

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUE
BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

IN THE HOUSE

DECEMBER 30, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY 4, 1993	FIRST READING.
MARCH 19, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 22, 1993	PRINTING REPORT.
MARCH 23, 1993	SECOND READING, DO PASS AS AMENDED.
MARCH 24, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 83; NOES, 15.
MARCH 25, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 7, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 8, 1993	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 12, 1993	THIRD READING, CONCURRED IN. AYES, 47; NOES, 1.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 14, 1993	SECOND READING, AMENDMENTS NOT CONCURRED IN.
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APRIL 15, 1993

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 19, 1993

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 22, 1993

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE SENATE

APRIL 22, 1993

FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 23, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND
GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE
RESOURCE DEVELOPMENT PROGRAM; AUTHORIZING LOANS FROM WATER
DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND
PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; REAUTHORIZING
GRANTS AND LOANS APPROVED BY THE 52ND LEGISLATURE; REALLOCATING
CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER
DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30,
1995; PLACING 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 water development
and renewable resource development state special revenue accounts.**

(1) Because the legislature cannot appropriate individual grants to
private entities, there is appropriated to the department of
natural resources and conservation \$100,000 during the 1995
biennium for grants to private persons. This appropriation is from

1 money available in the water development state special revenue
2 account and the renewable resource development account for grants
3 for water development projects and activities under 85-1-604(3)(c)
4 and renewable resource development projects under 90-2-111. Grants
5 must be awarded according to priorities established in subsections
6 (3) and (4).

7 (2) There is appropriated to the department the interest
8 earnings from the proceeds of water development bonds and renewable
9 resource development bonds issued to finance loans authorized by
10 [sections 1 through 11]. Interest earnings must be deposited in the
11 water development debt service fund and the renewable resource
12 development account, respectively.

13 (3) (a) There are appropriated to the department all other
14 funds not appropriated under subsection (1) and available for
15 grants to political subdivisions and local government entities up
16 to the amount required to fund projects approved by [sections 1
17 through 11] from the water development state special revenue
18 account and the renewable resource development account during the
19 1995 biennium. This appropriation is for grants and loans for:

20 (i) water development projects and activities under 85-1-
21 604(3)(c);

22 (ii) renewable resource development projects under 90-2-111;
23 and

24 (iii) projects under [sections 1 through 11].

25 (b) The funds appropriated in this section must be awarded by
26 the department to the named entities for the described purposes and

1 in the described grant amounts set out in subsection (4), subject
2 to the conditions set forth in [sections 1 through 11] and the
3 contingencies described in the renewable resource and water
4 development program January 1993 report to the 53rd legislature.
5 The legislature, pursuant to 85-1-605 and 90-2-111, approves the
6 grants listed in subsection (4), with grants to be made in the
7 order indicated in the prioritized list of projects and activities.
8 Funds must be awarded up to the amounts approved in this section in
9 order of priority until available funds are expended. Funds not
10 accepted or used by higher-ranked projects and activities must be
11 provided for projects and activities further down the priority list
12 that would not otherwise receive funding. A grant funded by the
13 reclamation and development grants program may not be funded under
14 [sections 1 through 11].

15 (4) The following are the prioritized grant and loan projects
16 and activities:

17 WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENTS PROGRAMS

	Recommended Funding
<u>Applicant/Project</u>	Grant Loan
MALTA IRRIGATION DISTRICT	
Water Use Efficiency Improvements	\$50,000 \$50,000
RICHLAND COUNTY	
Dam Evaluation and Design	60,300
MONTANA DEPARTMENT OF NATURAL RESOURCES	
AND CONSERVATION - WATER RESOURCES DIVISION	
Characteristics of Extreme Precip.	100,000

1	TOWN OF RYEGATE		
2	Water System Improvement	33,750	66,250
3	YELLOWSTONE COUNTY		
4	Yellowstone River Project	100,000	
5	STOCKETT/CASCADE WATER AND SEWER DISTRICT		
6	Sewer System	50,000	150,000
7	MONTANA STATE UNIVERSITY, WATER COURSE		
8	Innovative Water Resource Education	94,900	
9	BUTTE-SILVER BOW LOCAL GOVERNMENT		
10	Municipal Compost Production	50,000	49,864
11	DARBY SCHOOL DISTRICT NO. 9		
12	School Park Project	25,300	
13	MONTANA DEPARTMENT OF STATE LANDS		
14	Reforestation Projects on State Lands	21,974	
15	HUNTLEY WATER AND SEWER DISTRICT		
16	Water System Rehabilitation	50,000	50,000
17	RUBY VALLEY CONSERVATION DISTRICT		
18	Upper Ruby Riparian Area Improvements	100,000	
19	BUTTE-SILVER BOW LOCAL GOVERNMENT		
20	Blacktail Creek Restoration Project	100,000	
21	MONTANA BUREAU OF MINES AND GEOLOGY		
22	Ground Water Protection/Education	94,184	
23	TOWN OF WINNETT		
24	Sewer Reconstruction and Rehabilitation	50,000	50,000
25	FORT PECK RURAL WATER DISTRICT		
26	Water Engineering Study	40,000	

1	TOWN OF DUTTON		
2	Water System Improvement	50,000	
3	PETROLEUM COUNTY		
4	Crooked Creek Recreation Center	50,000	50,000
5	EAST GLACIER WATER AND SEWER DISTRICT		
6	Midvale Diversion Structure	25,905	76,537
7	TOWN OF NASHUA		
8	Water Storage System Improvements	50,000	
9	CARBON COUNTY		
10	Town of Roberts Water System Improvements	50,000	50,000
11	CHINOOK DIVISION IRRIGATION ASSOCIATION		
12	Irrigation Water Measuring Devices	34,217	65,783
13	CHINOOK DIVISION IRRIGATION ASSOCIATION		
14	Repair of Lohman Dam	36,173	63,827
15	LIBERTY COUNTY CONSERVATION DISTRICT		
16	Sweetgrass Hills Ground Water Evaluation	100,000	
17	CUSTER COUNTY		
18	County Recycling Project	4,725	
19	TOWN OF CIRCLE		
20	Water Quality Improvement Project	15,000	
21	EASTERN SANDERS CONSERVATION DISTRICT		
22	Accelerate Soil Survey on Forest Lands	99,000	
23	MONTANA INSTITUTE OF TOURISM AND RECREATION		
24	Study of the Impact of Tourism	35,494	
25	TOWN OF HOT SPRINGS		
26	Camas Therapy Center - Geothermal		

1	Development	100,000	
2	GLASGOW IRRIGATION DISTRICT		
3	Install Headgate Measuring Devices	50,000	50,000
4	HILGER COUNTY WATER AND SEWER DISTRICT		
5	Sewage and Collection Treatment		
6	Facilities	50,000	50,000
7	VALLEY COUNTY		
8	Fort Peck Breakwater	100,000	
9	MILE HIGH CONSERVATION DISTRICT		
10	Radon Assessment of Montana's Aquifers	99,812	
11	MONTANA DEPARTMENT OF NATURAL RESOURCES AND		
12	CONSERVATION - WATER RESOURCES FIELD OFFICE		
13	Flathead Valley Coop. Ground Water Study	100,000	
14	MISSOULA URBAN TRANSPORTATION DISTRICT		
15	Alternative Fuels Initiative	56,185	
16	LITTLE BEAVER CONSERVATION DISTRICT		
17	Water Reservations Implementation	47,318	
18	RAVALLI COUNTY		
19	Ground Water Vulnerability Assessment	88,340	
20	YELLOWSTONE COUNTY		
21	Shepherd Rural Water System Development	85,000	
22	MONTANA STATE UNIVERSITY		
23	Guide to Montana Water Law	31,740	
24	HILL COUNTY		
25	Salinity Control Project	50,000	50,000
26	ROOSEVELT COUNTY CONSERVATION DISTRICT		

1	Recreational Enhancement of Missouri River	7,000	
2	FORT SHAW IRRIGATION DISTRICT		
3	"A" System Diversion	50,000	
4	DODSON IRRIGATION DISTRICT		
5	Water Use Efficiency Improvements	31,569	31,326
6	FORT SHAW IRRIGATION DISTRICT		
7	Rehabilitation and Betterment Study	50,000	
8	FLATHEAD JOINT BOARD OF CONTROL		
9	Fish Friendly Irrigation	44,500	54,500
10	WHITEFISH COUNTY WATER AND SEWER DISTRICT		

11	Protection of Swift Creek Pilot Project	13,921	37,485
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12 (5) To the entities listed in this section, this
13 appropriation constitutes a valid obligation of these funds for
14 purposes of encumbering the funds within the 1995 biennium pursuant
15 to 17-7-302.

16 NEW SECTION. **Section 2. Opportunity to receive loans for**
17 **projects not receiving grants.** A sponsor of a recommended project
18 or activity on the prioritized list in [section 1] who is not a
19 recipient of available grant funds must be offered the opportunity
20 to receive loan funds for up to the total recommended project
21 amount, subject to the conditions described in [sections 1 through
22 11]. The interest rate applicable to a loan must be the rate paid
23 on bonds issued pursuant to [sections 1 through 11].

24 NEW SECTION. **Section 3. Approval of loans from bond proceeds**
25 **-- completion of appropriation.** (1) The legislature, pursuant to

1 85-1-605, 85-1-606, and 90-2-107, approves loans to private
2 sponsors approved by the department of natural resources and
3 conservation during the 1995 biennium and the loans for projects
4 and activities identified and described in [section 1] to public
5 entities from water development bond proceeds, interest earnings on
6 bond proceeds deposited in the water development debt service fund,
7 and loans from renewable resource development bond proceeds
8 deposited in the renewable resource development account. Bond
9 proceeds may be used for the payment of bond issuance costs. Funds
10 are appropriated for these costs to a maximum of 4% of the amount
11 of each bond sale.

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

25 NEW SECTION. **Section 4. Reauthorization of loans and grants**

1 **approved.** The 52nd legislature, in Chapter 551, Laws of 1991,
2 approved loans and grants from the water development bond account
3 or the renewable resource development bond account for the town of
4 Belt in the amount of \$100,000; Cascade County RID No. 26, Sun
5 Prairie, in the amount of \$200,000; town of Chinook in the amount
6 of \$200,000; East Glacier water and sewer district in the amount of
7 \$116,380; town of Ekalaka in the amount of \$149,975; town of
8 Fairfield in the amount of \$14,169; and Fort Shaw irrigation
9 district in the amount of \$100,000. Loans and grants for the
10 entities described in this section are reauthorized.

11 NEW SECTION. **Section 5. Reallocation of resource indemnity**
12 **trust account interest income.** Except for special departmental
13 appropriation and notwithstanding any provisions of 85-1-604 to the
14 contrary, all remaining interest income allocated to the water
15 development state special revenue account from the resource
16 indemnity trust fund by 15-38-202(2) during the 1995 biennium may
17 be used only for the purposes set out in 85-1-604(3)(c).

18 NEW SECTION. **Section 6. Emergency grants.** There is
19 appropriated to the department of natural resources and
20 conservation up to \$125,000 from the water development state
21 special revenue account to be used for emergency projects. If these
22 funds are not needed for emergencies, they may be used for grants
23 approved in [section 1].

24 NEW SECTION. **Section 7. Conditions of loans and grants.**

1 Disbursement of funds under [sections 1 through 11] for both loans
2 and grants is subject to the following conditions that must be met
3 by project sponsors:

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

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

10 (3) satisfactory completion of conditions described in the
11 recommendation section of the project narrative in the renewable
12 resource and water development program project evaluations and
13 recommendations report submitted to the 53rd legislature for the
14 1995 biennium or, in the case of emergency applications, conditions
15 specified at the time of written notification of approved grant
16 authority;

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

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

23 NEW SECTION. **Section 8. Conditions for grants.** Grant funds
24 must be disbursed in the order of priority listed in [section 1] as
25 coal tax and resource indemnity trust account interest income

1 revenue is received. A project approved by [sections 1 through 11]
2 may not receive grant funds not collected and allocated to the
3 water development state special revenue account or the renewable
4 resource development account.

5 NEW SECTION. **Section 9. Conditions for loans.** Each sponsor
6 authorized to receive a loan from water development bond proceeds
7 or renewable resource development bond proceeds may be required to
8 pay to the department of natural resources and conservation a pro
9 rata share of the bond issuance costs and the administrative costs
10 incurred by the department to complete the loan transaction.

11 NEW SECTION. **Section 10. Private and discount purchase of**
12 **loans.** A loan to a political subdivision or a local government
13 entity and a bond, warrant, or note issued in evidence of a loan
14 may be made, purchased by, and sold to the department of natural
15 resources and conservation at a discount and at private negotiated
16 sale, notwithstanding the provisions of any other law applicable to
17 a political subdivision or local government entity.

18 NEW SECTION. **Section 11. Other appropriations.** For an entity
19 of state government that receives a grant or loan under [sections
20 1 through 11], there is appropriated the amount of the grant or
21 loan upon award of the grant or loan by the department of natural
22 resources and conservation. Grants to state entities from a
23 previous biennium are reauthorized for completion of contract work.

24 NEW SECTION. **Section 12. Severability.** If a part of [this

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

6 NEW SECTION. **Section 13. Effective date.** [This act] is
7 effective on passage and approval.

8 -END-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND
GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE
RESOURCE DEVELOPMENT PROGRAM; AUTHORIZING LOANS FROM WATER
DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND
PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; REAUTHORIZING
GRANTS AND LOANS APPROVED BY THE 52ND LEGISLATURE; REALLOCATING
CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER
DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30,
1995; PLACING 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 water development
and renewable resource development state special revenue accounts.**
(1) Because the legislature cannot appropriate individual grants to
private entities, there is appropriated to the department of
natural resources and conservation \$100,000 during the 1995
biennium for grants to private persons. This appropriation is from

1 money available in the water development state special revenue
2 account and the renewable resource development account for grants
3 for water development projects and activities under 85-1-604(3)(c)
4 and renewable resource development projects under 90-2-111. Grants
5 must be awarded according to priorities established in subsections
6 (3) and (4).

7 (2) There is appropriated to the department the interest
8 earnings from the proceeds of water development bonds and renewable
9 resource development bonds issued to finance loans authorized by
10 [sections 1 through 11]. Interest earnings must be deposited in the
11 water development debt service fund and the renewable resource
12 development account, respectively.

13 (3) (a) There are appropriated to the department all other
14 funds not appropriated under subsection (1) and available for
15 grants to political subdivisions and local government entities up
16 to the amount required to fund projects approved by [sections 1
17 through 11] from the water development state special revenue
18 account and the renewable resource development account during the
19 1995 biennium. This appropriation is for grants and loans for:

20 (i) water development projects and activities under 85-1-
21 604(3)(c);

22 (ii) renewable resource development projects under 90-2-111;
23 and

24 (iii) projects under [sections 1 through 11].

25 (b) The funds appropriated in this section must be awarded by
26 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 [sections 1 through 11] and the contingencies described in the renewable resource and water development program January 1993 report to the 53rd legislature. The legislature, pursuant to 85-1-605 and 90-2-111, 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. A grant funded by the reclamation and development grants program may not be funded under [sections 1 through 11].

(4) The following are the prioritized grant and loan projects and activities:

WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENTS PROGRAMS			
		Recommended Funding	
<u>Applicant/Project</u>		Grant	Loan
MALTA IRRIGATION DISTRICT			
Water Use Efficiency Improvements		\$50,000	\$50,000
RICHLAND COUNTY			
Dam Evaluation and Design		60,300	
MONTANA DEPARTMENT OF NATURAL RESOURCES			
AND CONSERVATION - WATER RESOURCES DIVISION			
Characteristics of Extreme Precip.		100,000	

1	TOWN OF RYEGATE		
2	Water System Improvement	33,750	66,250
3		<u>50,000</u>	<u>150,000</u>
4	YELLOWSTONE COUNTY		
5	Yellowstone River Project	100,000	
6		<u>50,000</u>	
7	STOCKETT/CASCADE WATER AND SEWER DISTRICT		
8	Sewer System	50,000	150,000
9	MONTANA STATE UNIVERSITY, WATER COURSE		
10	Innovative Water Resource Education	94,900	
11	BUTTE-SILVER BOW LOCAL GOVERNMENT		
12	Municipal Compost Production	50,000	49,864
13	DARBY SCHOOL DISTRICT NO. 9		
14	School Park Project	25,300	
15	MONTANA DEPARTMENT OF STATE LANDS		
16	Reforestation Projects on State Lands	21,974	
17		<u>60,000</u>	
18	HUNTLEY WATER AND SEWER DISTRICT		
19	Water System Rehabilitation	50,000	50,000
20		<u>100,000</u>	
21	RUBY VALLEY CONSERVATION DISTRICT		
22	Upper Ruby Riparian Area Improvements	100,000	
23	BUTTE-SILVER BOW LOCAL GOVERNMENT		
24	Blacktail Creek Restoration Project	100,000	
25	MONTANA BUREAU OF MINES AND GEOLOGY		
26	Ground Water Protection/Education	94,184	

1	TOWN OF WINNETT		
2	Sewer Reconstruction and Rehabilitation	50,000	50,000
3	FORT PECK RURAL WATER DISTRICT		
4	Water Engineering Study	40,000	
5	TOWN OF DUTTON		
6	 Water System Improvement	50,000	
7	PETROLEUM COUNTY		
8	 Crooked Creek Recreation Center	50,000	50,000
9	EAST GLACIER WATER AND SEWER DISTRICT		
10	Midvale Diversion Structure	25,905	76,537
11	TOWN OF NASHUA		
12	Water Storage System Improvements	50,000	
13	CARBON COUNTY		
14	Town of Roberts Water System Improvements	50,000	50,000
15		<u>0</u>	<u>100,000</u>
16	CHINOOK DIVISION IRRIGATION ASSOCIATION		
17	Irrigation Water Measuring Devices	34,217	65,783
18	CHINOOK DIVISION IRRIGATION ASSOCIATION		
19	Repair of Lohman Dam	36,173	63,827
20	LIBERTY COUNTY CONSERVATION DISTRICT		
21	 Sweetgrass Hills Ground Water Evaluation	100,000	
22	CUSTER COUNTY		
23	County Recycling Project	4,725	
24	TOWN OF CIRCLE		
25	Water Quality Improvement Project	15,000	
26		<u>36,000</u>	

1	EASTERN SANDERS CONSERVATION DISTRICT		
2	Accelerate Soil Survey on Forest Lands	99,000	
3	MONTANA INSTITUTE OF TOURISM AND RECREATION		
4	 Study of the Impact of Tourism	35,494	
5	TOWN OF HOT SPRINGS		
6	 Camas Therapy Center Geothermal		
7	 Development	100,000	
8	GLASGOW IRRIGATION DISTRICT		
9	Install Headgate Measuring Devices	50,000	50,000
10	HILGER COUNTY WATER AND SEWER DISTRICT		
11	Sewage and Collection Treatment		
12	Facilities	50,000	50,000
13	VALLEY COUNTY		
14	 Fort Peck Breakwater	100,000	
15	MILE HIGH CONSERVATION DISTRICT		
16	 Raden Assessment of Montana's Aquifers	99,812	
17	MONTANA DEPARTMENT OF NATURAL RESOURCES AND		
18	CONSERVATION - WATER RESOURCES FIELD OFFICE		
19	Flathead Valley Coop. Ground Water Study	100,000	
20	MISSOULA URBAN TRANSPORTATION DISTRICT		
21	 Alternative Fuels Initiative	56,185	
22	LITTLE BEAVER CONSERVATION DISTRICT		
23	Water Reservations Implementation	47,318	
24	RAVALLI COUNTY		
25	Ground Water Vulnerability Assessment	88,340	
26		<u>70,672</u>	

1 YELLOWSTONE COUNTY

2 Shepherd Rural Water System Development 85,000

3 75,000

4 THIS GRANT IS CONTINGENT ON THE CREATION OF A WATER DISTRICT.5 ~~MONTANA STATE UNIVERSITY~~6 ~~Guide to Montana Water Law 31,740~~

7 HILL COUNTY

8 Salinity Control Project 50,000 50,000

9 ROOSEVELT COUNTY CONSERVATION DISTRICT

10 Recreational Enhancement of Missouri River 7,000

11 ~~FORT SHAW IRRIGATION DISTRICT~~12 ~~"A" System Diversion 50,000~~

13 DODSON IRRIGATION DISTRICT

14 Water Use Efficiency Improvements 31,569 31,326

15 ~~FORT SHAW IRRIGATION DISTRICT~~16 ~~Rehabilitation and Betterment Study 50,000~~

17 FLATHEAD JOINT BOARD OF CONTROL

18 Fish Friendly Irrigation 44,500 54,500

19 ~~WHITEFISH COUNTY WATER AND SEWER DISTRICT~~20 ~~Protection of Swift Creek Pilot Project 13,921 37,485~~21 TOWN OF HOT SPRINGS22 CAMAS THERAPY CENTER 150,00023 TOWN OF ENNIS24 WATER STORAGE & DISTRIBUTION 100,00025 (5) To the entities listed in this section, this
26 appropriation constitutes a valid obligation of these funds for

1 purposes of encumbering the funds within the 1995 biennium pursuant
2 to 17-7-302.

3 **NEW SECTION. Section 2. Opportunity to receive loans for**
4 **projects not receiving grants.** A sponsor of a recommended project
5 or activity on the prioritized list in [section 1] who is not a
6 recipient of available grant funds must be offered the opportunity
7 to receive loan funds for up to the total recommended project
8 amount, subject to the conditions described in [sections 1 through
9 11]. The interest rate applicable to a loan must be the rate paid
10 on bonds issued pursuant to [sections 1 through 11].

11 **NEW SECTION. Section 3. Approval of loans from bond proceeds**
12 **-- completion of appropriation.** (1) The legislature, pursuant to
13 85-1-605, 85-1-606, and 90-2-107, approves loans to private
14 sponsors approved by the department of natural resources and
15 conservation during the 1995 biennium and the loans for projects
16 and activities identified and described in [section 1] to public
17 entities from water development bond proceeds, interest earnings on
18 bond proceeds deposited in the water development debt service fund,
19 and loans from renewable resource development bond proceeds
20 deposited in the renewable resource development account. Bond
21 proceeds may be used for the payment of bond issuance costs. Funds
22 are appropriated for these costs to a maximum of 4% of the amount
23 of each bond sale.

24 (2) The approval of specific loans completes an appropriation
25 of the coal severance tax proceeds allocated by 15-35-108 to the

1 water development debt service fund for the purpose of paying, in
2 the manner established by 85-1-619, principal of and interest and
3 redemption premiums on any water development bonds issued to
4 provide the proceeds for the loans to private and public entities
5 for projects and activities approved in [section 1], and it also
6 completes an appropriation to the renewable resource debt service
7 fund for the purpose of paying, in the manner established by 90-2-
8 123, principal of and interest and redemption premiums on any
9 renewable resource development bonds issued to provide the proceeds
10 for the loans to political subdivisions and local government
11 entities for projects and activities listed in [section 1].

12 NEW SECTION. **Section 4. Reauthorization of loans and grants**
13 **approved.** The 52nd legislature, in Chapter 551, Laws of 1991,
14 approved loans and grants from the water development bond account
15 or the renewable resource development bond account for the town of
16 Belt in the amount of \$100,000; ~~Cascade County RID No. 26, Sun~~
17 ~~Prairie~~ VILLAGE WATER AND SEWER DISTRICT, in the amount of ~~\$200,000~~
18 \$250,000; town of Chinook in the amount of \$200,000; East Glacier
19 water and sewer district in the amount of \$116,380; town of Ekalaka
20 in the amount of ~~\$149,975~~ \$209,975; town of Fairfield in the amount
21 of \$14,169; TOWN OF NEIHART IN THE AMOUNT OF \$150,000; and Fort
22 Shaw irrigation district in the amount of \$100,000. Loans and
23 grants for the entities described in this section are reauthorized.

24 NEW SECTION. **Section 5. Reallocation of resource indemnity**
25 **trust account interest income.** Except for special departmental

1 appropriation and notwithstanding any provisions of 85-1-604 to the
2 contrary, all remaining interest income allocated to the water
3 development state special revenue account from the resource
4 indemnity trust fund by 15-38-202(2) during the 1995 biennium may
5 be used only for the purposes set out in 85-1-604(3)(c).

6 NEW SECTION. **Section 6. Emergency grants.** There is
7 appropriated to the department of natural resources and
8 conservation up to \$125,000 from the water development state
9 special revenue account to be used for emergency projects. If these
10 funds are not needed for emergencies, they may be used for grants
11 approved in [section 1].

12 NEW SECTION. **Section 7. Conditions of loans and grants.**
13 Disbursement of funds under [sections 1 through 11] for both loans
14 and grants is subject to the following conditions that must be met
15 by project sponsors:

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

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

22 (3) satisfactory completion of conditions described in the
23 recommendation section of the project narrative in the renewable
24 resource and water development program project evaluations and
25 recommendations report submitted to the 53rd legislature for the

1 1995 biennium or, in the case of emergency applications, conditions
2 specified at the time of written notification of approved grant
3 authority;

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

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

10 NEW SECTION. **Section 8. Conditions for grants.** Grant funds
11 must be disbursed in the order of priority listed in [section 1] as
12 coal tax and resource indemnity trust account interest income
13 revenue is received. A project approved by [sections 1 through 11]
14 may not receive grant funds not collected and allocated to the
15 water development state special revenue account or the renewable
16 resource development account.

17 NEW SECTION. **Section 9. Conditions for loans.** Each sponsor
18 authorized to receive a loan from water development bond proceeds
19 or renewable resource development bond proceeds may be required to
20 pay to the department of natural resources and conservation a pro
21 rata share of the bond issuance costs and the administrative costs
22 incurred by the department to complete the loan transaction.

23 NEW SECTION. **Section 10. Private and discount purchase of**
24 **loans.** A loan to a political subdivision or a local government

1 entity and a bond, warrant, or note issued in evidence of a loan
2 may be made, purchased by, and sold to the department of natural
3 resources and conservation at a discount and at private negotiated
4 sale, notwithstanding the provisions of any other law applicable to
5 a political subdivision or local government entity.

6 NEW SECTION. **Section 11. Other appropriations.** For an entity
7 of state government that receives a grant or loan under [sections
8 1 through 11], there is appropriated the amount of the grant or
9 loan upon award of the grant or loan by the department of natural
10 resources and conservation. Grants to state entities from a
11 previous biennium are reauthorized for completion of contract work.

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

18 NEW SECTION. **Section 13. Effective date.** [This act] is
19 effective on passage and approval.

20 -END-

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; AUTHORIZING LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; REAUTHORIZING GRANTS AND LOANS APPROVED BY THE 52ND LEGISLATURE; REALLOCATING CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1995; PLACING 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 water development and renewable resource development state special revenue accounts.

(1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation \$100,000 during the 1995 biennium for grants to private persons. This appropriation is from

1 money available in the water development state special revenue
2 account and the renewable resource development account for grants
3 for water development projects and activities under 85-1-604(3)(c)
4 and renewable resource development projects under 90-2-111. Grants
5 must be awarded according to priorities established in subsections
6 (3) and (4).

7 (2) There is appropriated to the department the interest
8 earnings from the proceeds of water development bonds and renewable
9 resource development bonds issued to finance loans authorized by
10 [sections 1 through 11]. Interest earnings must be deposited in the
11 water development debt service fund and the renewable resource
12 development account, respectively.

13 (3) (a) There are appropriated to the department all other
14 funds not appropriated under subsection (1) and available for
15 grants to political subdivisions and local government entities up
16 to the amount required to fund projects approved by [sections 1
17 through 11] from the water development state special revenue
18 account and the renewable resource development account during the
19 1995 biennium. This appropriation is for grants and loans for:

20 (i) water development projects and activities under 85-1-
21 604(3)(c);

22 (ii) renewable resource development projects under 90-2-111;
23 and

24 (iii) projects under [sections 1 through 11].

25 (b) The funds appropriated in this section must be awarded by
26 the department to the named entities for the described purposes and

1 in the described grant amounts set out in subsection (4), subject
 2 to the conditions set forth in [sections 1 through 11] and the
 3 contingencies described in the renewable resource and water
 4 development program January 1993 report to the 53rd legislature.
 5 The legislature, pursuant to 85-1-605 and 90-2-111, approves the
 6 grants listed in subsection (4), with grants to be made in the
 7 order indicated in the prioritized list of projects and activities.
 8 Funds must be awarded up to the amounts approved in this section in
 9 order of priority until available funds are expended. Funds not
 10 accepted or used by higher-ranked projects and activities must be
 11 provided for projects and activities further down the priority list
 12 that would not otherwise receive funding. A grant funded by the
 13 reclamation and development grants program may not be funded under
 14 [sections 1 through 11].

15 (4) The following are the prioritized grant and loan projects
 16 and activities:

17 WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENTS PROGRAMS

	Recommended Funding	
<u>Applicant/Project</u>	Grant	Loan
MALTA IRRIGATION DISTRICT		
Water Use Efficiency Improvements	\$50,000	\$50,000
RICHLAND COUNTY		
Dam Evaluation and Design	60,300	
MONTANA DEPARTMENT OF NATURAL RESOURCES		
AND CONSERVATION - WATER RESOURCES DIVISION		
Characteristics of Extreme Precip.	100,000	

1	TOWN OF RYEGATE		
2	Water System Improvement	33,750	66,250
3		<u>50,000</u>	<u>150,000</u>
4	YELLOWSTONE COUNTY		
5	Yellowstone River Project	100,000	
6		<u>50,000</u>	
7	STOCKPIT/CASCADE WATER AND SEWER DISTRICT		
8	Sewer System	50,000	150,000
9	MONTANA STATE UNIVERSITY, WATER COURSE		
10	Innovative Water Resource Education	94,900	
11	BUTTE-SILVER BOW LOCAL GOVERNMENT		
12	Municipal Compost Production	50,000	49,864
13	DARBY SCHOOL DISTRICT NO. 9		
14	School Park Project	25,300	
15	MONTANA DEPARTMENT OF STATE LANDS		
16	Reforestation Projects on State Lands	21,974	
17		<u>60,000</u>	
18	HUNTLEY WATER AND SEWER DISTRICT		
19	Water System Rehabilitation	50,000	50,000
20		<u>100,000</u>	
21	RUBY VALLEY CONSERVATION DISTRICT		
22	Upper Ruby Riparian Area Improvements	100,000	
23	BUTTE-SILVER BOW LOCAL GOVERNMENT		
24	Blacktail Creek Restoration Project	100,000	
25	MONTANA BUREAU OF MINES AND GEOLOGY		
26	Ground Water Protection/Education	94,184	

1	TOWN OF WINNETT		
2	Sewer Reconstruction and Rehabilitation	50,000	50,000
3	FORT PECK RURAL WATER DISTRICT		
4	Water Engineering Study	40,000	
5	TOWN OF DUTTON		
6	Water System Improvement	50,000	
7	PETROLEUM COUNTY		
8	Crooked Creek Recreation Center	50,000	50,000
9	EAST GLACIER WATER AND SEWER DISTRICT		
10	Midvale Diversion Structure	25,905	76,537
11	TOWN OF NASHUA		
12	Water Storage System Improvements	50,000	
13	CARBON COUNTY		
14	Town of Roberts Water System Improvements	50,000	50,000
15		0	<u>100,000</u>
16	CHINOOK DIVISION IRRIGATION ASSOCIATION		
17	Irrigation Water Measuring Devices	34,217	65,783
18	CHINOOK DIVISION IRRIGATION ASSOCIATION		
19	Repair of Lohman Dam	36,173	63,827
20	LIBERTY COUNTY CONSERVATION DISTRICT		
21	Sweetgrass Hills Ground Water Evaluation	100,000	
22	CUSTER COUNTY		
23	County Recycling Project	4,725	
24	TOWN OF CIRCLE		
25	Water Quality Improvement Project	15,000	
26		<u>36,000</u>	

1	EASTERN SANDERS CONSERVATION DISTRICT		
2	Accelerate Soil Survey on Forest Lands	99,000	
3	MONTANA INSTITUTE OF TOURISM AND RECREATION		
4	Study of the Impact of Tourism	35,494	
5	TOWN OF HOT SPRINGS		
6	Camas Therapy Center	Geothermal	
7	Development	100,000	
8	<u>TOWN OF HOT SPRINGS</u>		
9	<u>CAMAS THERAPY CENTER</u>	<u>150,000</u>	
10	GLASGOW IRRIGATION DISTRICT		
11	Install Headgate Measuring Devices	50,000	50,000
12	HILGER COUNTY WATER AND SEWER DISTRICT		
13	Sewage and Collection Treatment		
14	Facilities	50,000	50,000
15	VALLEY COUNTY		
16	Fort Peck Breakwater	100,000	
17	MILE HIGH CONSERVATION DISTRICT		
18	Raden Assessment of Montana's Aquifers	99,812	
19	MONTANA DEPARTMENT OF NATURAL RESOURCES AND		
20	CONSERVATION - WATER RESOURCES FIELD OFFICE		
21	Flathead Valley Coop. Ground Water Study	100,000	
22	MISSOULA URBAN TRANSPORTATION DISTRICT		
23	Alternative Fuels Initiative	56,185	
24	LITTLE BEAVER CONSERVATION DISTRICT		
25	Water Reservations Implementation	47,318	
26	RAVALLI COUNTY		

1	Ground Water Vulnerability Assessment	88,340	
2		<u>70,672</u>	
3	YELLOWSTONE COUNTY		
4	Shepherd Rural Water System Development	85,000	
5		<u>75,000</u>	
6	<u>THIS GRANT IS CONTINGENT ON THE CREATION OF A WATER DISTRICT.</u>		
7	MONTANA STATE UNIVERSITY		
8	Guide to Montana Water Law	31,740	
9	HILL COUNTY		
10	Salinity Control Project	50,000	50,000
11	ROOSEVELT COUNTY CONSERVATION DISTRICT		
12	Recreational Enhancement of Missouri River	7,000	
13	FORT SHAW IRRIGATION DISTRICT		
14	"A" System Diversion	50,000	
15	DODSON IRRIGATION DISTRICT		
16	Water Use Efficiency Improvements	31,569	31,326
17	FORT SHAW IRRIGATION DISTRICT		
18	Rehabilitation and Betterment Study	50,000	
19	FLATHEAD JOINT BOARD OF CONTROL		
20	Fish Friendly Irrigation	44,500	54,500
21	WHITEFISH COUNTY WATER AND SEWER DISTRICT		
22	Protection of Swift Creek Pilot Project	13,921	37,485
23	TOWN OF HOT SPRINGS		
24	CAMAS THERAPY CENTER	150,000	
25	<u>TOWN OF ENNIS</u>		
26	<u>WATER STORAGE & DISTRIBUTION</u>	<u>100,000</u>	

1 (5) To the entities listed in this section, this
2 appropriation constitutes a valid obligation of these funds for
3 purposes of encumbering the funds within the 1995 biennium pursuant
4 to 17-7-302.

5 **NEW SECTION.** **Section 2. Opportunity to receive loans for**
6 **projects not receiving grants.** A sponsor of a recommended project
7 or activity on the prioritized list in [section 1] who is not a
8 recipient of available grant funds must be offered the opportunity
9 to receive loan funds for up to the total recommended project
10 amount, subject to the conditions described in [sections 1 through
11 11]. The interest rate applicable to a loan must be the rate paid
12 on bonds issued pursuant to [sections 1 through 11].

13 **NEW SECTION.** **Section 3. Approval of loans from bond proceeds**
14 **-- completion of appropriation.** (1) The legislature, pursuant to
15 85-1-605, 85-1-606, and 90-2-107, approves loans to private
16 sponsors approved by the department of natural resources and
17 conservation during the 1995 biennium and the loans for projects
18 and activities identified and described in [section 1] to public
19 entities from water development bond proceeds, interest earnings on
20 bond proceeds deposited in the water development debt service fund,
21 and loans from renewable resource development bond proceeds
22 deposited in the renewable resource development account. Bond
23 proceeds may be used for the payment of bond issuance costs. Funds
24 are appropriated for these costs to a maximum of 4% of the amount
25 of each bond sale.

(2) The approval of specific loans completes an appropriation of the coal severance tax proceeds allocated by 15-35-108 to the water development debt service fund for the purpose of paying, in the manner established by 85-1-619, principal of and interest and redemption premiums on any water development bonds issued to provide the proceeds for the loans to private and public entities for projects and activities approved in [section 1], and it also completes an appropriation to the renewable resource debt service fund for the purpose of paying, in the manner established by 90-2-123, principal of and interest and redemption premiums on any renewable resource development bonds issued to provide the proceeds for the loans to political subdivisions and local government entities for projects and activities listed in [section 1].

NEW SECTION. Section 4. Reauthorization of loans and grants approved. The 52nd legislature, in Chapter 551, Laws of 1991, approved loans and grants from the water development bond account or the renewable resource development bond account for the town of Belt in the amount of \$100,000; ~~Cascade County RID No. 26, Sun~~ Prairie VILLAGE WATER AND SEWER DISTRICT, in the amount of ~~\$200,000~~ \$250,000; town of Chinook in the amount of \$200,000; East Glacier water and sewer district in the amount of \$116,380; town of Ekalaka in the amount of ~~\$149,975~~ \$209,975; town of Fairfield in the amount of \$14,169; TOWN OF NEIHART IN THE AMOUNT OF \$150,000; and Fort Shaw irrigation district in the amount of \$100,000. Loans and grants for the entities described in this section are reauthorized.

1 **NEW SECTION. Section 5. Reallocation of resource indemnity**
2 **trust account interest income.** Except for special departmental
3 appropriation and notwithstanding any provisions of 85-1-604 to the
4 contrary, all remaining interest income allocated to the water
5 development state special revenue account from the resource
6 indemnity trust fund by 15-38-202(2) during the 1995 biennium may
7 be used only for the purposes set out in 85-1-604(3)(c).

8 **NEW SECTION. Section 6. Emergency grants.** There is
9 appropriated to the department of natural resources and
10 conservation up to \$125,000 from the water development state
11 special revenue account to be used for emergency projects. If these
12 funds are not needed for emergencies, they may be used for grants
13 approved in [section 1].

14 **NEW SECTION. Section 7. Conditions of loans and grants.**
15 Disbursement of funds under [sections 1 through 11] for both loans
16 and grants is subject to the following conditions that must be met
17 by project sponsors:

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

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

24 (3) satisfactory completion of conditions described in the

1 recommendation section of the project narrative in the renewable
2 resource and water development program project evaluations and
3 recommendations report submitted to the 53rd legislature for the
4 1995 biennium or, in the case of emergency applications, conditions
5 specified at the time of written notification of approved grant
6 authority;

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

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

13 NEW SECTION. **Section 8. Conditions for grants.** Grant funds
14 must be disbursed in the order of priority listed in [section 1] as
15 coal tax and resource indemnity trust account interest income
16 revenue is received. A project approved by [sections 1 through 11]
17 may not receive grant funds not collected and allocated to the
18 water development state special revenue account or the renewable
19 resource development account.

20 NEW SECTION. **Section 9. Conditions for loans.** Each sponsor
21 authorized to receive a loan from water development bond proceeds
22 or renewable resource development bond proceeds may be required to
23 pay to the department of natural resources and conservation a pro
24 rata share of the bond issuance costs and the administrative costs
25 incurred by the department to complete the loan transaction.

1 NEW SECTION. Section 10. Private and discount purchase of
2 loans. A loan to a political subdivision or a local government
3 entity and a bond, warrant, or note issued in evidence of a loan
4 may be made, purchased by, and sold to the department of natural
5 resources and conservation at a discount and at private negotiated
6 sale, notwithstanding the provisions of any other law applicable to
7 a political subdivision or local government entity.

8 NEW SECTION. Section 11. Other appropriations. For an entity
9 of state government that receives a grant or loan under [sections
10 1 through 11], there is appropriated the amount of the grant or
11 loan upon award of the grant or loan by the department of natural
12 resources and conservation. Grants to state entities from a
13 previous biennium are reauthorized for completion of contract work.

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

20 NEW SECTION. Section 13. Effective date. [This act] is
21 effective on passage and approval.

- END -

SENATE STANDING COMMITTEE REPORT

Page 1 of 4
April 7, 1993

Page 2 of 4
April 7, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 6 (third reading copy -- blue), respectfully report that House Bill No. 6 be amended as follows and as so amended be concurred in.

Signed:

Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 16..

Following: "LOAN;"

Insert: "STATUTORILY APPROPRIATING FUNDS FROM THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM STATE SPECIAL REVENUE ACCOUNT TO THE ENVIRONMENTAL SCIENCE-WATER QUALITY INSTRUCTIONAL PROGRAMS AT NORTHERN MONTANA COLLEGE; AMENDING SECTIONS 15-38-202 AND 17-7-502, MCA;"

Strike: "AN"

2. Title, line 17.

Strike: "IMMEDIATE"

Strike: "DATE"

Insert: "DATES"

3. Page 12, line 14.

Following: line 13

Insert: "Section 12. Section 15-38-202, MCA, is amended to read:

"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance. (1) All money paid into the resource indemnity trust fund, including money payable into the fund under the provisions of 15-37-117, ~~shall~~ must be invested at the discretion of the board of investments. All the net earnings accruing to the resource indemnity trust fund ~~shall~~ must annually be added to the trust fund until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts ~~shall~~ must be appropriated by the legislature and expended, provided that the balance in the fund may never be less than \$100 million.

(2) (a) At the beginning of each biennium, there is allocated from the interest income of the resource indemnity trust fund:

(i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the conditions of 75-1-1101; and

(ii) beginning in fiscal year 1992, an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant to the conditions of 82-11-161; and

(iii) beginning in fiscal year 1995, \$240,000, which is statutorily appropriated, as provided in 17-7-502, from the renewable resource grant and loan program state special revenue account to support the operations of the environmental science-water quality instructional programs at northern Montana college to be used for support costs, for matching funds necessary to attract additional funds to further expand statewide impact, and for enhancement of the facilities related to the programs.

(b) The remainder of the interest income is allocated as follows:

(i) Beginning in fiscal year 1982, provided the amount in the resource indemnity trust fund is greater than \$10 million, 30% of the interest income of the resource indemnity trust fund must be allocated to the water development state special revenue account created by 85-1-604.

(ii) Beginning in fiscal year 1988, 12% of the interest income of the resource indemnity trust fund must be allocated to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

(iii) Beginning in fiscal year 1990, 8% of the interest income from the resource indemnity trust fund must be allocated to the renewable resource development account provided for in Title 90, chapter 2.

(iv) Beginning in fiscal year 1990, 46% of the interest income from the resource indemnity trust fund must be allocated to the reclamation and development grants account provided for in 90-2-1104.

(v) Beginning in fiscal year 1990, 4% of the interest income of the resource indemnity trust fund must be allocated to the environmental quality protection fund provided for in 75-10-704.

(3) Any formal budget document prepared by the legislature or the executive branch that proposes to appropriate funds from the resource indemnity trust interest account other than as provided for by the allocations in subsection (2) must specify the amount of money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session."

"Section 13. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

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Sec. of Senate

Jacobson
Senator Carrying Bill

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(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.) "

NEW SECTION. Section 14. Coordination instruction. If House Bill No. 608 is not passed and approved, then [sections 12 and 13 of this act] are void."
Renumber: subsequent sections

4. Page 12, line 20.

Strike: "date"

Insert: "dates"

Following: "."

Insert: "(1)"

Strike: "[This act] is"

Insert: "[Sections 1 through 11, 14, and 15 and this section] are"

5. Page 12, line 22.

Insert: "(2) [Sections 12 and 13] are effective July 1, 1993."

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1993 9:23 am

Mr. Chairman: I move to amend House Bill No. 6 (third reading copy -- blue).

ADOPT

REJECT

Signed: 
Senator Barry "Spook" Stang

That such amendments read:

Senate Committee of the Whole amendment dated 4-8-93 by Senator Jergeson is amended as follows:

Strike: amendments No. 7 and 9 in their entirety

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1993 10:00 am

Mr. Chairman: I move to amend House Bill No. 6 (third reading copy -- blue).

ADOPT

REJECT

Signed: 
Senator Greg Jergeson

That such amendments read:

1. Title, line 16
Following: "1995;"

Insert: "APPROVING THE ISSUANCE OF COAL SEVERANCE TAX BONDS TO PROVIDE FUNDS FOR LOANS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS FOR CERTAIN APPROVED WATER DEVELOPMENT PROJECTS; AUTHORIZING THE CREATION OF STATE DEBT; APPROPRIATING COAL SEVERANCE TAX INCOME FOR DEBT SERVICE;"

2. Page 1, line 22.
Following: Line 21

Insert: "(1) The legislature finds that water development projects in this section meet the provisions of 17-5-702. The board of examiners may issue coal severance tax bonds in an amount not to exceed \$3,855,242 for the purpose of making loans and financing state projects in the amount of \$3,504,740, including the cost of issuance and establishing a reserve for the bonds in the amount of \$350,477. Funds are appropriated for the cost of issuance, to a maximum of 4% of the amount of each bond sale."

Renumber subsequent subsections

3. Page 2, line 4.

Strike: "and renewable resource development projects under 90-2-111"

4. Page 2, line 6.

Strike: "(3) and (4)"

Insert: "(4) and (5)"

5. Page 2, line 14.

Strike: "(1)"

Insert: "(2)"

6. Page 3, lines 1 and 6.

Strike: "(4)"

Insert: "(5)"

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7. Page 6, lines 8 and 9.
Strike: lines 8 and 9 in their entirety

8. Page 7, line 6.
Following: Line 5
Insert: "If this project receives funding in House Bill No. 663,
then this appropriation is void."

9. Page 7, line 21.
Following: line 20
Insert: "TOWN OF HOT SPRINGS
Camas Therapy Center 150,000" (Recommended
Grant)

10. Page 7, line 27.
Following: Line 26
Insert: "If this project receives funding in House Bill No. 663,
then this appropriation is void."

11. Page 8, line 14.
Strike: "--" through "(1)"
Insert: "."

12. Page 8, lines 19 through 25.
Following: "from" on line 19
Strike: the remainder of subsection (1) in its entirety
Insert: "coal severance tax bond proceeds authorized in [section
16]."

13. Page 9, lines 1 through 13.
Strike: subsection (2) in its entirety

14. Page 9, line 18.
Following: "of"
Insert: "a"
Following: "\$100,000"
Insert: "loan"

15. Page 9, line 19.
Following: "of"
Insert: "a"

16. Page 9, lines 20 and 21.
Following: "\$250,000" on line 20
Insert: "loan"
Following: "amount of"
Insert: "a"
Following: "\$200,000"

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Insert: "loan"
Following: ";"
Strike: "East Glacier water and sewer district in the amount of
\$116,380;"

17. Page 9, line 22.
Strike: "\$209,975"
Insert: "a \$49,975 grant and a \$160,000 loan"

18. Page 9, line 23.
Following: "of"
Insert: "a"
Following: "\$14,169"
Insert: "loan"
Following: "AMOUNT OF"
Insert: "a"
Following: "\$150,000"
Strike: ";"

Insert: "loan; Stockett water and sewer district in the amount of
a \$50,000 grant and a \$150,000 loan; Meagher County
conservation district in the amount of a \$37,500 grant and a
\$62,500 loan;"

19. Page 9, line 24.
Following: "of"
Strike: "\$100,000"
Insert: "a \$50,000 grant and a \$50,000 loan"

20. Page 9, line 25.
Following: "."
Insert: "Loans for the reauthorized projects described in this
section must be made from water development coal severance
tax bonds authorized in [section 16]."

21. Page 12, line 14.
Following: line 13
Insert:

"NEW SECTION. Section 15. Appropriation. There is
appropriated from fiscal year 1993 ending fund balance in the
water development and renewable resource development account
\$100,000 to the department of natural resources and conservation
for the Missoula county linda vista sewer inceptor project.

NEW SECTION. Section 16. Appropriation -- creation of debt
for coal severance tax bonds.
(1) The legislature, through the enactment of this section
by a vote of three-fourths of the members of each house of the
legislature, as required by Article IX, section 5, of the Montana
constitution, pledges, dedicates, and appropriates from the coal

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severance tax bond fund all money necessary for the payment of principal and interest not otherwise provided for on the coal severance tax bonds authorized by [sections 1 through 3] to be issued pursuant to Title 17, chapter 5, part 7, pursuant to the provisions of [sections 1 through 3], and pursuant to the general resolution for this bond program that has been adopted by the board of examiners under the authority provided in Title 17, chapter 5, part 7.

(2) The legislature, through the enactment of this section, in accordance with Article VIII, section 8, of the Montana constitution, authorizes the creation of a state debt in an amount not to exceed \$3,855,242 for loans to political subdivisions and local government entities for water development projects approved in [sections 1 through 3] and for funding a reserve for the coal severance tax bonds authorized to fund those projects.

(3) In connection with the issuance of coal severance tax bonds, the board of examiners may pay the principal and interest on the bonds from the debt service account and in all other respects manage and use the funds within each special bond account for the benefit of the bonds. The board of examiners shall exercise its discretion to enhance the marketability of the bonds and to secure the most advantageous financial arrangements for the state.

(4) Earnings on bond proceeds prior to the completion of any loan must be allocated to the debt service account to pay the debt service on the bonds during this period. Earnings in excess of debt service, if any, must be allocated to the water development state special revenue account and may be used for the purposes allowed under 85-1-604(3)(c).

(5) Loan repayments from loans financed with coal severance tax bonds are pledged, dedicated, and appropriated to the debt service account in the state treasury for the benefit of bonds approved for loans under this section.

NEW SECTION. Section 17. Requirements for approval of state debt. Because [section 16] authorizes the creation of a state debt and appropriation of coal severance tax bond fund deposits and appropriates money that would otherwise be deposited in the coal severance tax permanent fund, a vote of three-fourths of the members of each house of the legislature is required for passage of [section 16]."

Renumber: subsequent sections

And further that the Senate Standing Committee Report dated April 7, 1993, be amended as follows:
Strip Amendment No. 4

Page 12, line 20.

Strike: "date"

Insert: "dates"

Following: "."

Strike: "[This act]"

Insert: "(1) Except as provided in subsection (2), [this act]"

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1993 10:16 am

Mr. Chairman: I move to amend House Bill No. 6 (third reading copy -- blue).

ADOPT

REJECT

Signed: *Fred Van Valkenburg*

Senator Fred Van Valkenburg

That such amendments read:

And further amending Senate Committee of the Whole Amendments dated April 8, 1993, by Senator Jergeson

Amendment no. 21.

Following: "Appropriation."

Insert: "(1)"

Following: "project."

Insert: "(2) The remaining fiscal year 1993 reverted balance of the state water project appropriation for the department of natural resources and conservation is allocated to those projects in [section 1(5)] that may not receive funding due to limitations of 1995 biennium revenue."

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1993 1:39 pm

Mr. Chairman: I move to amend House Bill No. 6 (third reading copy -- blue).

ADOPT

REJECT

Signed: *Loren Grosfield*

Senator Lorents Grosfield

That such amendments read:

Senate Standing Committee report of April 7, 1993, is amended as follows:

Amendment # 2 is amended as follows:

In the insert

Following: "DATES"

Insert: "AND A TERMINATION DATE"

Amendment # 5 is amended as follows:

In the insert

Following: "1993"

Insert: ", and terminate June 30, 1995"

-END-

SENATE

HB 6

r791015CW.Sma

M- Amd. Coord.

M- Amd. Coord.

r791319CW.Sma

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES

AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; AUTHORIZING LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; REAUTHORIZING GRANTS AND LOANS APPROVED BY THE 52ND LEGISLATURE; REALLOCATING CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1995; APPROVING THE ISSUANCE OF COAL SEVERANCE TAX BONDS TO PROVIDE FUNDS FOR LOANS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS FOR CERTAIN APPROVED WATER DEVELOPMENT PROJECTS; AUTHORIZING THE CREATION OF STATE DEBT; APPROPRIATING COAL SEVERANCE TAX INCOME FOR DEBT SERVICE; PLACING CONDITIONS UPON GRANTS AND LOANS; STATUTORILY APPROPRIATING FUNDS FROM THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM STATE SPECIAL REVENUE ACCOUNT TO THE ENVIRONMENTAL SCIENCE-WATER QUALITY INSTRUCTIONAL PROGRAMS AT NORTHERN MONTANA COLLEGE; AMENDING SECTIONS 15-38-202 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE DATES AND A TERMINATION DATE."

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

2 NEW SECTION. Section 1. Appropriations from water development

3 and renewable resource development state special revenue accounts.

4 (1) THE LEGISLATURE FINDS THAT WATER DEVELOPMENT PROJECTS IN THIS

5 SECTION MEET THE PROVISIONS OF 17-5-702. THE BOARD OF EXAMINERS

6 MAY ISSUE COAL SEVERANCE TAX BONDS IN AN AMOUNT NOT TO EXCEED

7 \$3,855,242 FOR THE PURPOSE OF MAKING LOANS AND FINANCING STATE

8 PROJECTS IN THE AMOUNT OF \$3,504,740, INCLUDING THE COST OF

9 ISSUANCE AND ESTABLISHING A RESERVE FOR THE BONDS IN THE AMOUNT OF

10 \$350,477. FUNDS ARE APPROPRIATED FOR THE COST OF ISSUANCE, TO A

11 MAXIMUM OF 4% OF THE AMOUNT OF EACH BOND SALE.

12 ~~(1)(2)~~ Because the legislature cannot appropriate individual

13 grants to private entities, there is appropriated to the department

14 of natural resources and conservation \$100,000 during the 1995

15 biennium for grants to private persons. This appropriation is from

16 money available in the water development state special revenue

17 account and the renewable resource development account for grants

18 for water development projects and activities under 85-1-604(3)(c)

19 ~~and renewable resource development projects under 90-2-111.~~ Grants

20 must be awarded according to priorities established in subsections

21 ~~(3) and (4)~~ (4) AND (5).

22 ~~(2)(3)~~ There is appropriated to the department the interest

23 earnings from the proceeds of water development bonds and renewable

24 resource development bonds issued to finance loans authorized by

25 [sections 1 through 11]. Interest earnings must be deposited in the

1 water development debt service fund and the renewable resource
2 development account, respectively.

3 ~~(3)~~(4) (a) There are appropriated to the department all other
4 funds not appropriated under subsection ~~(1)~~ (2) and available for
5 grants to political subdivisions and local government entities up
6 to the amount required to fund projects approved by [sections 1
7 through 11] from the water development state special revenue
8 account and the renewable resource development account during the
9 1995 biennium. This appropriation is for grants and loans for:

10 (i) water development projects and activities under 85-1-
11 604(3)(c);

12 (ii) renewable resource development projects under 90-2-111;
13 and

14 (iii) projects under [sections 1 through 11].

15 (b) The funds appropriated in this section must be awarded by
16 the department to the named entities for the described purposes and
17 in the described grant amounts set out in subsection ~~(4)~~ (5),
18 subject to the conditions set forth in [sections 1 through 11] and
19 the contingencies described in the renewable resource and water
20 development program January 1993 report to the 53rd legislature.
21 The legislature, pursuant to 85-1-605 and 90-2-111, approves the
22 grants listed in subsection ~~(4)~~ (5), with grants to be made in the
23 order indicated in the prioritized list of projects and activities.
24 Funds must be awarded up to the amounts approved in this section in
25 order of priority until available funds are expended. Funds not
26 accepted or used by higher-ranked projects and activities must be

1 provided for projects and activities further down the priority list
 2 that would not otherwise receive funding. A grant funded by the
 3 reclamation and development grants program may not be funded under
 4 [sections 1 through 11].

5 ~~(4)~~(5) The following are the prioritized grant and loan
 6 projects and activities:

7 WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENTS PROGRAMS

8	Recommended Funding	
9	<u>Applicant/Project</u>	Grant Loan
10	MALTA IRRIGATION DISTRICT	
11	Water Use Efficiency Improvements	\$50,000 \$50,000
12	RICHLAND COUNTY	
13	Dam Evaluation and Design	60,300
14	MONTANA DEPARTMENT OF NATURAL RESOURCES	
15	AND CONSERVATION - WATER RESOURCES DIVISION	
16	Characteristics of Extreme Precip.	100,000
17	TOWN OF RYEGATE	
18	Water System Improvement	33,750 66,250
19		<u>50,000</u> <u>150,000</u>
20	YELLOWSTONE COUNTY	
21	Yellowstone River Project	100,000
22		<u>50,000</u>
23	STOCKETT/CASCADE WATER AND SEWER DISTRICT	
24	Sewer System	50,000 150,000
25	MONTANA STATE UNIVERSITY, WATER COURSE	
26	Innovative Water Resource Education	94,900

1	BUTTE-SILVER BOW LOCAL GOVERNMENT		
2	Municipal Compost Production	50,000	49,864
3	DARBY SCHOOL DISTRICT NO. 9		
4	 School Park Project	25,300	
5	MONTANA DEPARTMENT OF STATE LANDS		
6	Reforestation Projects on State Lands	21,974	
7		<u>60,000</u>	
8	HUNTLEY WATER AND SEWER DISTRICT		
9	Water System Rehabilitation	50,000	50,000
10		<u>100,000</u>	
11	RUBY VALLEY CONSERVATION DISTRICT		
12	Upper Ruby Riparian Area Improvements	100,000	
13	BUTTE-SILVER BOW LOCAL GOVERNMENT		
14	 Blacktail Creek Restoration Project	100,000	
15	MONTANA BUREAU OF MINES AND GEOLOGY		
16	 Ground Water Protection/Education	94,184	
17	TOWN OF WINNETT		
18	Sewer Reconstruction and Rehabilitation	50,000	50,000
19	FORT PECK RURAL WATER DISTRICT		
20	Water Engineering Study	40,000	
21	TOWN OF DUTTON		
22	 Water System Improvement	50,000	
23	PETROLEUM COUNTY		
24	 Crooked Creek Recreation Center	50,000	50,000
25	EAST GLACIER WATER AND SEWER DISTRICT		
26	Midvale Diversion Structure	25,905	76,537

1	TOWN OF NASHUA		
2	Water Storage System Improvements	50,000	
3	CARBON COUNTY		
4	Town of Roberts Water System Improvements	50,000	50,000
5		0	<u>100,000</u>
6	CHINOOK DIVISION IRRIGATION ASSOCIATION		
7	Irrigation Water Measuring Devices	34,217	65,783
8	CHINOOK DIVISION IRRIGATION ASSOCIATION		
9	Repair of Lohman Dam	36,173	63,827
10	LIBERTY COUNTY CONSERVATION DISTRICT		
11	Sweetgrass Hills Ground Water Evaluation	100,000	
12	CUSTER COUNTY		
13	County Recycling Project	4,725	
14	TOWN OF CIRCLE		
15	Water Quality Improvement Project	15,000	
16		<u>36,000</u>	
17	EASTERN SANDERS CONSERVATION DISTRICT		
18	Accelerate Soil Survey on Forest Lands	99,000	
19	MONTANA INSTITUTE OF TOURISM AND RECREATION		
20	Study of the Impact of Tourism	35,494	
21	TOWN OF HOT SPRINGS		
22	Camas Therapy Center - Geothermal		
23	Development	100,000	
24	<u>TOWN OF HOT SPRINGS</u>		
25	<u>CAMAS THERAPY CENTER</u>	<u>150,000</u>	
26	<u>TOWN OF HOT SPRINGS</u>		

1	<u>CAMAS THERAPY CENTER</u>	<u>150,000</u>	
2	GLASGOW IRRIGATION DISTRICT		
3	Install Headgate Measuring Devices	50,000	50,000
4	HILGER COUNTY WATER AND SEWER DISTRICT		
5	Sewage and Collection Treatment		
6	Facilities	50,000	50,000
7	VALLEY COUNTY		
8	Fort Peck Breakwater	100,000	
9	MILE-HIGH CONSERVATION DISTRICT		
10	Raden Assessment of Montana's Aquifers	99,812	
11	MONTANA DEPARTMENT OF NATURAL RESOURCES AND		
12	CONSERVATION - WATER RESOURCES FIELD OFFICE		
13	Flathead Valley Coop. Ground Water Study	100,000	
14	MISSOULA URBAN TRANSPORTATION DISTRICT		
15	Alternative Fuels Initiative	56,185	
16	LITTLE BEAVER CONSERVATION DISTRICT		
17	Water Reservations Implementation	47,318	
18	RAVALLI COUNTY		
19	Ground Water Vulnerability Assessment	88,340	
20		<u>70,672</u>	
21	YELLOWSTONE COUNTY		
22	Shepherd Rural Water System Development	85,000	
23		<u>75,000</u>	
24	<u>IF THIS PROJECT RECEIVES FUNDING IN HOUSE BILL NO. 663, THEN</u>		
25	<u>THIS APPROPRIATION IS VOID.</u>		
26	<u>THIS GRANT IS CONTINGENT ON THE CREATION OF A WATER DISTRICT.</u>		

1 ~~MONTANA STATE UNIVERSITY~~2 ~~Guide to Montana Water Law~~ ~~31,740~~

3 HILL COUNTY

4 Salinity Control Project 50,000 50,000

5 ROOSEVELT COUNTY CONSERVATION DISTRICT

6 Recreational Enhancement of Missouri River 7,000

7 ~~FORT SHAW IRRIGATION DISTRICT~~8 ~~"A" System Diversion~~ ~~50,000~~

9 DODSON IRRIGATION DISTRICT

10 Water Use Efficiency Improvements 31,569 31,326

11 ~~FORT SHAW IRRIGATION DISTRICT~~12 ~~Rehabilitation and Betterment Study~~ ~~50,000~~

13 FLATHEAD JOINT BOARD OF CONTROL

14 Fish Friendly Irrigation 44,500 54,500

15 ~~TOWN OF HOT SPRINGS~~16 ~~CAMAS THERAPY CENTER~~ ~~150,000~~17 ~~WHITEFISH COUNTY WATER AND SEWER DISTRICT~~18 ~~Protection of Swift Creek Pilot Project~~ ~~13,921~~ ~~37,485~~19 ~~TOWN OF HOT SPRINGS~~20 ~~CAMAS THERAPY CENTER~~ ~~150,000~~21 ~~TOWN OF ENNIS~~22 ~~WATER STORAGE & DISTRIBUTION~~ ~~100,000~~23 IF THIS PROJECT RECEIVES FUNDING IN HOUSE BILL NO. 663, THEN
24 THIS APPROPRIATION IS VOID.25 ~~(5)(6)~~ To the entities listed in this section, this
26 appropriation constitutes a valid obligation of these funds for

1 purposes of encumbering the funds within the 1995 biennium pursuant
2 to 17-7-302.

3 NEW SECTION. Section 2. Opportunity to receive loans for
4 projects not receiving grants. A sponsor of a recommended project
5 or activity on the prioritized list in [section 1] who is not a
6 recipient of available grant funds must be offered the opportunity
7 to receive loan funds for up to the total recommended project
8 amount, subject to the conditions described in [sections 1 through
9 11]. The interest rate applicable to a loan must be the rate paid
10 on bonds issued pursuant to [sections 1 through 11].

11 NEW SECTION. Section 3. Approval of loans from bond proceeds
12 ~~--- completion of appropriation. --- (1).~~ The legislature, pursuant to
13 85-1-605, 85-1-606, and 90-2-107, approves loans to private
14 sponsors approved by the department of natural resources and
15 conservation during the 1995 biennium and the loans for projects
16 and activities identified and described in [section 1] to public
17 entities from ~~water development bond proceeds, interest earnings on~~
18 ~~bond proceeds deposited in the water development debt service fund,~~
19 ~~and loans from renewable resource development bond proceeds~~
20 ~~deposited in the renewable resource development account. Bond~~
21 ~~proceeds may be used for the payment of bond issuance costs. Funds~~
22 ~~are appropriated for these costs to a maximum of 4% of the amount~~
23 ~~of each bond sale.~~ COAL SEVERANCE TAX BOND PROCEEDS AUTHORIZED IN
24 [SECTION 16].

25 ~~(2) The approval of specific loans completes an appropriation~~

1 ~~of the coal severance tax proceeds allocated by 15-35-100 to the~~
2 ~~water development debt service fund for the purpose of paying, in~~
3 ~~the manner established by 85-1-619, principal of and interest and~~
4 ~~redemption premiums on any water development bonds issued to~~
5 ~~provide the proceeds for the loans to private and public entities~~
6 ~~for projects and activities approved in [section 1], and it also~~
7 ~~completes an appropriation to the renewable resource debt service~~
8 ~~fund for the purpose of paying, in the manner established by 90-2-~~
9 ~~123, principal of and interest and redemption premiums on any~~
10 ~~renewable resource development bonds issued to provide the proceeds~~
11 ~~for the loans to political subdivisions and local government~~
12 ~~entities for projects and activities listed in [section 1].~~

13 NEW SECTION. Section 4. Reauthorization of loans and grants
14 approved. The 52nd legislature, in Chapter 551, Laws of 1991,
15 approved loans and grants from the water development bond account
16 or the renewable resource development bond account for the town of
17 Belt in the amount of A \$100,000 LOAN; Cascade County RID No. 26,
18 Sun Prairie VILLAGE WATER AND SEWER DISTRICT, in the amount of A
19 ~~\$200,000~~ \$250,000 LOAN; town of Chinook in the amount of A \$200,000
20 LOAN; East Glacier water and sewer district in the amount of
21 ~~\$116,380~~, town of Ekalaka in the amount of ~~\$149,975~~ \$209,975 A
22 \$49,975 GRANT AND A \$160,000 LOAN; town of Fairfield in the amount
23 of A \$14,169 LOAN; TOWN OF NEIHART IN THE AMOUNT OF A \$150,000
24 LOAN; STOCKETT WATER AND SEWER DISTRICT IN THE AMOUNT OF A \$50,000
25 GRANT AND A \$150,000 LOAN; MEAGHER COUNTY CONSERVATION DISTRICT IN

1 THE AMOUNT OF A \$37,500 GRANT AND A \$62,500 LOAN; and Fort Shaw
2 irrigation district in the amount of ~~\$100,000~~ A \$50,000 GRANT AND
3 A \$50,000 LOAN. Loans and grants for the entities described in this
4 section are reauthorized. LOANS FOR THE REAUTHORIZED PROJECTS
5 DESCRIBED IN THIS SECTION MUST BE MADE FROM WATER DEVELOPMENT COAL
6 SEVERANCE TAX BONDS AUTHORIZED IN [SECTION 16].

7 NEW SECTION. Section 5. Reallocation of resource indemnity
8 trust account interest income. Except for special departmental
9 appropriation and notwithstanding any provisions of 85-1-604 to the
10 contrary, all remaining interest income allocated to the water
11 development state special revenue account from the resource
12 indemnity trust fund by 15-38-202(2) during the 1995 biennium may
13 be used only for the purposes set out in 85-1-604(3)(c).

14 NEW SECTION. Section 6. Emergency grants. There is
15 appropriated to the department of natural resources and
16 conservation up to \$125,000 from the water development state
17 special revenue account to be used for emergency projects. If these
18 funds are not needed for emergencies, they may be used for grants
19 approved in [section 1].

20 NEW SECTION. Section 7. Conditions of loans and grants.
21 Disbursement of funds under [sections 1 through 11] for both loans
22 and grants is subject to the following conditions that must be met
23 by project sponsors:

24 (1) approval of a scope of work and budget for the project by

1 the department of natural resources and conservation. Reductions
2 in a scope of work or budget may not affect priority activities or
3 improvements.

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

6 (3) satisfactory completion of conditions described in the
7 recommendation section of the project narrative in the renewable
8 resource and water development program project evaluations and
9 recommendations report submitted to the 53rd legislature for the
10 1995 biennium or, in the case of emergency applications, conditions
11 specified at the time of written notification of approved grant
12 authority;

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

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

19 NEW SECTION. Section 8. conditions for grants. Grant funds
20 must be disbursed in the order of priority listed in [section 1] as
21 coal tax and resource indemnity trust account interest income
22 revenue is received. A project approved by [sections 1 through 11]
23 may not receive grant funds not collected and allocated to the
24 water development state special revenue account or the renewable
25 resource development account.

1 NEW SECTION. Section 9. conditions for loans. Each sponsor
2 authorized to receive a loan from water development bond proceeds
3 or renewable resource development bond proceeds may be required to
4 pay to the department of natural resources and conservation a pro
5 rata share of the bond issuance costs and the administrative costs
6 incurred by the department to complete the loan transaction.

7 NEW SECTION. Section 10. Private and discount purchase of
8 loans. A loan to a political subdivision or a local government
9 entity and a bond, warrant, or note issued in evidence of a loan
10 may be made, purchased by, and sold to the department of natural
11 resources and conservation at a discount and at private negotiated
12 sale, notwithstanding the provisions of any other law applicable to
13 a political subdivision or local government entity.

14 NEW SECTION. Section 11. other appropriations. For an entity
15 of state government that receives a grant or loan under [sections
16 1 through 11], there is appropriated the amount of the grant or
17 loan upon award of the grant or loan by the department of natural
18 resources and conservation. Grants to state entities from a
19 previous biennium are reauthorized for completion of contract work.

20 SECTION 12. SECTION 15-38-202, MCA, IS AMENDED TO READ:

21 "15-38-202. Investment of resource indemnity trust fund --
22 expenditure -- minimum balance. (1) All money paid into the
23 resource indemnity trust fund, including money payable into the
24 fund under the provisions of 15-37-117, ~~shall~~ must be invested at

1 the discretion of the board of investments. All the net earnings
2 accruing to the resource indemnity trust fund ~~shall~~ must annually
3 be added to the trust fund until it has reached the sum of \$10
4 million. Thereafter, only the net earnings may be appropriated and
5 expended until the fund reaches \$100 million. Thereafter, all net
6 earnings and all receipts ~~shall~~ must be appropriated by the
7 legislature and expended, provided that the balance in the fund may
8 never be less than \$100 million.

9 (2) (a) At the beginning of each biennium, there is allocated
10 from the interest income of the resource indemnity trust fund:

11 (i) an amount not to exceed \$175,000 to the environmental
12 contingency account pursuant to the conditions of 75-1-1101; and

13 (ii) beginning in fiscal year 1992, an amount not to exceed
14 \$50,000 to the oil and gas production damage mitigation account
15 pursuant to the conditions of 82-11-161; and

16 (iii) beginning in fiscal year 1995, \$240,000, which is
17 statutorily appropriated, as provided in 17-7-502, from the
18 renewable resource grant and loan program state special revenue
19 account to support the operations of the environmental science-
20 water quality instructional programs at northern Montana college to
21 be used for support costs, for matching funds necessary to attract
22 additional funds to further expand statewide impact, and for
23 enhancement of the facilities related to the programs.

24 (b) The remainder of the interest income is allocated as
25 follows:

26 (i) Beginning in fiscal year 1982, provided the amount in the

1 resource indemnity trust fund is greater than \$10 million, 30% of
2 the interest income of the resource indemnity trust fund must be
3 allocated to the water development state special revenue account
4 created by 85-1-604.

5 (ii) Beginning in fiscal year 1988, 12% of the interest income
6 of the resource indemnity trust fund must be allocated to the
7 hazardous waste/CERCLA special revenue account provided for in 75-
8 10-621.

9 (iii) Beginning in fiscal year 1990, 8% of the interest income
10 from the resource indemnity trust fund must be allocated to the
11 renewable resource development account provided for in Title 90,
12 chapter 2.

13 (iv) Beginning in fiscal year 1990, 46% of the interest income
14 from the resource indemnity trust fund must be allocated to the
15 reclamation and development grants account provided for in 90-2-
16 1104.

17 (v) Beginning in fiscal year 1990, 4% of the interest income
18 of the resource indemnity trust fund must be allocated to the
19 environmental quality protection fund provided for in 75-10-704.

20 (3) Any formal budget document prepared by the legislature or
21 the executive branch that proposes to appropriate funds from the
22 resource indemnity trust interest account other than as provided
23 for by the allocations in subsection (2) must specify the amount of
24 money from each allocation that is proposed to be diverted and the
25 proposed use of the diverted funds. A formal budget document
26 includes a printed and publicly distributed budget proposal or

1 recommendation, an introduced bill, or a bill developed during the
2 legislative appropriation process or otherwise during a legislative
3 session."

4 **SECTION 13. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

5 "17-7-502. Statutory appropriations -- definition --
6 requisites for validity. (1) A statutory appropriation is an
7 appropriation made by permanent law that authorizes spending by a
8 state agency without the need for a biennial legislative
9 appropriation or budget amendment.

10 (2) Except as provided in subsection (4), to be effective, a
11 statutory appropriation must comply with both of the following
12 provisions:

13 (a) The law containing the statutory authority must be listed
14 in subsection (3).

15 (b) The law or portion of the law making a statutory
16 appropriation must specifically state that a statutory
17 appropriation is made as provided in this section.

18 (3) The following laws are the only laws containing statutory
19 appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312;
20 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-
21 31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-
22 1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704;
23 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-
24 702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-
25 513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-

1 406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306;
2 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-
3 206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-
4 150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108;
5 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-
6 11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-
7 306.

8 (4) There is a statutory appropriation to pay the principal,
9 interest, premiums, and costs of issuing, paying, and securing all
10 bonds, notes, or other obligations, as due, that have been
11 authorized and issued pursuant to the laws of Montana. Agencies
12 that have entered into agreements authorized by the laws of Montana
13 to pay the state treasurer, for deposit in accordance with 17-2-101
14 through 17-2-107, as determined by the state treasurer, an amount
15 sufficient to pay the principal and interest as due on the bonds or
16 notes have statutory appropriation authority for the payments. (In
17 subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion
18 of 19-6-709 terminates upon death of last recipient eligible for
19 supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991,
20 the inclusion of 22-3-811 terminates June 30, 1993.)"

21 NEW SECTION. SECTION 14. COORDINATION INSTRUCTION. IF
22 HOUSE BILL NO. 608 IS NOT PASSED AND APPROVED, THEN [SECTIONS 12
23 AND 13 OF THIS ACT] ARE VOID.

24 NEW SECTION. SECTION 15. APPROPRIATION. (1) THERE IS
25 APPROPRIATED FROM FISCAL YEAR 1993 ENDING FUND BALANCE IN THE WATER

1 DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT ACCOUNT \$100,000 TO
2 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR THE
3 MISSOULA COUNTY LINDA VISTA SEWER INCEPTOR PROJECT.

4 (2) THE REMAINING FISCAL YEAR 1993 REVERTED BALANCE OF THE
5 STATE WATER PROJECT APPROPRIATION FOR THE DEPARTMENT OF NATURAL
6 RESOURCES AND CONSERVATION IS ALLOCATED TO THOSE PROJECTS IN
7 [SECTION 1(5)] THAT MAY NOT RECEIVE FUNDING DUE TO LIMITATIONS OF
8 1995 BIENNIUM REVENUE.

9 NEW SECTION. SECTION 16. APPROPRIATION -- CREATION OF DEBT
10 FOR COAL SEVERANCE TAX BONDS. (1) THE LEGISLATURE, THROUGH THE
11 ENACTMENT OF THIS SECTION BY A VOTE OF THREE-FOURTHS OF THE MEMBERS
12 OF EACH HOUSE OF THE LEGISLATURE, AS REQUIRED BY ARTICLE IX,
13 SECTION 5, OF THE MONTANA CONSTITUTION, PLEDGES, DEDICATES, AND
14 APPROPRIATES FROM THE COAL SEVERANCE TAX BOND FUND ALL MONEY
15 NECESSARY FOR THE PAYMENT OF PRINCIPAL AND INTEREST NOT OTHERWISE
16 PROVIDED FOR ON THE COAL SEVERANCE TAX BONDS AUTHORIZED BY
17 [SECTIONS 1 THROUGH 3] TO BE ISSUED PURSUANT TO TITLE 17, CHAPTER
18 5, PART 7, PURSUANT TO THE PROVISIONS OF [SECTIONS 1 THROUGH 3],
19 AND PURSUANT TO THE GENERAL RESOLUTION FOR THIS BOND PROGRAM THAT
20 HAS BEEN ADOPTED BY THE BOARD OF EXAMINERS UNDER THE AUTHORITY
21 PROVIDED IN TITLE 17, CHAPTER 5, PART 7.

22 (2) THE LEGISLATURE, THROUGH THE ENACTMENT OF THIS SECTION,
23 IN ACCORDANCE WITH ARTICLE VIII, SECTION 8, OF THE MONTANA
24 CONSTITUTION, AUTHORIZES THE CREATION OF A STATE DEBT IN AN AMOUNT
25 NOT TO EXCEED \$3,855,242 FOR LOANS TO POLITICAL SUBDIVISIONS AND

1 LOCAL GOVERNMENT ENTITIES FOR WATER DEVELOPMENT PROJECTS APPROVED
2 IN [SECTIONS 1 THROUGH 3] AND FOR FUNDING A RESERVE FOR THE COAL
3 SEVERANCE TAX BONDS AUTHORIZED TO FUND THOSE PROJECTS.

4 (3) IN CONNECTION WITH THE ISSUANCE OF COAL SEVERANCE TAX
5 BONDS, THE BOARD OF EXAMINERS MAY PAY THE PRINCIPAL AND INTEREST ON
6 THE BONDS FROM THE DEBT SERVICE ACCOUNT AND IN ALL OTHER RESPECTS
7 MANAGE AND USE THE FUNDS WITHIN EACH SPECIAL BOND ACCOUNT FOR THE
8 BENEFIT OF THE BONDS. THE BOARD OF EXAMINERS SHALL EXERCISE ITS
9 DISCRETION TO ENHANCE THE MARKETABILITY OF THE BONDS AND TO SECURE
10 THE MOST ADVANTAGEOUS FINANCIAL ARRANGEMENTS FOR THE STATE.

11 (4) EARNINGS ON BOND PROCEEDS PRIOR TO THE COMPLETION OF ANY
12 LOAN MUST BE ALLOCATED TO THE DEBT SERVICE ACCOUNT TO PAY THE DEBT
13 SERVICE ON THE BONDS DURING THIS PERIOD. EARNINGS IN EXCESS OF DEBT
14 SERVICE, IF ANY, MUST BE ALLOCATED TO THE WATER DEVELOPMENT STATE
15 SPECIAL REVENUE ACCOUNT AND MAY BE USED FOR THE PURPOSES ALLOWED
16 UNDER 85-1-604(3)(C).

17 (5) LOAN REPAYMENTS FROM LOANS FINANCED WITH COAL SEVERANCE
18 TAX BONDS ARE PLEDGED, DEDICATED, AND APPROPRIATED TO THE DEBT
19 SERVICE ACCOUNT IN THE STATE TREASURY FOR THE BENEFIT OF BONDS
20 APPROVED FOR LOANS UNDER THIS SECTION.

21 NEW SECTION. SECTION 17. REQUIREMENTS FOR APPROVAL OF STATE
22 DEBT. BECAUSE [SECTION 16] AUTHORIZES THE CREATION OF A STATE DEBT
23 AND APPROPRIATION OF COAL SEVERANCE TAX BOND FUND DEPOSITS AND
24 APPROPRIATES MONEY THAT WOULD OTHERWISE BE DEPOSITED IN THE COAL
25 SEVERANCE TAX PERMANENT FUND, A VOTE OF THREE-FOURTHS OF THE

1 MEMBERS OF EACH HOUSE OF THE LEGISLATURE IS REQUIRED FOR PASSAGE OF
2 [SECTION 16].

3 NEW SECTION. Section 18. severability. If a part of [this
4 act] is invalid, all valid parts that are severable from the
5 invalid part remain in effect. If a part of [this act] is invalid
6 in one or more of its applications, the part remains in effect in
7 all valid applications that are severable from the invalid
8 applications.

9 NEW SECTION. Section 19. ~~Effective date~~ DATES -- TERMINATION.

10 (1) ~~[This act]~~ EXCEPT AS PROVIDED IN SUBSECTION (2), [THIS ACT] is
11 effective on passage and approval.

12 (2) [SECTIONS 12 AND 13] ARE EFFECTIVE JULY 1, 1993, AND
13 TERMINATE JUNE 30, 1995.

14 -END-

Free Conference Committee
on House Bill 6
Report No. 1, April 21, 1993

Page 1 of 1

Mr. Speaker and Mr. President:


We, your Free Conference Committee, met and considered House Bill No. 6 and recommend that House Bill No. 6 (reference copy -- salmon) be amended as follows:

1. Title, line 25.
Following: "DATES"
Strike: "AND A TERMINATION DATE"
2. Page 20, line 9.
Strike: "-- TERMINATION"
3. Page 20, lines 12 and 13.
Following: "1993"
Strike: ", AND TERMINATE JUNE 30, 1995"

And this Free Conference Committee report be adopted.

For the House:

For the Senate:



Rep. Grady, Chair


Sen. Hockett, Chair


Rep. DeBruycker


Sen. Vaughn


Rep. Bachini


Sen. Harding

ADOPT

REJECT

F.C.C.R.#1
HB 6
880827CC.Hss

HOUSE BILL NO. 6

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND
GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE
RESOURCE DEVELOPMENT PROGRAM; AUTHORIZING LOANS FROM WATER
DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND
PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; REAUTHORIZING
GRANTS AND LOANS APPROVED BY THE 52ND LEGISLATURE; REALLOCATING
CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER
DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30,
1995; APPROVING THE ISSUANCE OF COAL SEVERANCE TAX BONDS TO PROVIDE
FUNDS FOR LOANS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS FOR
CERTAIN APPROVED WATER DEVELOPMENT PROJECTS; AUTHORIZING THE
CREATION OF STATE DEBT; APPROPRIATING COAL SEVERANCE TAX INCOME FOR
DEBT SERVICE; PLACING CONDITIONS UPON GRANTS AND LOANS; STATUTORILY
APPROPRIATING FUNDS FROM THE RENEWABLE RESOURCE GRANT AND LOAN
PROGRAM STATE SPECIAL REVENUE ACCOUNT TO THE ENVIRONMENTAL SCIENCE-
WATER QUALITY INSTRUCTIONAL PROGRAMS AT NORTHERN MONTANA COLLEGE;
AMENDING SECTIONS 15-38-202 AND 17-7-502, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE DATES AND A TERMINATION DATE."

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

2 NEW SECTION. Section 1. Appropriations from water development
3 and renewable resource development state special revenue accounts.

4 (1) THE LEGISLATURE FINDS THAT WATER DEVELOPMENT PROJECTS IN THIS
5 SECTION MEET THE PROVISIONS OF 17-5-702. THE BOARD OF EXAMINERS
6 MAY ISSUE COAL SEVERANCE TAX BONDS IN AN AMOUNT NOT TO EXCEED
7 \$3,855,242 FOR THE PURPOSE OF MAKING LOANS AND FINANCING STATE
8 PROJECTS IN THE AMOUNT OF \$3,504,740, INCLUDING THE COST OF
9 ISSUANCE AND ESTABLISHING A RESERVE FOR THE BONDS IN THE AMOUNT OF
10 \$350,477. FUNDS ARE APPROPRIATED FOR THE COST OF ISSUANCE, TO A
11 MAXIMUM OF 4% OF THE AMOUNT OF EACH BOND SALE.

12 ~~(1)~~ (2) Because the legislature cannot appropriate individual
13 grants to private entities, there is appropriated to the department
14 of natural resources and conservation \$100,000 during the 1995
15 biennium for grants to private persons. This appropriation is from
16 money available in the water development state special revenue
17 account and the renewable resource development account for grants
18 for water development projects and activities under 85-1-604(3)(c)
19 ~~and renewable resource development projects under 90-2-111.~~ Grants
20 must be awarded according to priorities established in subsections
21 ~~(3) and (4)~~ (4) AND (5).

22 ~~(2)~~ (3) There is appropriated to the department the interest
23 earnings from the proceeds of water development bonds and renewable
24 resource development bonds issued to finance loans authorized by
25 [sections 1 through 11]. Interest earnings must be deposited in the

1 water development debt service fund and the renewable resource
2 development account, respectively.

3 ~~(3)~~(4) (a) There are appropriated to the department all other
4 funds not appropriated under subsection ~~(1)~~ (2) and available for
5 grants to political subdivisions and local government entities up
6 to the amount required to fund projects approved by [sections 1
7 through 11] from the water development state special revenue
8 account and the renewable resource development account during the
9 1995 biennium. This appropriation is for grants and loans for:

10 (i) water development projects and activities under 85-1-
11 604(3)(c);

12 (ii) renewable resource development projects under 90-2-111;
13 and

14 (iii) projects under [sections 1 through 11].

15 (b) The funds appropriated in this section must be awarded by
16 the department to the named entities for the described purposes and
17 in the described grant amounts set out in subsection ~~(4)~~ (5),
18 subject to the conditions set forth in [sections 1 through 11] and
19 the contingencies described in the renewable resource and water
20 development program January 1993 report to the 53rd legislature.
21 The legislature, pursuant to 85-1-605 and 90-2-111, approves the
22 grants listed in subsection ~~(4)~~ (5), with grants to be made in the
23 order indicated in the prioritized list of projects and activities.
24 Funds must be awarded up to the amounts approved in this section in
25 order of priority until available funds are expended. Funds not
26 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. A grant funded by the reclamation and development grants program may not be funded under [sections 1 through 11].

~~(4)~~(5) The following are the prioritized grant and loan projects and activities:

		Recommended Funding	
<u>Applicant/Project</u>		Grant	Loan
WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENTS PROGRAMS			
MALTA IRRIGATION DISTRICT			
	Water Use Efficiency Improvements	\$50,000	\$50,000
RICHLAND COUNTY			
	Dam Evaluation and Design	60,300	
MONTANA DEPARTMENT OF NATURAL RESOURCES			
AND CONSERVATION - WATER RESOURCES DIVISION			
	Characteristics of Extreme Precip.	100,000	
TOWN OF RYEGATE			
	Water System Improvement	33,750	66,250
		<u>50,000</u>	<u>150,000</u>
YELLOWSTONE COUNTY			
	Yellowstone River Project	100,000	
		<u>50,000</u>	
STOCKETT/CASCADE WATER AND SEWER DISTRICT			
	Sewer System	50,000	150,000
MONTANA STATE UNIVERSITY, WATER COURSE			
	Innovative Water Resource Education	94,900	

1	BUTTE-SILVER BOW LOCAL GOVERNMENT		
2	Municipal Compost Production	50,000	49,864
3	DARBY SCHOOL DISTRICT NO. 9		
4	 School Park Project	25,300	
5	MONTANA DEPARTMENT OF STATE LANDS		
6	Reforestation Projects on State Lands	21,974	
7		<u>60,000</u>	
8	HUNTLEY WATER AND SEWER DISTRICT		
9	Water System Rehabilitation	50,000	50,000
10		<u>100,000</u>	
11	RUBY VALLEY CONSERVATION DISTRICT		
12	Upper Ruby Riparian Area Improvements	100,000	
13	BUTTE SILVER BOW LOCAL GOVERNMENT		
14	 Blacktail Creek Restoration Project	100,000	
15	MONTANA BUREAU OF MINES AND GEOLOGY		
16	 Ground Water Protection/Education	94,184	
17	TOWN OF WINNETT		
18	Sewer Reconstruction and Rehabilitation	50,000	50,000
19	FORT PECK RURAL WATER DISTRICT		
20	Water Engineering Study	40,000	
21	TOWN OF DUTTON		
22	 Water System Improvement	50,000	
23	PETROLEUM COUNTY		
24	 Creeked Creek Recreation Center	50,000	50,000
25	EAST GLACIER WATER AND SEWER DISTRICT		
26	Midvale Diversion Structure	25,905	76,537

1	TOWN OF NASHUA		
2	Water Storage System Improvements	50,000	
3	CARBON COUNTY		
4	Town of Roberts Water System Improvements	50,000	50,000
5		0	<u>100,000</u>
6	CHINOOK DIVISION IRRIGATION ASSOCIATION		
7	Irrigation Water Measuring Devices	34,217	65,783
8	CHINOOK DIVISION IRRIGATION ASSOCIATION		
9	Repair of Lohman Dam	36,173	63,827
10	LIBERTY COUNTY CONSERVATION DISTRICT		
11	Sweetgrass Hills Ground Water Evaluation	100,000	
12	CUSTER COUNTY		
13	County Recycling Project	4,725	
14	TOWN OF CIRCLE		
15	Water Quality Improvement Project	15,000	
16		<u>36,000</u>	
17	EASTERN SANDERS CONSERVATION DISTRICT		
18	Accelerate Soil Survey on Forest Lands	99,000	
19	MONTANA INSTITUTE OF TOURISM AND RECREATION		
20	Study of the Impact of Tourism	35,494	
21	TOWN OF HOT SPRINGS		
22	Camas Therapy Center Geothermal		
23	Development	100,000	
24	TOWN OF HOT SPRINGS		
25	CAMAS THERAPY CENTER	150,000	
26	<u>TOWN OF HOT SPRINGS</u>		

1	<u>CAMAS THERAPY CENTER</u>	<u>150,000</u>	
2	GLASGOW IRRIGATION DISTRICT		
3	Install Headgate Measuring Devices	50,000	50,000
4	HILGER COUNTY WATER AND SEWER DISTRICT		
5	Sewage and Collection Treatment		
6	Facilities	50,000	50,000
7	VALLEY COUNTY		
8	Fort Peck Breakwater	100,000	
9	MILE HIGH CONSERVATION DISTRICT		
10	Radon Assessment of Montana's Aquifers	99,812	
11	MONTANA DEPARTMENT OF NATURAL RESOURCES AND		
12	CONSERVATION - WATER RESOURCES FIELD OFFICE		
13	Flathead Valley Coop. Ground Water Study	100,000	
14	MISSOULA URBAN TRANSPORTATION DISTRICT		
15	Alternative Fuels Initiative	56,185	
16	LITTLE BEAVER CONSERVATION DISTRICT		
17	Water Reservations Implementation	47,318	
18	RAVALLI COUNTY		
19	Ground Water Vulnerability Assessment	88,340	
20		<u>70,672</u>	
21	YELLOWSTONE COUNTY		
22	Shepherd Rural Water System Development	85,000	
23		<u>75,000</u>	
24	<u>IF THIS PROJECT RECEIVES FUNDING IN HOUSE BILL NO. 663, THEN</u>		
25	<u>THIS APPROPRIATION IS VOID.</u>		
26	<u>THIS GRANT IS CONTINGENT ON THE CREATION OF A WATER DISTRICT.</u>		

1 ~~MONTANA STATE UNIVERSITY~~

2 ~~Guide to Montana Water Law~~ ~~31,740~~

3 HILL COUNTY

4 Salinity Control Project 50,000 50,000

5 ROOSEVELT COUNTY CONSERVATION DISTRICT

6 Recreational Enhancement of Missouri River 7,000

7 ~~FORT SHAW IRRIGATION DISTRICT~~

8 ~~"A" System Diversion~~ ~~50,000~~

9 DODSON IRRIGATION DISTRICT

10 Water Use Efficiency Improvements 31,569 31,326

11 ~~FORT SHAW IRRIGATION DISTRICT~~

12 ~~Rehabilitation and Betterment Study~~ ~~50,000~~

13 FLATHEAD JOINT BOARD OF CONTROL

14 Fish Friendly Irrigation 44,500 54,500

15 ~~TOWN OF HOT SPRINGS~~

16 ~~CAMAS THERAPY CENTER~~ ~~150,000~~

17 ~~WHITEFISH COUNTY WATER AND SEWER DISTRICT~~

18 ~~Protection of Swift Creek Pilot Project~~ ~~13,921~~ ~~37,485~~

19 ~~TOWN OF HOT SPRINGS~~

20 ~~CAMAS THERAPY CENTER~~ ~~150,000~~

21 TOWN OF ENNIS

22 WATER STORAGE & DISTRIBUTION 100,000

23 IF THIS PROJECT RECEIVES FUNDING IN HOUSE BILL NO. 663, THEN

24 THIS APPROPRIATION IS VOID.

25 ~~(5)~~ (6) To the entities listed in this section, this

26 appropriation constitutes a valid obligation of these funds for

1 purposes of encumbering the funds within the 1995 biennium pursuant
2 to 17-7-302.

3 NEW SECTION. **Section 2. Opportunity to receive loans for**
4 **projects not receiving grants.** A sponsor of a recommended project
5 or activity on the prioritized list in [section 1] who is not a
6 recipient of available grant funds must be offered the opportunity
7 to receive loan funds for up to the total recommended project
8 amount, subject to the conditions described in [sections 1 through
9 11]. The interest rate applicable to a loan must be the rate paid
10 on bonds issued pursuant to [sections 1 through 11].

11 NEW SECTION. **Section 3. Approval of loans from bond proceeds**
12 ~~---completion of appropriation. (1).~~ The legislature, pursuant to
13 85-1-605, 85-1-606, and 90-2-107, approves loans to private
14 sponsors approved by the department of natural resources and
15 conservation during the 1995 biennium and the loans for projects
16 and activities identified and described in [section 1] to public
17 entities from ~~water development bond proceeds, interest earnings on~~
18 ~~bond proceeds deposited in the water development debt service fund,~~
19 ~~and loans from renewable resource development bond proceeds~~
20 ~~deposited in the renewable resource development account. Bond~~
21 ~~proceeds may be used for the payment of bond issuance costs. Funds~~
22 ~~are appropriated for these costs to a maximum of 4% of the amount~~
23 ~~of each bond sale.~~ COAL SEVERANCE TAX BOND PROCEEDS AUTHORIZED IN
24 [SECTION 16].

25 ~~(2) The approval of specific loans completes an appropriation~~

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

13 NEW SECTION. **Section 4. Reauthorization of loans and grants**
14 **approved.** The 52nd legislature, in Chapter 551, Laws of 1991,
15 approved loans and grants from the water development bond account
16 or the renewable resource development bond account for the town of
17 Belt in the amount of A \$100,000 LOAN; Cascade County RID No. 26,
18 Sun Prairie VILLAGE WATER AND SEWER DISTRICT, in the amount of A
19 \$200,000 \$250,000 LOAN; town of Chinook in the amount of A \$200,000
20 LOAN; East Glacier water and sewer district in the amount of
21 \$116,380; town of Ekalaka in the amount of \$149,975 \$209,975 A
22 \$49,975 GRANT AND A \$160,000 LOAN; town of Fairfield in the amount
23 of A \$14,169 LOAN; TOWN OF NEIHART IN THE AMOUNT OF A \$150,000;
24 LOAN; STOCKETT WATER AND SEWER DISTRICT IN THE AMOUNT OF A \$50,000
25 GRANT AND A \$150,000 LOAN; MEAGHER COUNTY CONSERVATION DISTRICT IN

1 THE AMOUNT OF A \$37,500 GRANT AND A \$62,500 LOAN; and Fort Shaw
2 irrigation district in the amount of ~~\$100,000~~ A \$50,000 GRANT AND
3 A \$50,000 LOAN. Loans and grants for the entities described in this
4 section are reauthorized. LOANS FOR THE REAUTHORIZED PROJECTS
5 DESCRIBED IN THIS SECTION MUST BE MADE FROM WATER DEVELOPMENT COAL
6 SEVERANCE TAX BONDS AUTHORIZED IN [SECTION 16].

7 NEW SECTION. **Section 5. Reallocation of resource indemnity**
8 **trust account interest income.** Except for special departmental
9 appropriation and notwithstanding any provisions of 85-1-604 to the
10 contrary, all remaining interest income allocated to the water
11 development state special revenue account from the resource
12 indemnity trust fund by 15-38-202(2) during the 1995 biennium may
13 be used only for the purposes set out in 85-1-604(3)(c).

14 NEW SECTION. **Section 6. Emergency grants.** There is
15 appropriated to the department of natural resources and
16 conservation up to \$125,000 from the water development state
17 special revenue account to be used for emergency projects. If these
18 funds are not needed for emergencies, they may be used for grants
19 approved in [section 1].

20 NEW SECTION. **Section 7. Conditions of loans and grants.**
21 Disbursement of funds under [sections 1 through 11] for both loans
22 and grants is subject to the following conditions that must be met
23 by project sponsors:

24 (1) approval of a scope of work and budget for the project by

1 the department of natural resources and conservation. Reductions
2 in a scope of work or budget may not affect priority activities or
3 improvements.

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

6 (3) satisfactory completion of conditions described in the
7 recommendation section of the project narrative in the renewable
8 resource and water development program project evaluations and
9 recommendations report submitted to the 53rd legislature for the
10 1995 biennium or, in the case of emergency applications, conditions
11 specified at the time of written notification of approved grant
12 authority;

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

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

19 NEW SECTION. **Section 8. Conditions for grants.** Grant funds
20 must be disbursed in the order of priority listed in [section 1] as
21 coal tax and resource indemnity trust account interest income
22 revenue is received. A project approved by [sections 1 through 11]
23 may not receive grant funds not collected and allocated to the
24 water development state special revenue account or the renewable
25 resource development account.

1 NEW SECTION. **Section 9. Conditions for loans.** Each sponsor

2 authorized to receive a loan from water development bond proceeds
3 or renewable resource development bond proceeds may be required to
4 pay to the department of natural resources and conservation a pro
5 rata share of the bond issuance costs and the administrative costs
6 incurred by the department to complete the loan transaction.

7 NEW SECTION. **Section 10. Private and discount purchase of**

8 **loans.** A loan to a political subdivision or a local government
9 entity and a bond, warrant, or note issued in evidence of a loan
10 may be made, purchased by, and sold to the department of natural
11 resources and conservation at a discount and at private negotiated
12 sale, notwithstanding the provisions of any other law applicable to
13 a political subdivision or local government entity.

14 NEW SECTION. **Section 11. Other appropriations.** For an entity

15 of state government that receives a grant or loan under [sections
16 1 through 11], there is appropriated the amount of the grant or
17 loan upon award of the grant or loan by the department of natural
18 resources and conservation. Grants to state entities from a
19 previous biennium are reauthorized for completion of contract work.

20 SECTION 12. SECTION 15-38-202, MCA, IS AMENDED TO READ:

21 "15-38-202. **Investment of resource indemnity trust fund --**
22 **expenditure -- minimum balance.** (1) All money paid into the
23 resource indemnity trust fund, including money payable into the
24 fund under the provisions of 15-37-117, ~~shall~~ must be invested at

1 the discretion of the board of investments. All the net earnings
2 accruing to the resource indemnity trust fund ~~shall~~ must annually
3 be added to the trust fund until it has reached the sum of \$10
4 million. Thereafter, only the net earnings may be appropriated and
5 expended until the fund reaches \$100 million. Thereafter, all net
6 earnings and all receipts ~~shall~~ must be appropriated by the
7 legislature and expended, provided that the balance in the fund may
8 never be less than \$100 million.

9 (2) (a) At the beginning of each biennium, there is allocated
10 from the interest income of the resource indemnity trust fund:

11 (i) an amount not to exceed \$175,000 to the environmental
12 contingency account pursuant to the conditions of 75-1-1101; ~~and~~

13 (ii) beginning in fiscal year 1992, an amount not to exceed
14 \$50,000 to the oil and gas production damage mitigation account
15 pursuant to the conditions of 82-11-161; and

16 (iii) beginning in fiscal year 1995, \$240,000, which is
17 statutorily appropriated, as provided in 17-7-502, from the
18 renewable resource grant and loan program state special revenue
19 account to support the operations of the environmental science-
20 water quality instructional programs at northern Montana college to
21 be used for support costs, for matching funds necessary to attract
22 additional funds to further expand statewide impact, and for
23 enhancement of the facilities related to the programs.

24 (b) The remainder of the interest income is allocated as
25 follows:

26 (i) Beginning in fiscal year 1982, provided the amount in the

1 resource indemnity trust fund is greater than \$10 million, 30% of
2 the interest income of the resource indemnity trust fund must be
3 allocated to the water development state special revenue account
4 created by 85-1-604.

5 (ii) Beginning in fiscal year 1988, 12% of the interest income
6 of the resource indemnity trust fund must be allocated to the
7 hazardous waste/CERCLA special revenue account provided for in 75-
8 10-621.

9 (iii) Beginning in fiscal year 1990, 8% of the interest income
10 from the resource indemnity trust fund must be allocated to the
11 renewable resource development account provided for in Title 90,
12 chapter 2.

13 (iv) Beginning in fiscal year 1990, 46% of the interest income
14 from the resource indemnity trust fund must be allocated to the
15 reclamation and development grants account provided for in 90-2-
16 1104.

17 (v) Beginning in fiscal year 1990, 4% of the interest income
18 of the resource indemnity trust fund must be allocated to the
19 environmental quality protection fund provided for in 75-10-704.

20 (3) Any formal budget document prepared by the legislature or
21 the executive branch that proposes to appropriate funds from the
22 resource indemnity trust interest account other than as provided
23 for by the allocations in subsection (2) must specify the amount of
24 money from each allocation that is proposed to be diverted and the
25 proposed use of the diverted funds. A formal budget document
26 includes a printed and publicly distributed budget proposal or

1 recommendation, an introduced bill, or a bill developed during the
2 legislative appropriation process or otherwise during a legislative
3 session."

4 **SECTION 13. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

5 "17-7-502. Statutory appropriations -- definition --
6 requisites for validity. (1) A statutory appropriation is an
7 appropriation made by permanent law that authorizes spending by a
8 state agency without the need for a biennial legislative
9 appropriation or budget amendment.

10 (2) Except as provided in subsection (4), to be effective, a
11 statutory appropriation must comply with both of the following
12 provisions:

13 (a) The law containing the statutory authority must be listed
14 in subsection (3).

15 (b) The law or portion of the law making a statutory
16 appropriation must specifically state that a statutory
17 appropriation is made as provided in this section.

18 (3) The following laws are the only laws containing statutory
19 appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312;
20 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-23-706; 15-25-123; 15-
21 31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-
22 1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704;
23 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-
24 702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-
25 513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-

1 406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306;
2 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-
3 206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-
4 150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108;
5 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-
6 11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-
7 306.

8 (4) There is a statutory appropriation to pay the principal,
9 interest, premiums, and costs of issuing, paying, and securing all
10 bonds, notes, or other obligations, as due, that have been
11 authorized and issued pursuant to the laws of Montana. Agencies
12 that have entered into agreements authorized by the laws of Montana
13 to pay the state treasurer, for deposit in accordance with 17-2-101
14 through 17-2-107, as determined by the state treasurer, an amount
15 sufficient to pay the principal and interest as due on the bonds or
16 notes have statutory appropriation authority for the payments. (In
17 subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion
18 of 19-6-709 terminates upon death of last recipient eligible for
19 supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991,
20 the inclusion of 22-3-811 terminates June 30, 1993.)"

21 NEW SECTION. SECTION 14. COORDINATION INSTRUCTION. IF
22 HOUSE BILL NO. 608 IS NOT PASSED AND APPROVED, THEN [SECTIONS 12
23 AND 13 OF THIS ACT] ARE VOID.

24 NEW SECTION. SECTION 15. APPROPRIATION. (1) THERE IS
25 APPROPRIATED FROM FISCAL YEAR 1993 ENDING FUND BALANCE IN THE WATER

1 DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT ACCOUNT \$100,000 TO
2 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR THE
3 MISSOULA COUNTY LINDA VISTA SEWER INCEPTOR PROJECT.

4 (2) THE REMAINING FISCAL YEAR 1993 REVERTED BALANCE OF THE
5 STATE WATER PROJECT APPROPRIATION FOR THE DEPARTMENT OF NATURAL
6 RESOURCES AND CONSERVATION IS ALLOCATED TO THOSE PROJECTS IN
7 [SECTION 1(5)] THAT MAY NOT RECEIVE FUNDING DUE TO LIMITATIONS OF
8 1995 BIENNIUM REVENUE.

9 NEW SECTION. SECTION 16. APPROPRIATION -- CREATION OF DEBT
10 FOR COAL SEVERANCE TAX BONDS. (1) THE LEGISLATURE, THROUGH THE
11 ENACTMENT OF THIS SECTION BY A VOTE OF THREE-FOURTHS OF THE MEMBERS
12 OF EACH HOUSE OF THE LEGISLATURE, AS REQUIRED BY ARTICLE IX,
13 SECTION 5, OF THE MONTANA CONSTITUTION, PLEDGES, DEDICATES, AND
14 APPROPRIATES FROM THE COAL SEVERANCE TAX BOND FUND ALL MONEY
15 NECESSARY FOR THE PAYMENT OF PRINCIPAL AND INTEREST NOT OTHERWISE
16 PROVIDED FOR ON THE COAL SEVERANCE TAX BONDS AUTHORIZED BY
17 [SECTIONS 1 THROUGH 3] TO BE ISSUED PURSUANT TO TITLE 17, CHAPTER
18 5, PART 7, PURSUANT TO THE PROVISIONS OF [SECTIONS 1 THROUGH 3],
19 AND PURSUANT TO THE GENERAL RESOLUTION FOR THIS BOND PROGRAM THAT
20 HAS BEEN ADOPTED BY THE BOARD OF EXAMINERS UNDER THE AUTHORITY
21 PROVIDED IN TITLE 17, CHAPTER 5, PART 7.

22 (2) THE LEGISLATURE, THROUGH THE ENACTMENT OF THIS SECTION,
23 IN ACCORDANCE WITH ARTICLE VIII, SECTION 8, OF THE MONTANA
24 CONSTITUTION, AUTHORIZES THE CREATION OF A STATE DEBT IN AN AMOUNT
25 NOT TO EXCEED \$3,855,242 FOR LOANS TO POLITICAL SUBDIVISIONS AND

1 LOCAL GOVERNMENT ENTITIES FOR WATER DEVELOPMENT PROJECTS APPROVED
2 IN [SECTIONS 1 THROUGH 3] AND FOR FUNDING A RESERVE FOR THE COAL
3 SEVERANCE TAX BONDS AUTHORIZED TO FUND THOSE PROJECTS.

4 (3) IN CONNECTION WITH THE ISSUANCE OF COAL SEVERANCE TAX
5 BONDS, THE BOARD OF EXAMINERS MAY PAY THE PRINCIPAL AND INTEREST ON
6 THE BONDS FROM THE DEBT SERVICE ACCOUNT AND IN ALL OTHER RESPECTS
7 MANAGE AND USE THE FUNDS WITHIN EACH SPECIAL BOND ACCOUNT FOR THE
8 BENEFIT OF THE BONDS. THE BOARD OF EXAMINERS SHALL EXERCISE ITS
9 DISCRETION TO ENHANCE THE MARKETABILITY OF THE BONDS AND TO SECURE
10 THE MOST ADVANTAGEOUS FINANCIAL ARRANGEMENTS FOR THE STATE.

11 (4) EARNINGS ON BOND PROCEEDS PRIOR TO THE COMPLETION OF ANY
12 LOAN MUST BE ALLOCATED TO THE DEBT SERVICE ACCOUNT TO PAY THE DEBT
13 SERVICE ON THE BONDS DURING THIS PERIOD. EARNINGS IN EXCESS OF DEBT
14 SERVICE, IF ANY, MUST BE ALLOCATED TO THE WATER DEVELOPMENT STATE
15 SPECIAL REVENUE ACCOUNT AND MAY BE USED FOR THE PURPOSES ALLOWED
16 UNDER 85-1-604(3)(C).

17 (5) LOAN REPAYMENTS FROM LOANS FINANCED WITH COAL SEVERANCE
18 TAX BONDS ARE PLEDGED, DEDICATED, AND APPROPRIATED TO THE DEBT
19 SERVICE ACCOUNT IN THE STATE TREASURY FOR THE BENEFIT OF BONDS
20 APPROVED FOR LOANS UNDER THIS SECTION.

21 NEW SECTION. SECTION 17. REQUIREMENTS FOR APPROVAL OF STATE
22 DEBT. BECAUSE [SECTION 16] AUTHORIZES THE CREATION OF A STATE DEBT
23 AND APPROPRIATION OF COAL SEVERANCE TAX BOND FUND DEPOSITS AND
24 APPROPRIATES MONEY THAT WOULD OTHERWISE BE DEPOSITED IN THE COAL
25 SEVERANCE TAX PERMANENT FUND, A VOTE OF THREE-FOURTHS OF THE

1 MEMBERS OF EACH HOUSE OF THE LEGISLATURE IS REQUIRED FOR PASSAGE OF
2 [SECTION 16].

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

9 NEW SECTION. **Section 19. Effective date DATES -- ~~TERMINATION~~.**
10 (1) ~~{This act}~~ EXCEPT AS PROVIDED IN SUBSECTION (2), [THIS ACT] is
11 effective on passage and approval.

12 (2) [SECTIONS 12 AND 13] ARE EFFECTIVE JULY 1, 1993, ~~AND~~
13 ~~TERMINATE JUNE 30, 1995.~~

14 -END-