases and  
24 services. The use data must be provided to appropriate  
25 entities of the legislature for use in decisions on the

1 long-term funding of the natural resource information  
2 system, water information system, and natural heritage  
3 program.

4 (e) If the grants are funded at the approved level,  
5 money collected from the charging system developed under  
6 subsection (4)(a) must be deposited in the renewable  
7 resource development account. If the grants are funded at  
8 less than the approved level, money collected from the  
9 charging system developed under subsection (4)(a) must be  
10 deposited in the Montana state library account to offset the  
11 costs of the natural resource information system, water  
12 information system, and natural heritage program. These  
13 deposits, when combined with the available funding, may not  
14 exceed the total amount of the approved grants.

15 NEW SECTION. **Section 3.** Opportunity to receive loans  
16 for projects that do not receive grants. Sponsors of  
17 recommended projects and activities on the prioritized lists  
18 in [sections 1 and 2] that are not recipients of available  
19 grant funds must be offered the opportunity to receive loan  
20 funds for up to the total recommended project amount,  
21 subject to the conditions described in [this act]. The  
22 interest rate applicable to these loans must be the rate  
23 paid on bonds issued pursuant to [this act].

24 NEW SECTION. **Section 4.** Approval of loans from bond  
25 proceeds and completion of appropriation. (1) The

1 legislature, pursuant to 85-1-605, 85-1-606, and 90-2-107,  
 2 hereby approves loans to private sponsors approved by the  
 3 department of natural resources and conservation during the  
 4 1990-91 biennium and the loans for projects and activities  
 5 identified and described in [section 1] to public entities  
 6 from water development bond proceeds, interest earnings on  
 7 such proceeds deposited in the water development debt  
 8 service fund, and loans from renewable resource development  
 9 bond proceeds deposited in the renewable resource  
 10 development account. Bond proceeds may be used for the  
 11 payment of bond issuance costs. Funds are appropriated for  
 12 these costs to a maximum of 4% of the amount of each bond  
 13 sale.

14 (2) The approval of specific loans completes an  
 15 appropriation of the coal severance tax proceeds allocated  
 16 by 15-35-108 to the water development bond account for the  
 17 purpose of paying, in the manner established by 85-1-619,  
 18 principal of and interest and redemption premiums on any  
 19 water development bonds issued to provide the proceeds for  
 20 the loans to private and public entities for projects and  
 21 activities approved in [section 1], and it also completes an  
 22 appropriation to the renewable resource debt service fund  
 23 for the purpose of paying, in the manner established by  
 24 90-2-123, principal of and interest and redemption premiums  
 25 on any renewable resource development bonds issued to

1 provide the proceeds for the loans to political subdivisions  
 2 and local government entities for projects and activities  
 3 approved in [sections 1 and 2].

4 NEW SECTION. **Section 5.** Reauthorization of loans and  
 5 grants approved by 50th legislature. The 50th legislature,  
 6 in House Bill No. 7, Laws of 1987, approved loans and grants  
 7 from the water development and renewable resource  
 8 development bond accounts for the Cascade County RID No. 26,  
 9 Sun Prairie, in the amount of \$200,000; Carbon  
 10 County/Roberts Water System Improvements in the amount of  
 11 \$142,500; City of Shelby in the amount of \$100,000; Sage  
 12 Creek County Water District in the amount of \$158,600; and  
 13 Town of Cascade in the amount of \$200,000. Loans and grants  
 14 for the entities described in this section are hereby  
 15 reauthorized.

16 NEW SECTION. **Section 6.** Reallocation of resource  
 17 indemnity trust account interest income. Except for special  
 18 departmental appropriation and notwithstanding any  
 19 provisions of 85-1-604 to the contrary, all remaining  
 20 interest income allocated to the water development state  
 21 special revenue account from the resource indemnity trust  
 22 fund by 15-38-202(2) during the 1990-91 biennium may be used  
 23 only for the purposes set out in 85-1-604(3)(c).

24 NEW SECTION. **Section 7.** Emergency grants. There is  
 25 appropriated to the department of natural resources and



conservation up to \$125,000 from the water development state special revenue account to be used for emergency projects. If these funds are not needed for emergencies, they may be used for grants approved in [section 1].

**NEW SECTION. Section 8.** Conditions of loans and grants. Disbursement of funds under [this act] for both loans and grants is subject to the following conditions that must be met by project sponsors:

(1) approval of a scope of work and budget for the project by the department of natural resources and conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

(2) documented commitment of other funds required for project completion;

(3) satisfactory completion of conditions described in the recommendation section of the project narrative in the renewable resource and water development programs project evaluations and recommendations report for the 1990-91 biennium or, in the case of emergency applications, conditions specified at the time of written notification of approved loan authority;

(4) execution of a loan or grant agreement with the department; and

(5) accomplishment of other specific requirements considered necessary by the department to accomplish the

purpose of the loan or grant as evidenced from the application to the department or from the proposal to the legislature.

**NEW SECTION. Section 9.** Conditions for grants. Notwithstanding the conditions described in [section 1], grant funds are disbursed in the order of priority listed in [section 1] as coal tax and resource indemnity trust account interest income revenues are received. No project approved by [this act] is entitled to receive grant funds not collected and allocated to the water development state special revenue account or the renewable resource development account.

**NEW SECTION. Section 10.** Conditions for loans. Each sponsor authorized for a loan from water development bond proceeds or renewable resource development bond proceeds may be required to pay to the department of natural resources and conservation a pro rata share of the bond issuance costs and the administrative costs incurred by the department to complete the loan transaction.

**NEW SECTION. Section 11.** Private and discount purchase of loans. Loans to political subdivisions and local government entities and bonds, warrants, and notes issued in evidence thereof may be made and purchased by and sold to the department of natural resources and conservation at a discount and at private negotiated sale, notwithstanding the

1 provisions of any other law applicable to such political  
2 subdivisions or local government entities.

3 NEW SECTION. Section 12. Appropriations established.  
4 For any entity of state government that receives a grant or  
5 loan under [this act], an appropriation is established for  
6 the amount of the grant or loan upon award of the grant or  
7 loan by the department of natural resources and  
8 conservation.

9 NEW SECTION. Section 13. Severability. If a part of  
10 [this act] is invalid, all valid parts that are severable  
11 from the invalid part remain in effect. If a part of [this  
12 act] is invalid in one or more of its applications, the part  
13 remains in effect in all valid applications that are  
14 severable from the invalid applications.

15 NEW SECTION. Section 14. Effective date. [This act]  
16 is effective on passage and approval.

-End-

## 1 HOUSE BILL NO. 775

2 INTRODUCED BY CONNELLY

3 BY REQUEST OF THE LONG-RANGE BUILDING SUBCOMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO  
6 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR  
7 LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE  
8 RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS  
9 FROM WATER DEVELOPMENT BOND PROCEEDS AND APPROPRIATE FUNDS  
10 FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED  
11 BY THE 50TH LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE  
12 INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER  
13 DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE  
14 30, 1991; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS;  
15 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 NEW SECTION. **Section 1.** Appropriations from the water  
19 development state special revenue account. (1) Because the  
20 legislature cannot appropriate individual grants to private  
21 entities, there is appropriated to the department of natural  
22 resources and conservation up to \$85,000 from the water  
23 development state special revenue account during the 1990-91  
24 biennium for grants to private persons for water development  
25 projects and activities pursuant to the provisions of Title

1 85, chapter 1, part 6. This appropriation is from money  
2 available in the water development state special revenue  
3 account for grants for water development projects and  
4 activities under 85-1-604(3)(c) and according to priorities  
5 established in subsections (3) and (4) of this section.

6 (2) There are appropriated to the department the  
7 interest earnings from the proceeds of water development  
8 bonds and renewable resource development bonds issued to  
9 finance loans authorized by [this act]. Interest earnings  
10 must be deposited in the water development debt service fund  
11 and the renewable resource development debt service fund,  
12 respectively.

13 (3) There are appropriated to the department all other  
14 funds not appropriated under subsection (1) and available  
15 for grants to political subdivisions and local government  
16 entities from the water development state special revenue  
17 account during the 1990-91 biennium. This appropriation is  
18 from money available in the water development state special  
19 revenue account and renewable resource development account  
20 for grants and from the water development or renewable  
21 resource accounts for loans for water development projects  
22 and activities under 85-1-604(3)(c) and [this act]. The  
23 funds appropriated in this section must be awarded by the  
24 department to the named entities for the described purposes  
25 and in the described grant amounts set out in subsection

1 (4), subject to the conditions set forth in [this act] and  
 2 the contingencies described in the renewable resource and  
 3 water development programs January 1989 report. The  
 4 legislature, pursuant to 85-1-605, approves the grants  
 5 listed in subsection (4), with grants to be made in the  
 6 order indicated in the prioritized list of projects and  
 7 activities. Funds must be awarded up to the amounts approved  
 8 in this section in order of priority until available funds  
 9 are expended. Funds not accepted or used by higher ranked  
 10 projects and activities must be provided for projects and  
 11 activities further down the priority list that would not  
 12 otherwise receive funding. If the total expenditure of funds  
 13 appropriated under this section results in a cutoff that  
 14 ends at a point at which more than one project or activity  
 15 is ranked equal in priority, the decision regarding which  
 16 project or projects will receive funding must be made by the  
 17 department with the advice of the water development advisory  
 18 committee formed pursuant to 2-15-122. Any projects that are  
 19 funded by the reclamation and development grants program may  
 20 not be funded under [this act]. Actual rank and score of the  
 21 various projects and activities are contained within the  
 22 renewable resource and water development programs project  
 23 evaluations and recommendations report for the 1990-91  
 24 biennium.

25 (4) The following are the grant and loan prioritized

1 projects and activities:

2	WATER DEVELOPMENT PROGRAM	
3		Recommended
4	<u>Applicant/Project</u>	<u>Grant</u>
5	DALY DITCH IRRIGATION DISTRICT	
6	Republican West Diversion Replacement	\$100,000
7	PRIVATE APPLICANT	
8	Water System Technical Adviser	60,000
9	BEAVERHEAD AND MILE HIGH CONSERVATION	
10	DISTRICT	
11	Big Hole River Channel Stabilization	18,400
12	PRAIRIE COUNTY CONSERVATION DISTRICT	
13	Watershed Demonstration Management	
14	Practices	65,000
15	CARBON CONSERVATION DISTRICT	
16	Rushwater Creek Erosion Control	100,000
17	PRIVATE APPLICANT	
18	Wastewater Pond Effluent Irrigation System	25,000
19	CARBON CONSERVATION DISTRICT	
20	Rock Creek Decreed Water Distribution	30,000
21	HUNTLEY PROJECT IRRIGATION DISTRICT	
22	Main Canal Measuring and Flow Control	44,268
23	DUTTON, TOWN OF	
24	Streambank Stabilization Project	24,500
25	POPLAR, TOWN OF	

1 Water Treatment Facility 50,000

2 NEW SECTION. Section 2. Appropriations under

3 renewable resource development program. (1) There are

4 appropriated to the department of natural resources and

5 conservation all available funds from the renewable resource

6 development account during the 1990-91 biennium for projects

7 under the renewable resource development program.

8 (2) The department shall award grants to the named

9 entities for the described purposes and in the described

10 amounts set out in subsection (3)(a). The legislature,

11 pursuant to 90-2-111, approves the listed grants, with

12 grants to be made in order of priority ranking, except

13 renewable resource development grants for water development

14 projects and activities that must be made in the order of

15 priority listed in [section 1]. Projects and activities

16 sponsored by public entities listed in [section 1] that do

17 not receive water development funding are eligible for

18 renewable resource development funds on the basis of the

19 renewable resource development program priority ranking

20 criteria. Any project or activity listed in [section 1] that

21 receives water development funds is not eligible to compete

22 for renewable resource development funds. Funds not accepted

23 or used by higher ranked projects must be provided for

24 projects further down the priority list that would not

25 otherwise receive funding. If the total expenditure of funds

1 appropriated under this section results in a cutoff that

2 ends at a point at which more than one project is ranked

3 equal in priority, the decision regarding which project or

4 projects will receive funding must be made by the department

5 with the advice of the water development advisory committee

6 formed pursuant to 2-15-122. Actual rank and score of the

7 various projects are contained within the renewable resource

8 and water development programs project evaluations and

9 recommendations report for the 1990-91 biennium.

10 (3) (a) The following are the grant and loan

11 prioritized projects and activities:

	Recommended	Funding
<u>Applicant/Project</u>	<u>Grant</u>	<u>Loan</u>
RENEWABLE RESOURCE DEVELOPMENT PROGRAM		
GALLATIN CONSERVATION DISTRICT		
East Gallatin State Recreation Area	\$100,000	
FLATHEAD BASIN COMMISSION		
Forest Practices/Water Quality		
Cooperative Program	25,000	
MONTANA STATE LIBRARY		
Montana National Resource		
Information System	99,806	
Montana Water Information System	45,510	
Montana Natural Heritage Program	99,450	
UNIVERSITY OF MONTANA		

1	Management Guidelines/Riparian Site	41,773	
2	AGRICULTURE, DEPARTMENT OF		
3	Monitor Agricultural Chemicals in		
4	Ground Water	93,550	
5	LEWIS AND CLARK COUNTY		
6	Hydrogeologic Evaluation/Helena		
7	Valley	100,000	
8	BELGRADE, CITY OF		
9	Meter Installation and Water Main		
10	Replacement	50,000	150,000
11	HYSHAM, TOWN OF		
12	Hysham Water System Improvement		
13	Project	50,000	150,000
14	WHITEFISH WATER AND SEWER		
15	Swift Creek Clay Banks		
16	Stabilization	73,440	
17	EAST GLACIER WATER AND SEWER DISTRICT		
18	Midvale Creek Diversion	40,000	76,380
19	YELLOWSTONE COUNTY		
20	Valley Creek/Calamity Jane Study	10,000	
21	STATE LANDS, DEPARTMENT OF		
22	Integrated Forest Resource		
23	Information	89,121	
24	COLUMBIA FALLS, CITY OF		
25	Water Master Plan Phase II	20,000	

1	MISSOULA COUNTY	
2	Emergency Response/Aquifer	
3	Protection Enhancement	45,000
4	MSU-EASTERN AGRICULTURAL RESEARCH	
5	CENTER	
6	Ground Water Nitrates Under	
7	Irrigable Agricultural Land	10,700
8	DNRC CONSERVATION DISTRICT DIVISION	
9	Water Reservoir Development Program	32,000
10	GREEN MOUNTAIN CONSERVATION DISTRICT	
11	Fire Hydrants for Trout Creek Water	
12	System	18,720
13	LAKE SIDE WATER DISTRICT	
14	Stoner Creek Road and Woodacres	
15	Main	28,500
16	STATE LANDS, DEPARTMENT OF	
17	PILOT URBAN FORESTRY PROJECT	60,000
18	(b) The grants approved for the university of Montana	
19	and Montana state university do not include funding for	
20	indirect costs.	
21	(4) The following contingencies apply to the grants to	
22	the Montana state library for the natural resource	
23	information system, water information system, and natural	
24	heritage program:	
25	(a) Beginning October 1, 1989, the Montana state	

1 library shall:

2 (i) charge a minimum rate of \$25 an hour to private  
3 sector users of the natural resource information system,  
4 water information system, and natural heritage program;

5 (ii) charge a subscription fee to private sector users;  
6 or

7 (iii) based on the recommendation of the natural  
8 resource data system advisory committee, develop a different  
9 charging method that results in an equitable cost to private  
10 users.

11 (b) Charges developed pursuant to subsection (4)(a) do  
12 not apply to government agencies or public users of the  
13 natural resource information system, water information  
14 system, and natural heritage program.

15 (c) Charges under subsection (1)(a) are limited to  
16 charges for services of the natural resource information  
17 system, water information system, and natural heritage  
18 program and do not establish a precedent for setting charges  
19 for other library services.

20 (d) The Montana state library shall develop and use a  
21 recordkeeping system to specify the private sector users of  
22 the natural resource information system, water information  
23 system, and natural heritage program data bases and  
24 services. The use data must be provided to appropriate  
25 entities of the legislature for use in decisions on the

1 long-term funding of the natural resource information  
2 system, water information system, and natural heritage  
3 program.

4 (e) If the grants are funded at the approved level,  
5 money collected from the charging system developed under  
6 subsection (4)(a) must be deposited in the renewable  
7 resource development account. If the grants are funded at  
8 less than the approved level, money collected from the  
9 charging system developed under subsection (4)(a) must be  
10 deposited in the Montana state library account to offset the  
11 costs of the natural resource information system, water  
12 information system, and natural heritage program. These  
13 deposits, when combined with the available funding, may not  
14 exceed the total amount of the approved grants.

15 NEW SECTION. **Section 3.** Opportunity to receive loans  
16 for projects that do not receive grants. Sponsors of  
17 recommended projects and activities on the prioritized lists  
18 in [sections 1 and 2] that are not recipients of available  
19 grant funds must be offered the opportunity to receive loan  
20 funds for up to the total recommended project amount,  
21 subject to the conditions described in [this act]. The  
22 interest rate applicable to these loans must be the rate  
23 paid on bonds issued pursuant to [this act].

24 NEW SECTION. **Section 4.** Approval of loans from bond  
25 proceeds and completion of appropriation. (1) The

1 legislature, pursuant to 85-1-605, 85-1-606, and 90-2-107,  
 2 hereby approves loans to private sponsors approved by the  
 3 department of natural resources and conservation during the  
 4 1990-91 biennium and the loans for projects and activities  
 5 identified and described in [section 1] to public entities  
 6 from water development bond proceeds, interest earnings on  
 7 such proceeds deposited in the water development debt  
 8 service fund, and loans from renewable resource development  
 9 bond proceeds deposited in the renewable resource  
 10 development account. Bond proceeds may be used for the  
 11 payment of bond issuance costs. Funds are appropriated for  
 12 these costs to a maximum of 4% of the amount of each bond  
 13 sale.

14 (2) The approval of specific loans completes an  
 15 appropriation of the coal severance tax proceeds allocated  
 16 by 15-35-108 to the water development bond account for the  
 17 purpose of paying, in the manner established by 85-1-619,  
 18 principal of and interest and redemption premiums on any  
 19 water development bonds issued to provide the proceeds for  
 20 the loans to private and public entities for projects and  
 21 activities approved in [section 1], and it also completes an  
 22 appropriation to the renewable resource debt service fund  
 23 for the purpose of paying, in the manner established by  
 24 90-2-123, principal of and interest and redemption premiums  
 25 on any renewable resource development bonds issued to

1 provide the proceeds for the loans to political subdivisions  
 2 and local government entities for projects and activities  
 3 approved in [sections 1 and 2].

4 NEW SECTION. Section 5. Reauthorization of loans and  
 5 grants approved by 50th legislature. The 50th legislature,  
 6 in House Bill No. 7, Laws of 1987, approved loans and grants  
 7 from the water development and renewable resource  
 8 development bond accounts for the Cascade County RID No. 26,  
 9 Sun Prairie, in the amount of \$200,000; Carbon  
 10 County/Roberts Water System Improvements in the amount of  
 11 \$142,500; City of Shelby in the amount of \$100,000; Sage  
 12 Creek County Water District in the amount of \$158,600; and  
 13 Town of Cascade in the amount of \$200,000. Loans and grants  
 14 for the entities described in this section are hereby  
 15 reauthorized.

16 NEW SECTION. Section 6. Reallocation of resource  
 17 indemnity trust account interest income. Except for special  
 18 departmental appropriation and notwithstanding any  
 19 provisions of 85-1-604 to the contrary, all remaining  
 20 interest income allocated to the water development state  
 21 special revenue account from the resource indemnity trust  
 22 fund by 15-38-202(2) during the 1990-91 biennium may be used  
 23 only for the purposes set out in 85-1-604(3)(c).

24 NEW SECTION. Section 7. Emergency grants. There is  
 25 appropriated to the department of natural resources and



1 conservation up to \$125,000 from the water development state  
2 special revenue account to be used for emergency projects.  
3 If these funds are not needed for emergencies, they may be  
4 used for grants approved in [section 1].

5 NEW SECTION. Section 8. Conditions of loans and  
6 grants. Disbursement of funds under [this act] for both  
7 loans and grants is subject to the following conditions that  
8 must be met by project sponsors:

9 (1) approval of a scope of work and budget for the  
10 project by the department of natural resources and  
11 conservation. Reductions in a scope of work or budget may  
12 not affect priority activities or improvements.

13 (2) documented commitment of other funds required for  
14 project completion;

15 (3) satisfactory completion of conditions described in  
16 the recommendation section of the project narrative in the  
17 renewable resource and water development programs project  
18 evaluations and recommendations report for the 1990-91  
19 biennium or, in the case of emergency applications,  
20 conditions specified at the time of written notification of  
21 approved loan authority;

22 (4) execution of a loan or grant agreement with the  
23 department; and

24 (5) accomplishment of other specific requirements  
25 considered necessary by the department to accomplish the

1 purpose of the loan or grant as evidenced from the  
2 application to the department or from the proposal to the  
3 legislature.

4 NEW SECTION. Section 9. Conditions for grants.  
5 Notwithstanding the conditions described in [section 1],  
6 grant funds are disbursed in the order of priority listed in  
7 [section 1] as coal tax and resource indemnity trust account  
8 interest income revenues are received. No project approved  
9 by [this act] is entitled to receive grant funds not  
10 collected and allocated to the water development state  
11 special revenue account or the renewable resource  
12 development account.

13 NEW SECTION. Section 10. Conditions for loans. Each  
14 sponsor authorized for a loan from water development bond  
15 proceeds or renewable resource development bond proceeds may  
16 be required to pay to the department of natural resources  
17 and conservation a pro rata share of the bond issuance costs  
18 and the administrative costs incurred by the department to  
19 complete the loan transaction.

20 NEW SECTION. Section 11. Private and discount  
21 purchase of loans. Loans to political subdivisions and local  
22 government entities and bonds, warrants, and notes issued in  
23 evidence thereof may be made and purchased by and sold to  
24 the department of natural resources and conservation at a  
25 discount and at private negotiated sale, notwithstanding the

1 provisions of any other law applicable to such political  
2 subdivisions or local government entities.

3 NEW SECTION. **Section 12. Appropriations established.**

4 For any entity of state government that receives a grant or  
5 loan under [this act], an appropriation is established for  
6 the amount of the grant or loan upon award of the grant or  
7 loan by the department of natural resources and  
8 conservation.

9 NEW SECTION. **Section 13. Severability.** If a part of  
10 [this act] is invalid, all valid parts that are severable  
11 from the invalid part remain in effect. If a part of [this  
12 act] is invalid in one or more of its applications, the part  
13 remains in effect in all valid applications that are  
14 severable from the invalid applications.

15 NEW SECTION. **Section 14. Effective date.** [This act]  
16 is effective on passage and approval.

-End-

SENATE STANDING COMMITTEE REPORT

April 8, 1989

MR. PRESIDENT:

We, your committee on Finance and Claims, having had under consideration HB 775 (third reading copy -- blue), respectfully report that HB 775 be amended and as so amended be concurred in:

Sponsor: Connelly (Hims1)

1. Page 5, line 2.

Following: line 1

Insert: "PARK CONSERVATION DISTRICT

Park Branch Sediment Diversion

30,000"

2. Page 5, line 3.

Following: "program"

Insert: " -- eligibilty"

3. Page 5, line 22.

Insert: "Projects and activities listed in [section 2] that do not receive renewable resource development funding are eligible for water development funds on the basis of the water development program priority ranking criteria. A project or activity listed in [section 2] that receives renewable resource development funds is not eligible to compete for water development funds."

4. Page 8, line 9.

Strike: "Reservoir"

Insert: "Reservation"

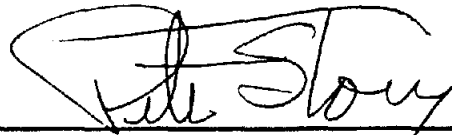
5. Page 10, line 12.

Following: "program"

Insert: "and such deposits are hereby appropriated"

AND AS AMENDED BE CONCURRED IN

Signed: \_\_\_\_\_



Pete Story, Chairman

SENATE  
HB 775

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 11, 1989 1:56 pm

Mr. Chairman: I move to amend HB 775 (third reading copy -- blue)  
as follows:

1. Page 5, line 2.

Following: line 1

Insert: "SHERIDAN COUNTY

Carroll Dam Feasibility Study

84,500"

ADOPT

REJECT

Signed: Dennis Nathe

Senator Nathe

HB 775

SENATE #1

## HOUSE BILL NO. 775

INTRODUCED BY CONNELLY

BY REQUEST OF THE LONG-RANGE BUILDING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 50TH LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1991; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Appropriations from the water development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation up to \$85,000 from the water development state special revenue account during the 1990-91 biennium for grants to private persons for water development projects and activities pursuant to the provisions of Title

85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [this act]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development debt service fund, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1990-91 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [this act]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection

(4), subject to the conditions set forth in [this act] and the contingencies described in the renewable resource and water development programs January 1989 report. The legislature, pursuant to 85-1-605, approves the grants listed in subsection (4), with grants to be made in the order indicated in the prioritized list of projects and activities. Funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted or used by higher ranked projects and activities must be provided for projects and activities further down the priority list that would not otherwise receive funding. If the total expenditure of funds appropriated under this section results in a cutoff that ends at a point at which more than one project or activity is ranked equal in priority, the decision regarding which project or projects will receive funding must be made by the department with the advice of the water development advisory committee formed pursuant to 2-15-122. Any projects that are funded by the reclamation and development grants program may not be funded under [this act]. Actual rank and score of the various projects and activities are contained within the renewable resource and water development programs project evaluations and recommendations report for the 1990-91 biennium.

(4) The following are the grant and loan prioritized

projects and activities:

#### WATER DEVELOPMENT PROGRAM

Applicant/Project	Recommended Grant
DALY DITCH IRRIGATION DISTRICT	
Republican West Diversion Replacement	\$100,000
PRIVATE APPLICANT	
Water System Technical Adviser	60,000
BEAVERHEAD AND MILE HIGH CONSERVATION DISTRICT	
Big Hole River Channel Stabilization	18,400
PRAIRIE COUNTY CONSERVATION DISTRICT	
Watershed Demonstration Management Practices	65,000
CARBON CONSERVATION DISTRICT	
Rushwater Creek Erosion Control	100,000
PRIVATE APPLICANT	
Wastewater Pond Effluent Irrigation System	25,000
CARBON CONSERVATION DISTRICT	
Rock Creek Decreed Water Distribution	30,000
HUNTLEY PROJECT IRRIGATION DISTRICT	
Main Canal Measuring and Flow Control	44,268
DUTTON, TOWN OF	
Streambank Stabilization Project	24,500
POPLAR, TOWN OF	

1 Water Treatment Facility 50,000  
 2 PARK CONSERVATION DISTRICT  
 3 PARK BRANCH SEDIMENT DIVERSION 30,000  
 4 SHERIDAN COUNTY  
 5 CARROLL DAM FEASIBILITY STUDY 84,500

6 **NEW SECTION. Section 2. Appropriations** under  
 7 renewable resource development program -- ELIGIBILITY. (1)  
 8 There are appropriated to the department of natural  
 9 resources and conservation all available funds from the  
 10 renewable resource development account during the 1990-91  
 11 biennium for projects under the renewable resource  
 12 development program.

13 (2) The department shall award grants to the named  
 14 entities for the described purposes and in the described  
 15 amounts set out in subsection (3)(a). The legislature,  
 16 pursuant to 90-2-111, approves the listed grants, with  
 17 grants to be made in order of priority ranking, except  
 18 renewable resource development grants for water development  
 19 projects and activities that must be made in the order of  
 20 priority listed in [section 1]. Projects and activities  
 21 sponsored by public entities listed in [section 1] that do  
 22 not receive water development funding are eligible for  
 23 renewable resource development funds on the basis of the  
 24 renewable resource development program priority ranking  
 25 criteria. Any project or activity listed in [section 1] that

1 receives water development funds is not eligible to compete  
 2 for renewable resource development funds. PROJECTS AND  
 3 ACTIVITIES LISTED IN THIS SECTION THAT DO NOT RECEIVE  
 4 RENEWABLE RESOURCE DEVELOPMENT FUNDING ARE ELIGIBLE FOR  
 5 WATER DEVELOPMENT FUNDS ON THE BASIS OF THE WATER  
 6 DEVELOPMENT PROGRAM PRIORITY RANKING CRITERIA. A PROJECT OR  
 7 ACTIVITY LISTED IN THIS SECTION THAT RECEIVES RENEWABLE  
 8 RESOURCE DEVELOPMENT FUNDS IS NOT ELIGIBLE TO COMPETE FOR  
 9 WATER DEVELOPMENT FUNDS. Funds not accepted or used by  
 10 higher ranked projects must be provided for projects further  
 11 down the priority list that would not otherwise receive  
 12 funding. If the total expenditure of funds appropriated  
 13 under this section results in a cutoff that ends at a point  
 14 at which more than one project is ranked equal in priority,  
 15 the decision regarding which project or projects will  
 16 receive funding must be made by the department with the  
 17 advice of the water development advisory committee formed  
 18 pursuant to 2-15-122. Actual rank and score of the various  
 19 projects are contained within the renewable resource and  
 20 water development programs project evaluations and  
 21 recommendations report for the 1990-91 biennium.

22 (3) (a) The following are the grant and loan  
 23 prioritized projects and activities:

24 RENEWABLE RESOURCE DEVELOPMENT PROGRAM  
 25 Recommended Funding

	<u>Grant</u>	<u>Loan</u>
1 <u>Applicant/Project</u>		
2 GALLATIN CONSERVATION DISTRICT		
3 East Gallatin State Recreation Area	\$100,000	
4 FLATHEAD BASIN COMMISSION		
5 Forest Practices/Water Quality		
6 Cooperative Program	25,000	
7 MONTANA STATE LIBRARY		
8 Montana National Resource		
9 Information System	99,806	
10 Montana Water Information System	45,510	
11 Montana Natural Heritage Program	99,450	
12 UNIVERSITY OF MONTANA		
13 Management Guidelines/Riparian Site	41,773	
14 AGRICULTURE, DEPARTMENT OF		
15 Monitor Agricultural Chemicals in		
16 Ground Water	93,550	
17 LEWIS AND CLARK COUNTY		
18 Hydrogeologic Evaluation/Helena		
19 Valley	100,000	
20 BELGRADE, CITY OF		
21 Meter Installation and Water Main		
22 Replacement	50,000	150,000
23 HYSHAM, TOWN OF		
24 Hysham Water System Improvement		
25 Project	50,000	150,000

1 WHITEFISH WATER AND SEWER		
2 Swift Creek Clay Banks		
3 Stabilization	73,440	
4 EAST GLACIER WATER AND SEWER DISTRICT		
5 Midvale Creek Diversion	40,000	76,380
6 YELLOWSTONE COUNTY		
7 Valley Creek/Calamity Jane Study	10,000	
8 STATE LANDS, DEPARTMENT OF		
9 Integrated Forest Resource		
10 Information	89,121	
11 COLUMBIA FALLS, CITY OF		
12 Water Master Plan Phase II	20,000	
13 MISSOULA COUNTY		
14 Emergency Response/Aquifer		
15 Protection Enhancement	45,000	
16 MSU-EASTERN AGRICULTURAL RESEARCH		
17 CENTER		
18 Ground Water Nitrates Under		
19 Irrigable Agricultural Land	10,700	
20 DNRC CONSERVATION DISTRICT DIVISION		
21 Water Reservoir <u>RESERVATION</u>		
22 Development Program	32,000	
23 GREEN MOUNTAIN CONSERVATION DISTRICT		
24 Fire Hydrants for Trout Creek Water		
25 System	18,720	



## 1 LAKESIDE WATER DISTRICT

2 Stoner Creek Road and Woodacres

3 Main 28,500

4 STATE LANDS, DEPARTMENT OF5 PILOT URBAN FORESTRY PROJECT 60,000

6 (b) The grants approved for the university of Montana  
7 and Montana state university do not include funding for  
8 indirect costs.

9 (4) The following contingencies apply to the grants to  
10 the Montana state library for the natural resource  
11 information system, water information system, and natural  
12 heritage program:

13 (a) Beginning October 1, 1989, the Montana state  
14 library shall:

15 (i) charge a minimum rate of \$25 an hour to private  
16 sector users of the natural resource information system,  
17 water information system, and natural heritage program;

18 (ii) charge a subscription fee to private sector users;  
19 or

20 (iii) based on the recommendation of the natural  
21 resource data system advisory committee, develop a different  
22 charging method that results in an equitable cost to private  
23 users.

24 (b) Charges developed pursuant to subsection (4)(a) do  
25 not apply to government agencies or public users of the

1 natural resource information system, water information  
2 system, and natural heritage program.

3 (c) Charges under subsection (1)(a) are limited to  
4 charges for services of the natural resource information  
5 system, water information system, and natural heritage  
6 program and do not establish a precedent for setting charges  
7 for other library services.

8 (d) The Montana state library shall develop and use a  
9 recordkeeping system to specify the private sector users of  
10 the natural resource information system, water information  
11 system, and natural heritage program data bases and  
12 services. The use data must be provided to appropriate  
13 entities of the legislature for use in decisions on the  
14 long-term funding of the natural resource information  
15 system, water information system, and natural heritage  
16 program.

17 (e) If the grants are funded at the approved level,  
18 money collected from the charging system developed under  
19 subsection (4)(a) must be deposited in the renewable  
20 resource development account. If the grants are funded at  
21 less than the approved level, money collected from the  
22 charging system developed under subsection (4)(a) must be  
23 deposited in the Montana state library account to offset the  
24 costs of the natural resource information system, water  
25 information system, and natural heritage program, AND SUCH

1 DEPOSITS ARE HEREBY APPROPRIATED. These deposits, when  
2 combined with the available funding, may not exceed the  
3 total amount of the approved grants.

4 NEW SECTION. Section 3. Opportunity to receive loans  
5 for projects that do not receive grants. Sponsors of  
6 recommended projects and activities on the prioritized lists  
7 in [sections 1 and 2] that are not recipients of available  
8 grant funds must be offered the opportunity to receive loan  
9 funds for up to the total recommended project amount,  
10 subject to the conditions described in [this act]. The  
11 interest rate applicable to these loans must be the rate  
12 paid on bonds issued pursuant to [this act].

13 NEW SECTION. Section 4. Approval of loans from bond  
14 proceeds and completion of appropriation. (1) The  
15 legislature, pursuant to 85-1-605, 85-1-606, and 90-2-107,  
16 hereby approves loans to private sponsors approved by the  
17 department of natural resources and conservation during the  
18 1990-91 biennium and the loans for projects and activities  
19 identified and described in [section 1] to public entities  
20 from water development bond proceeds, interest earnings on  
21 such proceeds deposited in the water development debt  
22 service fund, and loans from renewable resource development  
23 bond proceeds deposited in the renewable resource  
24 development account. Bond proceeds may be used for the  
25 payment of bond issuance costs. Funds are appropriated for

1 these costs to a maximum of 4% of the amount of each bond  
2 sale.

3 (2) The approval of specific loans completes an  
4 appropriation of the coal severance tax proceeds allocated  
5 by 15-35-108 to the water development bond account for the  
6 purpose of paying, in the manner established by 85-1-619,  
7 principal of and interest and redemption premiums on any  
8 water development bonds issued to provide the proceeds for  
9 the loans to private and public entities for projects and  
10 activities approved in [section 1], and it also completes an  
11 appropriation to the renewable resource debt service fund  
12 for the purpose of paying, in the manner established by  
13 90-2-123, principal of and interest and redemption premiums  
14 on any renewable resource development bonds issued to  
15 provide the proceeds for the loans to political subdivisions  
16 and local government entities for projects and activities  
17 approved in [sections 1 and 2].

18 NEW SECTION. Section 5. Reauthorization of loans and  
19 grants approved by 50th legislature. The 50th legislature,  
20 in House Bill No. 7, Laws of 1987, approved loans and grants  
21 from the water development and renewable resource  
22 development bond accounts for the Cascade County RID No. 26,  
23 Sun Prairie, in the amount of \$200,000; Carbon  
24 County/Roberts Water System Improvements in the amount of  
25 \$142,500; City of Shelby in the amount of \$100,000; Sage

Creek County Water District in the amount of \$158,600; and Town of Cascade in the amount of \$200,000. Loans and grants for the entities described in this section are hereby reauthorized.

**NEW SECTION. Section 6.** Reallocation of resource indemnity trust account interest income. Except for special departmental appropriation and notwithstanding any provisions of 85-1-604 to the contrary, all remaining interest income allocated to the water development state special revenue account from the resource indemnity trust fund by 15-38-202(2) during the 1990-91 biennium may be used only for the purposes set out in 85-1-604(3)(c).

**NEW SECTION. Section 7.** Emergency grants. There is appropriated to the department of natural resources and conservation up to \$125,000 from the water development state special revenue account to be used for emergency projects. If these funds are not needed for emergencies, they may be used for grants approved in [section 1].

**NEW SECTION. Section 8.** Conditions of loans and grants. Disbursement of funds under [this act] for both loans and grants is subject to the following conditions that must be met by project sponsors:

(1) approval of a scope of work and budget for the project by the department of natural resources and conservation. Reductions in a scope of work or budget may

not affect priority activities or improvements.

(2) documented commitment of other funds required for project completion;

(3) satisfactory completion of conditions described in the recommendation section of the project narrative in the renewable resource and water development programs project evaluations and recommendations report for the 1990-91 biennium or, in the case of emergency applications, conditions specified at the time of written notification of approved loan authority;

(4) execution of a loan or grant agreement with the department; and

(5) accomplishment of other specific requirements considered necessary by the department to accomplish the purpose of the loan or grant as evidenced from the application to the department or from the proposal to the legislature.

**NEW SECTION. Section 9.** Conditions for grants. Notwithstanding the conditions described in [section 1], grant funds are disbursed in the order of priority listed in [section 1] as coal tax and resource indemnity trust account interest income revenues are received. No project approved by [this act] is entitled to receive grant funds not collected and allocated to the water development state special revenue account or the renewable resource

1 development account.

2 NEW SECTION. Section 10. Conditions for loans. Each  
3 sponsor authorized for a loan from water development bond  
4 proceeds or renewable resource development bond proceeds may  
5 be required to pay to the department of natural resources  
6 and conservation a pro rata share of the bond issuance costs  
7 and the administrative costs incurred by the department to  
8 complete the loan transaction.

9 NEW SECTION. Section 11. Private and discount  
10 purchase of loans. Loans to political subdivisions and local  
11 government entities and bonds, warrants, and notes issued in  
12 evidence thereof may be made and purchased by and sold to  
13 the department of natural resources and conservation at a  
14 discount and at private negotiated sale, notwithstanding the  
15 provisions of any other law applicable to such political  
16 subdivisions or local government entities.

17 NEW SECTION. Section 12. Appropriations established.  
18 For any entity of state government that receives a grant or  
19 loan under [this act], an appropriation is established for  
20 the amount of the grant or loan upon award of the grant or  
21 loan by the department of natural resources and  
22 conservation.

23 NEW SECTION. Section 13. Severability. If a part of  
24 [this act] is invalid, all valid parts that are severable  
25 from the invalid part remain in effect. If a part of [this

1 act] is invalid in one or more of its applications, the part  
2 remains in effect in all valid applications that are  
3 severable from the invalid applications.

4 NEW SECTION. Section 14. Effective date. [This act]  
5 is effective on passage and approval.

-End-