



AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AMENDING SECTION 90-2-1113, MCA; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Appropriations for reclamation and development grants. (1) There is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 up to:

(a) \$1,000,000 to be used for planning reclamation and development projects to be awarded by the department over the course of the biennium ending June 30, 2015;

(b) \$525,000 to implement measures to control invasive aquatic species in state waters; and

(c) \$300,000 for ground water baseline sampling in areas potentially affected by oil and gas development.

(2) The amount of \$4,418,645 is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account for grants to political subdivisions and local governments during the biennium ending June 30, 2015. The funds in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts set out in subsection (4) subject to the conditions set forth in [sections 1 through 4] and the contingencies described in the reclamation and development grant program January 2013 report to the 63rd legislature. The legislature approves the grants listed in subsection (4).

(3) Funds must be awarded up to the amounts approved in this section in the order of priority listed in subsection (4). Funds not accepted or used by these projects may be provided for grants awarded under subsection (1) or under House Bill No. 6.

(4) The following are the prioritized grant projects:

Applicant/Project	Grant Amount
Missoula County	
(Kennedy Creek Mine Reclamation)	\$300,000
Montana DEQ - Abandoned Mine Lands Bureau	
(South Fork Lower Willow Creek Black Pine Mine Reclamation)	\$300,000
Philipsburg, Town of	
(Tailings-Contaminated Sludge Disposal from Decommissioned Wastewater Lagoons)	\$300,000
Montana DEQ - LUST/Brownfields	
(Petroleum Product Delineation & Mitigation of Threat to Harlowton Public Water Supply Well)	\$300,000
Confederated Salish & Kootenai Tribes	
(Joseph Allotment and Elmo Cash Store - Cleanup Implementation)	\$126,998
Powell County	
(Milwaukee Roundhouse Recreational Subarea Interim Cleanup Action - Phase 2)	\$300,000
Missoula County	
(Sawpit Ninemile Reclamation)	\$300,000
Malta, City of	
(Former Malta Airport Facility - Herbicide/Pesticide Cleanup)	\$249,480
Cascade Conservation District	
(Barker-Hughesville Reclamation Area Fish Barrier Projects on Dry Fork Belt Creek)	\$113,300
Butte-Silver Bow City-County Government	
(Butte Mining District: Reclamation & Protection Project Phase IV)	\$244,720
Ryegate, Town of	
(Former Ryegate Conoco Groundwater Remediation)	\$206,080
Cascade County	
(County Shops Remediation of Wood Treatment Preservatives)	\$300,000
Butte-Silver Bow City-County Government	
(Irrigation Project for Butte Acidic Mine Waters)	\$275,690

Custer Conservation District	
(Addressing Cumulative Effects on the Yellowstone River)	\$127,377
Ruby Valley Conservation District	
(Upper Missouri Headwaters River/Flood Hazard Map Development)	\$300,000
Montana DEQ - Water Quality Planning	
(Baseline Groundwater Sampling in Areas of Anticipated Oil & Gas Development)	\$160,000
Yellowstone Conservation District	
(Lower Pryor Creek Stabilization and Restoration)	\$70,000
Montana DEQ - Abandoned Mine Lands Bureau	
(Sheridan County 2012-2013 Reclamation Project)	\$300,000
Montana DNRC - Water Projects	
(Deadman's Basin Diversion Dam)	\$145,000

(5) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the biennium ending June 30, 2015, pursuant to 17-7-302.

Section 2. Coordination of fund sources for project grants. A project sponsor listed under [section 1(4)] may not be funded by both the reclamation and development grants program and the renewable resource grant program for the same project during the same biennium.

Section 3. Conditions of grants. Disbursement of grant funds under [sections 1 through 4] is subject to the following conditions that must be met by the project sponsor:

(1) A scope of work and budget for the project must be approved by the department of natural resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change project goals and objectives. Changes in activities that would reduce the public or natural resource benefits may result in a proportional reduction in the grant amount.

(2) The project sponsor shall show satisfactory completion of conditions described in the recommendation section of the project narrative of the reclamation and development grants program report to the legislature for the biennium ending June 30, 2015.

(3) The project sponsor must have a fully executed grant agreement with the department.

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

Section 4. Other appropriations. There is appropriated to any entity of state government that receives a grant under [sections 1 through 3] the amount of the grant upon award of the grant by the department of natural resources and conservation. Grants to entities from a prior biennium are reauthorized for completion of contract work.

Section 5. Section 90-2-1113, MCA, is amended to read:

"90-2-1113. Evaluation criteria -- priority. (1) Except as provided in subsections (2) and (3), the department shall consider the following criteria in evaluating eligible applications and in selecting projects to be recommended to the governor for funding:

- (a) the degree to which the project will provide benefits in its eligibility category or categories;
- (b) the degree to which the project will provide public benefits;
- (c) the degree to which the project will promote, enhance, or advance the policies and purposes of the reclamation and development grants program;
- (d) the degree to which the project will provide for the conservation of natural resources;
- (e) the degree of need and urgency for the project;
- (f) the extent to which the project sponsor or local entity is contributing to the costs of the project or is generating additional nonstate funds;
- (g) the degree to which jobs are created for persons who need job training, receive public assistance, or are chronically unemployed; and
- (h) any other criteria that the department considers necessary to carry out the policies and purposes of the reclamation and development grants program.

(2) (a) Subject to the conditions of this part, the department shall give priority to grant requests, not to exceed a total of \$600,000 for the biennium, from the board of oil and gas conservation beginning on July 1, 2015. The board of oil and gas conservation shall use a grant that received priority under this subsection (2)(a) for oil and gas reclamation projects. The board may use a maximum of 2.5% of the amount of a grant for administrative

costs associated with implementing the projects covered in the grant.

(b) Any unobligated fund balance of a grant that received priority under subsection (2)(a) remaining at the end of the current biennium must be included as part of the \$600,000 limitation for the next biennium.

(c) The priority given to the board of oil and gas conservation under subsection (2)(a) does not preclude the board of oil and gas conservation from submitting additional grant requests. The department shall evaluate additional grant requests from the board of oil and gas conservation in accordance with the provisions of subsection (1).

(3) Subject to the conditions of this part, the department shall give priority to grant requests not to exceed a total of \$800,000 for the biennium for abandoned mine reclamation projects. A grant may not be used for personnel costs or general operating expenses."

Section 6. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

Section 7. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 8. Effective date. [This act] is effective July 1, 2013.

- END -

I hereby certify that the within bill,
HB 0007, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2013.

President of the Senate

Signed this _____ day
of _____, 2013.

HOUSE BILL NO. 7

INTRODUCED BY R. COOK

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND THE
OFFICE OF BUDGET AND PROGRAM PLANNING

AN ACT IMPLEMENTING THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AMENDING SECTION 90-2-1113, MCA; AND PROVIDING AN EFFECTIVE DATE.