

Amendments to HB7 (2025) – Water Storage Innovation Grant Fund

Draft of legislative concept

OPTION A:

Section 1. Appropriations for reclamation and development grants. (X) 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 \$20,000,000 for grants for the purposes of water storage innovation feasibility and pilot projects to be awarded by the department over the course of the biennium beginning July 1, 2025.

Commented [CE1]: This would fit into the existing Section 1 of HB7, included in the section that outlines things like the planning grants.

OR OPTION B:

New Section 2. Water storage innovation grant and loan fund. (1) There is an account in the state special revenue fund established in 17-2-102 to be known as the water storage innovation grant and loan fund.

(2) Interest earned must be retained by the fund.

(3) Eligible uses include innovations in water storage projects identified in 85-1-704, and the disbursement of grants and authorization of loans in [section 3]

Commented [CE2]: This idea comes from how the Milk River project money came into HB6 last year. I sort of like the concept of creating a SSR account to park money into, and I don't hate the idea of using both grants and loans, or at least leaving the door open to both. We probably need to add some loan contingency language here, if we choose to do that. Also, I think loans are a new concept in RDG, so we need to check with compatibility. If loans complicate things, I would ditch happily. But, having the SSR to park the money I like.

New Section 3. Authorization. (1) The amount transferred in [section 4] shall be held in escrow for loans and grants for the purposes of water storage innovation projects identified in 85-1-704.

(2) The interest rate for any loans made in the water storage innovation program from proceeds from subsection (1) must be negotiated with the department of natural resources and conservation at a rate and term consistent with loan financing available from other federal and state sources.

(3) Loan repayment may be interest only.

(4) The interest repaid must be placed in the state special revenue account established in [section 2] for use by the department for purposes of water storage innovation.

(5) The department shall issue any grants under the water storage innovation program consistent with all conditions provided for in the reclamation and development grant program. The department may establish any guidelines necessary to establish the water storage innovation program within the parameters of the reclamation and development grant program.

Commented [PSA3R2]: What about 85-1-703: https://leg.mt.gov/bills/mca/title_0850/chapter_0010/part_0070/section_0030/0850-0010-0070-0030.html

Commented [PSA4R2]: Not the governor's report

Commented [CE5]: I don't know if we want to tie it to this, but I think it is worthwhile to cite back to the water storage policy in Title 85, Chpt 1, Part 7 somehow. This was just a stab at that. This also includes references to both existing and new storage, which I would rather not have to spell out explicitly.

Commented [PSA6R5]: What about 85-1-703: https://leg.mt.gov/bills/mca/title_0850/chapter_0010/part_0070/section_0030/0850-0010-0070-0030.html

Commented [CE7]: See above on cite back to 85.

GOES WITH BOTH OPTION A AND B:

New Section 4. Transfer of funds. By July 1, 2025, the state treasurer shall transfer \$20 million from the general fund to the natural resources state special revenue account established in 15-38-302.

Commented [CE8]: Just a placeholder of source.

Commented [CE9]: You also could park it into the new SSR, but I think it goes smoother into the NRP account.