



Reclamation and Development Grants Program House Bill 7



GOVERNOR
GREG GIANFORTE

STATE OF MONTANA

Governor's Executive Budget
Fiscal Years 2024 - 2025

Reclamation and Development
Grants Program

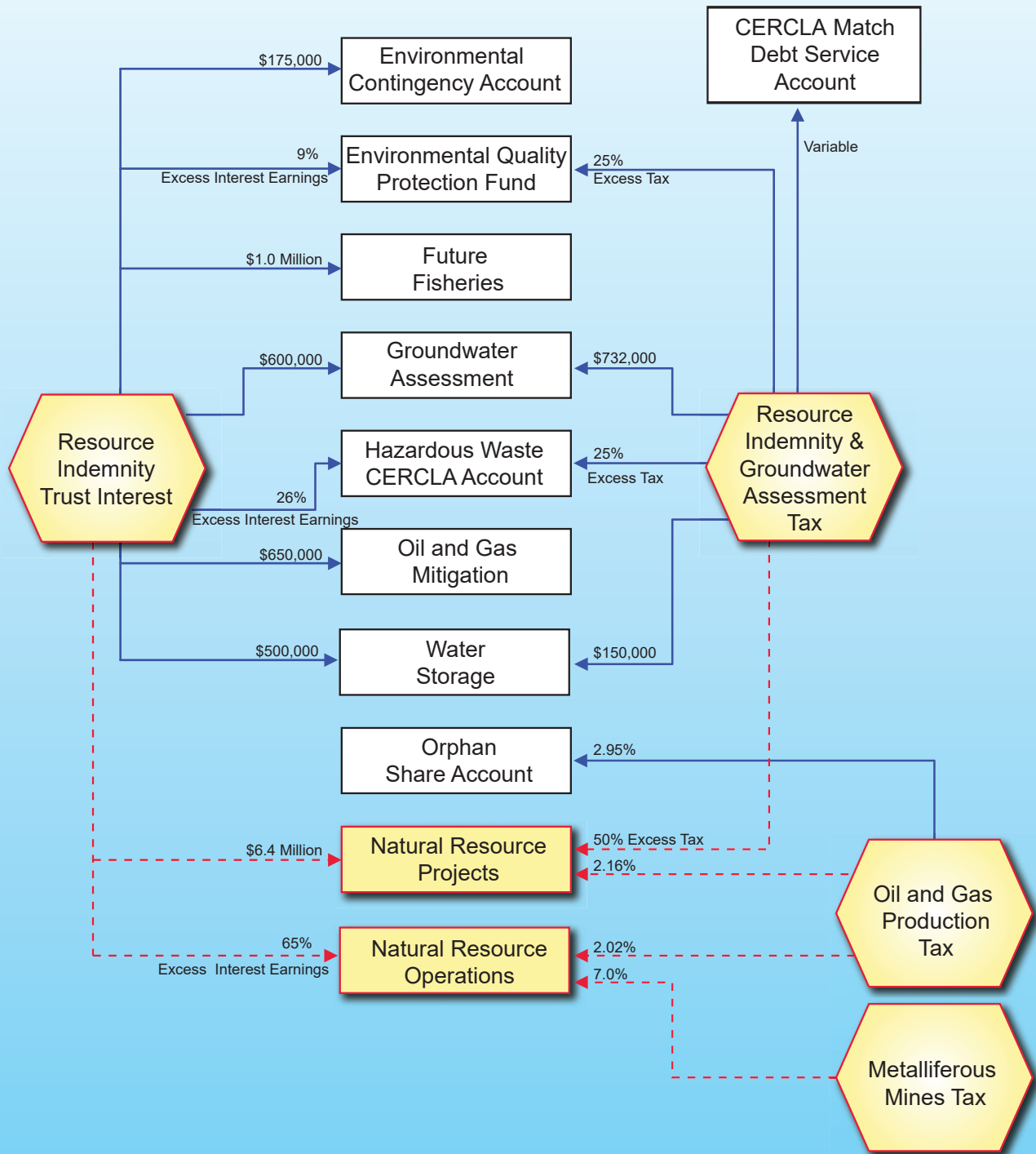
Department of Natural Resources
and Conservation
Conservation and Resource
Development Division



Volume 5

Allocation of Funding Sources for Natural Resource Programs

2025 Biennium



Resource Indemnity Trust

https://leg.mt.gov/content/Publications/fiscal/leg_referen ce/Brochures/RIT-2019.pdf



Resource Indemnity Trust



Updated October 2019

RESOURCE INDEMNITY TRUST (RIT) - ENABLING ACT

Article IX of the Montana Constitution provides for the protection and improvement of the Montana environment and requests the legislature to provide adequate remedies for environmental protection from degradation.

It specifically requires "all lands disturbed by the taking of natural resources shall be reclaimed", and

requires the existence of a resource indemnity trust (RIT) fund for that purpose, to be funded by taxes on the extraction of natural resources.

The constitution further states, "The principal of the resource indemnity trust shall forever remain inviolate in an amount of one hundred million dollars (\$100,000,000) guaranteed by the state against loss or diversion."

The state constitution requires a trust, but does not require the trust to be funded. The legislature utilized certain natural resource extraction tax proceeds as a revenue source for the trust. In February of 2002, the Governor certified that the balance of the trust had exceeded the \$100.0 million threshold. Tax proceeds previously directed to the RIT have been re-directed by the legislature ever since.

FUND DESCRIPTIONS

A RIT fund is defined as a fund receiving RIT interest or Resource Indemnity Ground Water Assessment (RIGWA) taxes.

- [Ground water assessment account](#) - funds groundwater monitoring and characterization studies
- [Natural Resource Project](#) - funds grants and loans to address damage from non-renewable extraction as well as funding for projects that conserve, develop or manage, or preserve resources
- [Hazardous Waste/Comprehensive Environmental Response, Compensation and Liability Act \(CERCLA\)](#) - funds for the implementation of the Montana Hazardous Waste Act and state expenses for overseeing the federal CERCLA.
- [Environmental Quality Protection Fund](#) - utilized to identify, investigate, negotiate and prosecute individuals/entities to achieve remedial action or recover costs and damages under the state superfund program.
- [Environmental Contingency Account](#) - controlled by the Governor for the purpose of responding to emergent or imminent threats to the environment.
- [Future Fisheries](#) - funds to reclaim habitat and spawning areas of the bull and cutthroat trout.
- [Oil & Gas Production Mitigation Account](#) - funds for property plugging a well and either reclaiming or restoring, or both, a drill site or other drilling or producing area damaged by oil and gas operations.
- [Natural Resource Operations](#) - funds to support the natural resource programs within state government.
- [Water Storage Account](#) - repair and maintenance of state owned water facilities.
- [CERCLA General Obligation Debt Service](#) - used to pay the debt services on state bonds issued in support of CERCLA or Superfund Law

Tax Descriptions



Resource indemnity and ground water assessment (RIGWA) tax on the gross value of coal and most minerals.

All minerals taxed are assessed a \$25 base tax.

Coal - 0.4% of the gross value

Minerals - 0.5% of the gross value

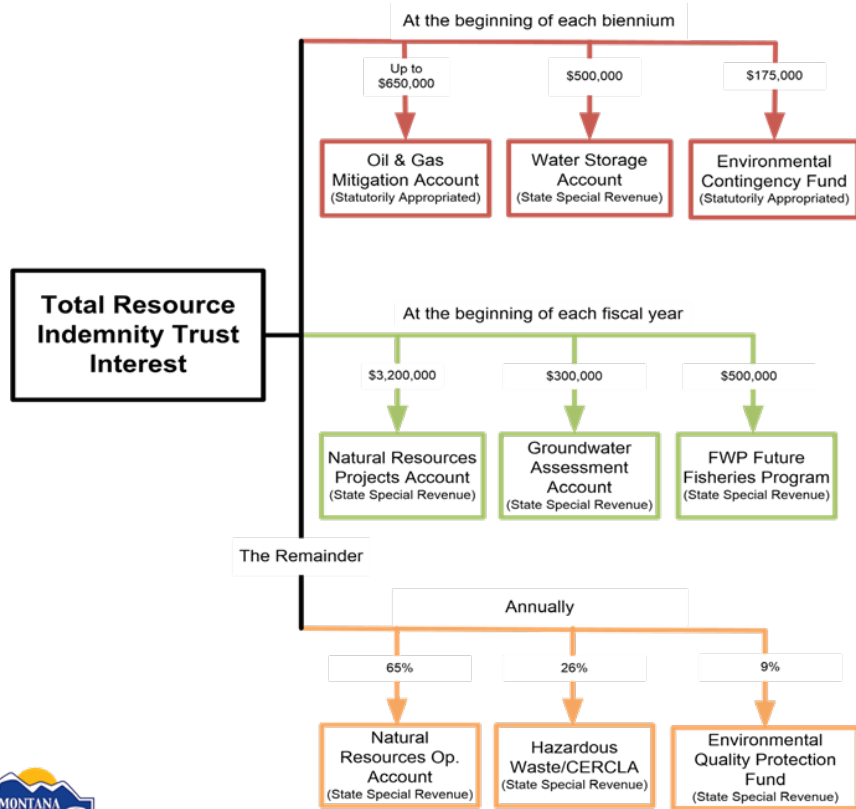
Talc - 4% of the gross value

Vermiculite - 2% of the gross value

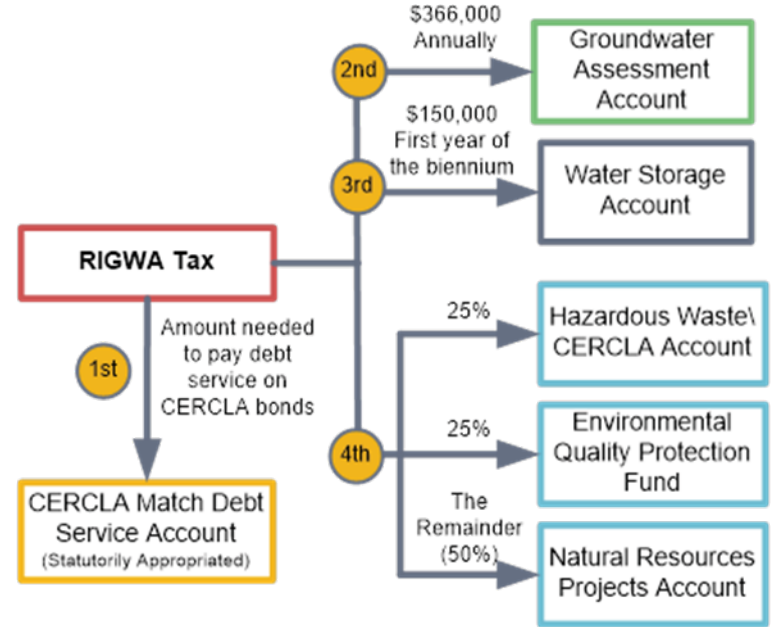
Limestone -10% of the gross value

Garnets -1% of the gross value

TRUST (RIT) INTEREST EARNINGS - DISTRIBUTION

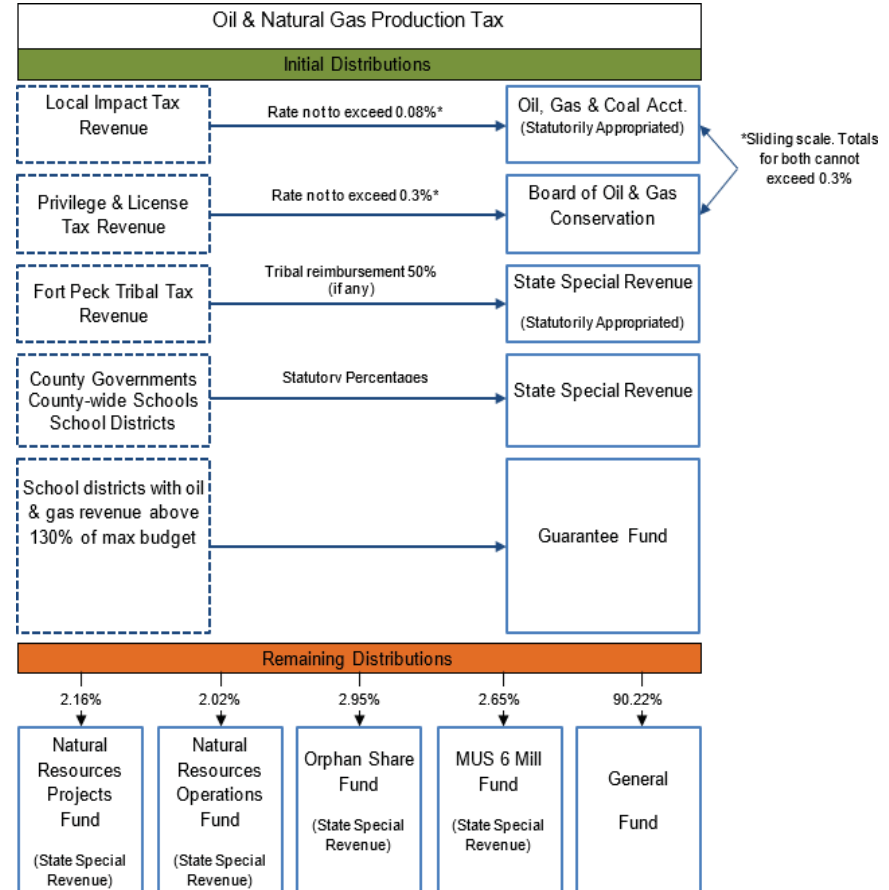


RIGWA TAX - DISTRIBUTION



Tax is imposed on the production of oil and natural gas in the state.

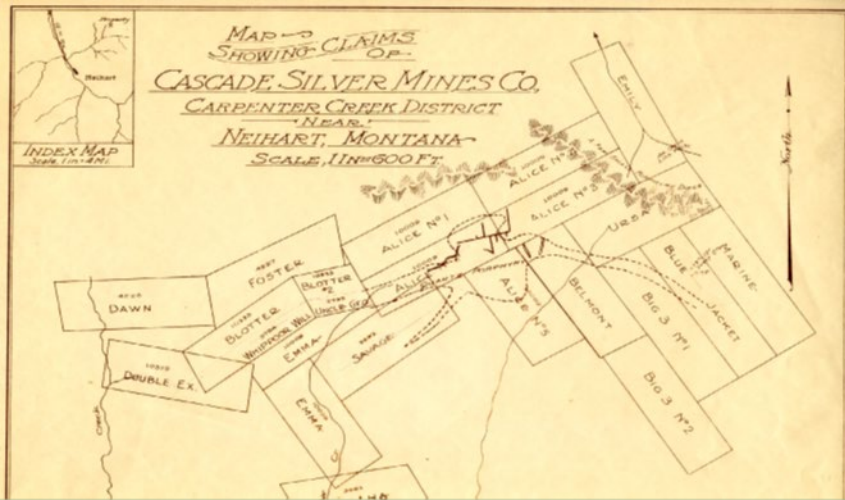
Oil & Natural Gas Production Tax



https://leg.mt.gov/content/Publications/fiscal/leg_reference/Brochures/Oil-Gas-2020.pdf



Metalliferous Mines Tax

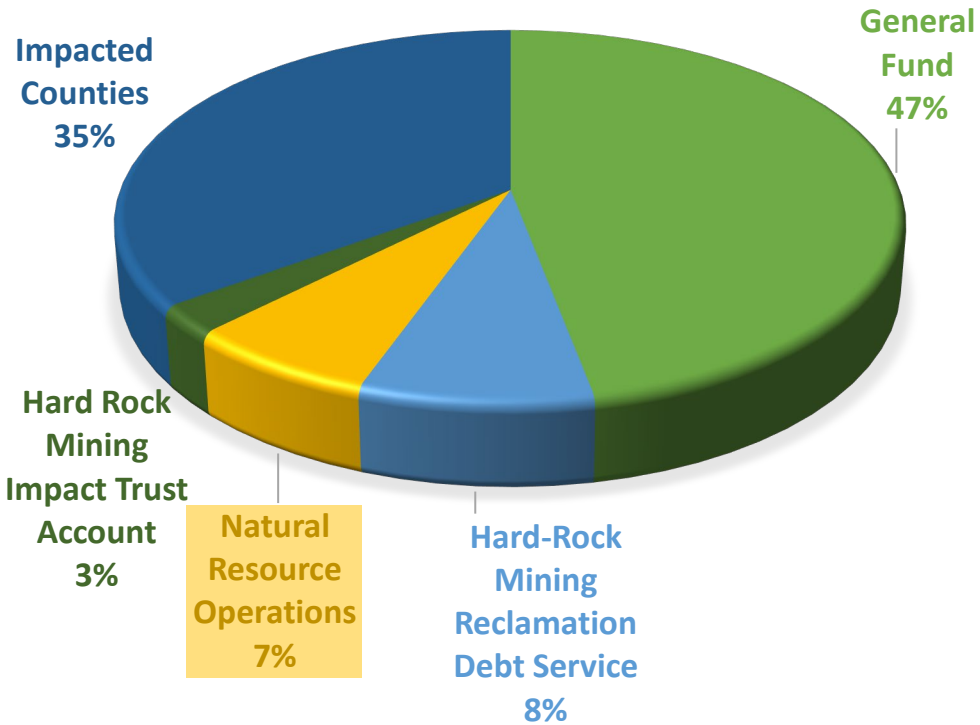


<https://leg.mt.gov/content/Publications/fiscal/Revenue/2021-Session/Vol-2-Nat-Res-Taxes.pdf>



The metalliferous mines license tax is imposed on the production of metals, gems or stones in the state.

TAX DISTRIBUTION





Reclamation and Development Grants Program House Bill 7



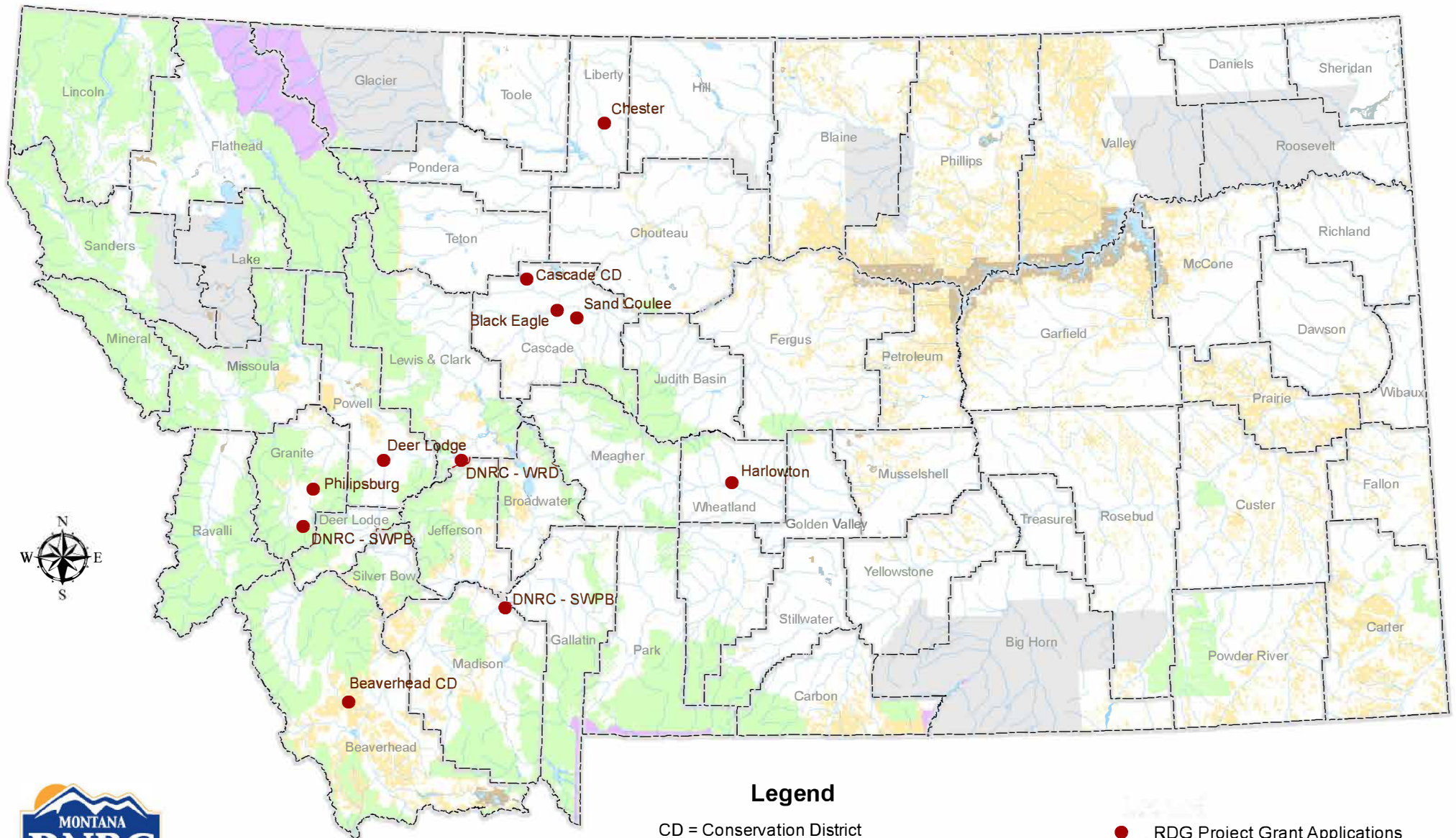
2008



Soda Butte Creek

2013

2022 Reclamation and Development Grants Program Applications



Legend

CD = Conservation District
 DNRC = Dept. of Natural Resources and Conservation
 SWRP = State Water Resources Projects Bureau
 WRD = Water Resources Division

● RDG Project Grant Applications

▭ County Line

**DNRC Reclamation and Development Grants Program
2025 Biennium Project Grant Applications**

Rank	Applicant	Project Name	Project Type	County	Requested Amount	Recommended Amount	Cumulative
HB 7							
1	<i>Beaverhead Conservation District</i>	<i>Grasshopper Creek Mine Tailings Stream Bank Stabilization</i>	<i>Mining</i>	<i>Beaverhead</i>	\$419,180	\$419,180	\$419,180
2	Montana Department of Natural Resources and Conservation - State Water Projects Bureau	Willow Creek Dam Rehabilitation Project	Crucial State Need	Gallatin	\$500,000	\$500,000	\$919,180
3	Montana Department of Natural Resources and Conservation - State Water Projects Bureau	East Fork of Rock Creek Dam Rehabilitation	Crucial State Need	Granite	\$500,000	\$500,000	\$1,419,180
4	Chester, Town of	Chester Motors Petroleum Cleanup	Hazardous Waste	Liberty	\$300,000	\$300,000	\$1,719,180
5	Black Eagle-Cascade County Water and Sewer District	Black Eagle Sewer System Improvements 2023	Mining	Cascade	\$125,000	\$125,000	\$1,844,180
6	<i>Harlowton, City of</i>	<i>Asbestos Removal, Cleanup, and Restoration of Contaminated Soils at Harlowton Roundhouse</i>	<i>Hazardous Waste</i>	<i>Wheatland</i>	\$500,000	\$500,000	\$2,344,180
7	<i>Deer Lodge, City of</i>	<i>Milwaukee Roundhouse Site Passenger Refueling Area Remediation</i>	<i>Hazardous Waste</i>	<i>Powell</i>	\$342,500	\$342,500	\$2,686,680
8	Philipsburg, Town of	Philipsburg Wastewater Project	Crucial State Need	Granite	\$316,667	\$316,667	\$3,003,347
9	Cascade Conservation District	Muddy Creek Restoration and Resilience Project	Crucial State Need	Cascade	\$500,000	\$500,000	\$3,503,347
10	Montana Department of Natural Resources and Conservation - Water Management Bureau	Expansion of Water Resources Division Hydrology Data Portal	Crucial State Need	Lewis And Clark	\$150,000	\$150,000	\$3,653,347
Recommend No Funding							
*	<i>Sand Coulee Water District</i>	<i>Sand Coulee Wastewater Improvements</i>	Mining	Cascade	\$300,000	\$0	\$3,653,347

* Project not recommended for funding.
Italicize identifies projects that received a planning grant.

Beaverhead Conservation District

Grasshopper Creek Mine Tailings Stream Bank Stabilization

- House Bill 7
- Rank: 1
- [Page 6](#)



Montana Department of Natural Resources and Conservation - State Water Projects Bureau

Willow Creek Dam
Rehabilitation Project

- House Bill 7
- Rank: 2
- [Page 8](#)



Montana Department of Natural Resources and Conservation - State Water Projects Bureau

East Fork of Rock Creek Dam Rehabilitation

- House Bill 7 and 8
- Rank: 3
- [Page 10](#)

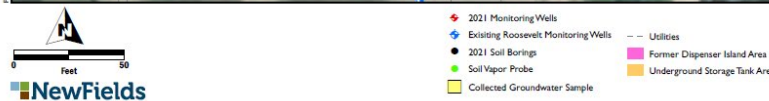
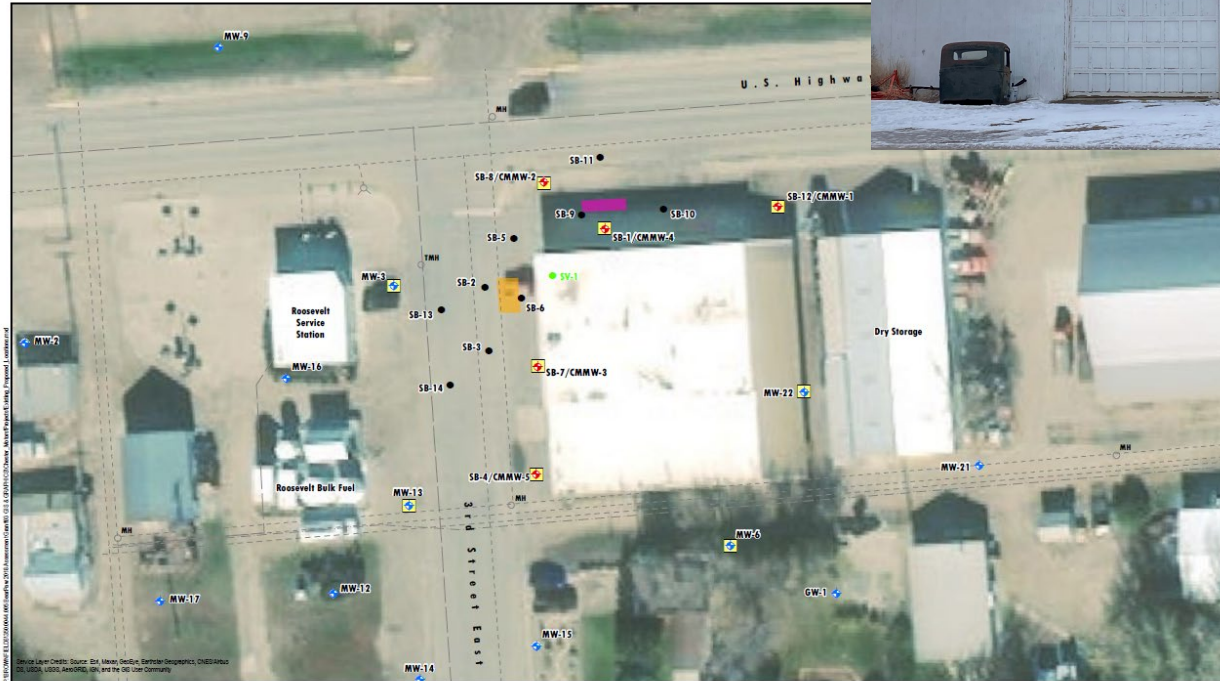


Town of Chester

Chester Motors Cleanup Project



- House Bill 7
- Rank: 4
- [Page 13](#)



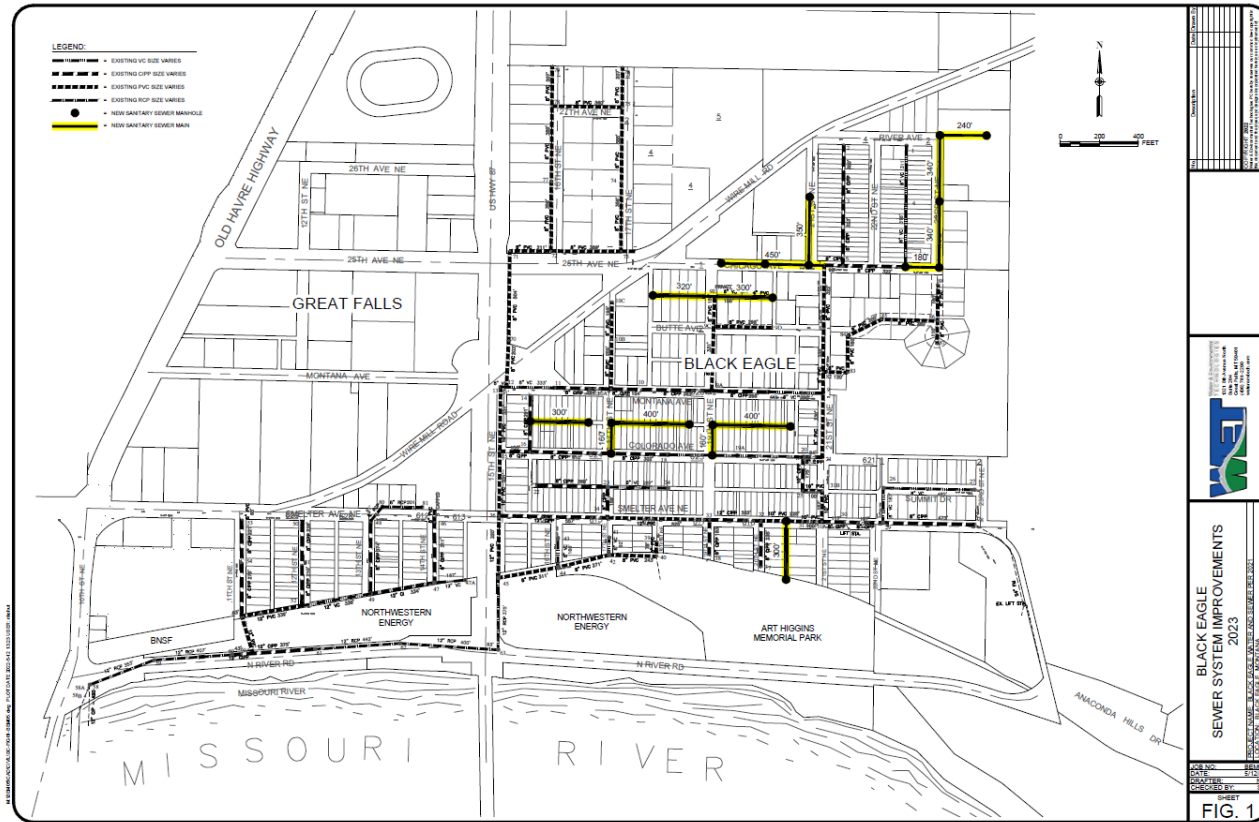
Investigation
Former Chester Motors
301 East Washington Avenue
Chester, Montana
FIGURE 4



Black Eagle-Cascade County Water and Sewer District

Black Eagle Sewer System Improvements 2023

- House Bill 7 and 11
- Rank: 5
- [Page 15](#)



City of Harlowton

Asbestos Removal, Cleanup, and Restoration of Contaminated Soils at the Harlowton Roundhouse, Phase 5

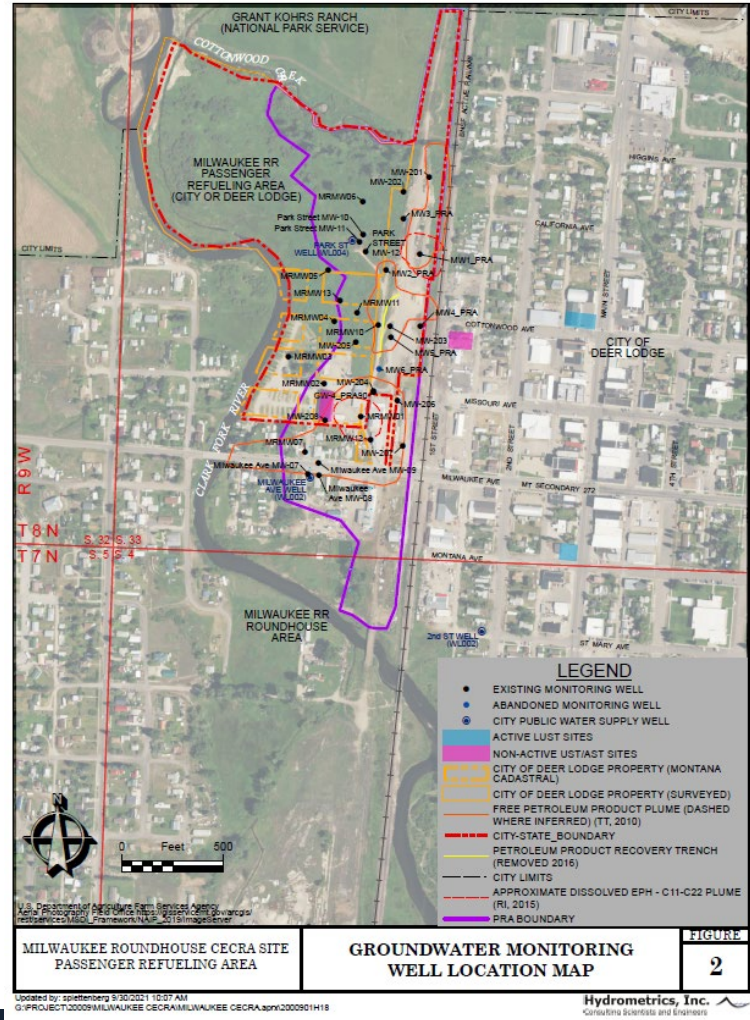
- House Bill 7
- Rank: 6
- [Page 17](#)



City of Deer Lodge

Milwaukee Roundhouse Passenger Refueling Area VCRA Program Remediation, Phase 3

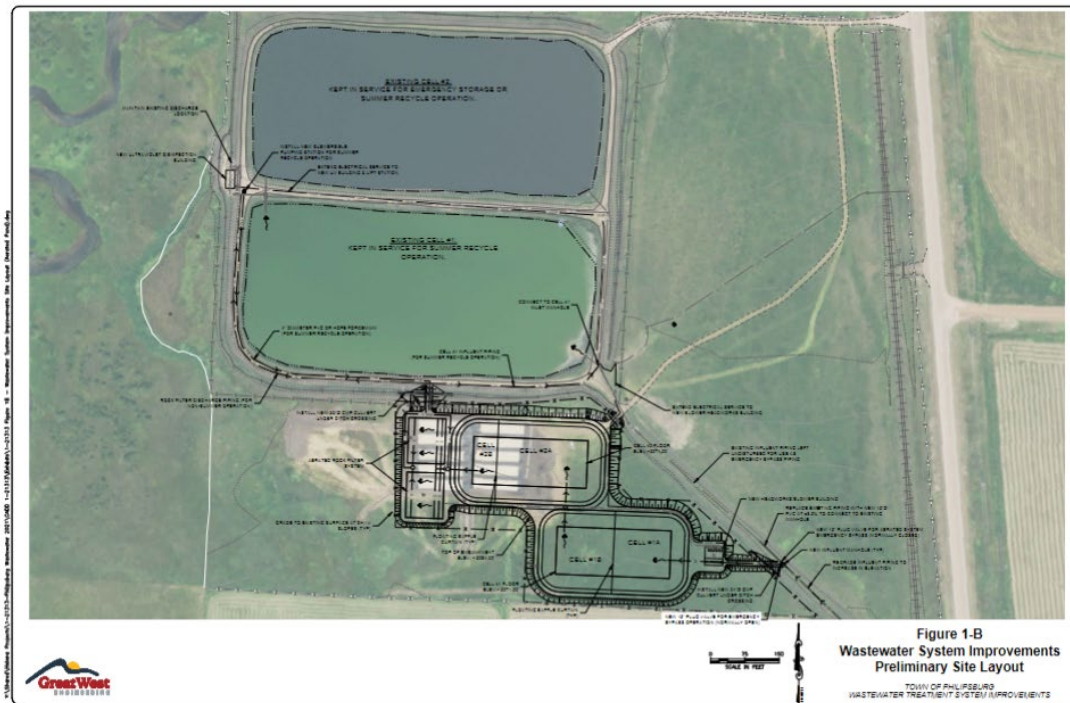
- House Bill 7
- Rank: 7
- [Page 19](#)



Town of Philipsburg

Wastewater System

- House Bill 7
- Rank: 8
- [Page 21](#)



Cascade Conservation District

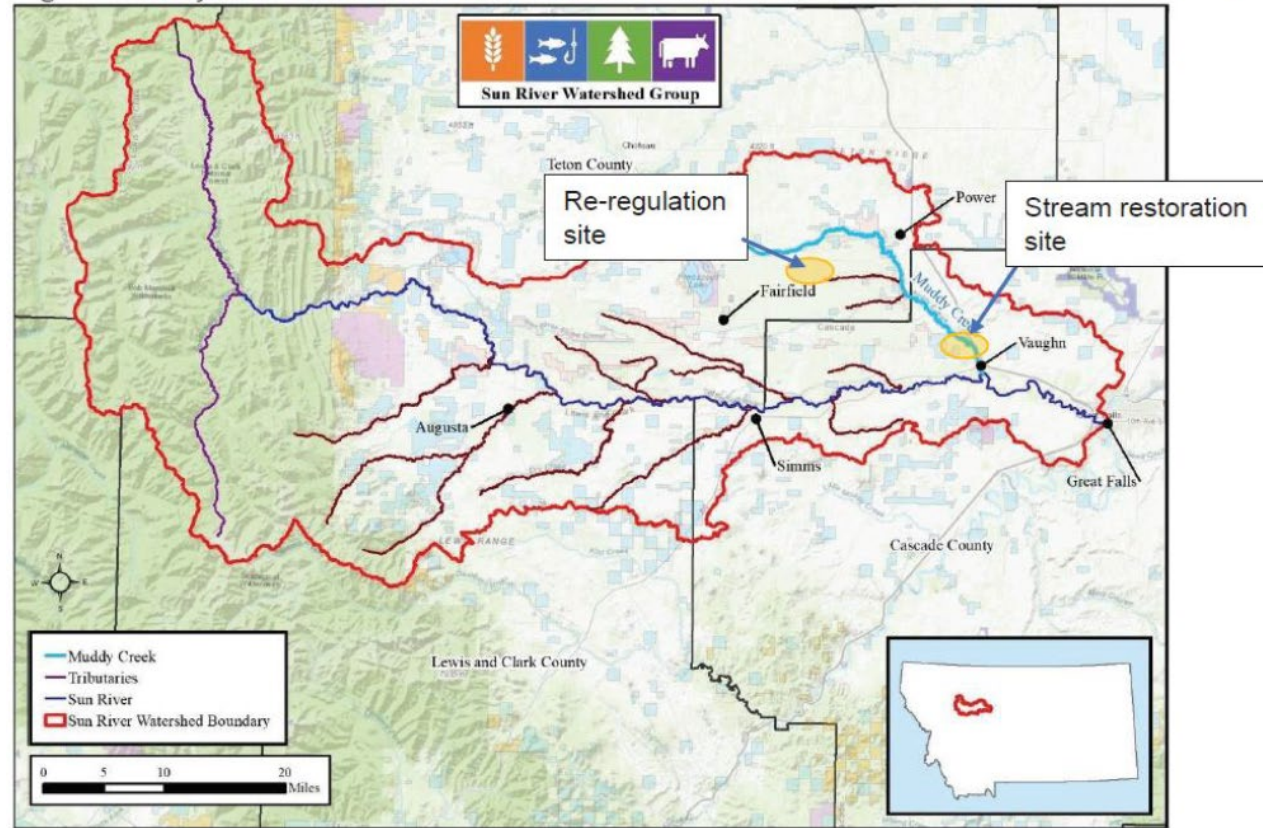
Muddy Creek Restoration and Resilience Project

- House Bill 7
- Rank: 9
- [Page 23](#)



Cascade Conservation District

MUDDY CREEK RESTORATION AND RESILIENCE PROJECT



Map of Sun River Watershed including project sites. Inset: location of Sun River watershed within the State of Montana



Montana Department of Natural Resources and Conservation – Water Management Bureau

Expansion of Water
Resources Division
Hydrology Data Portal

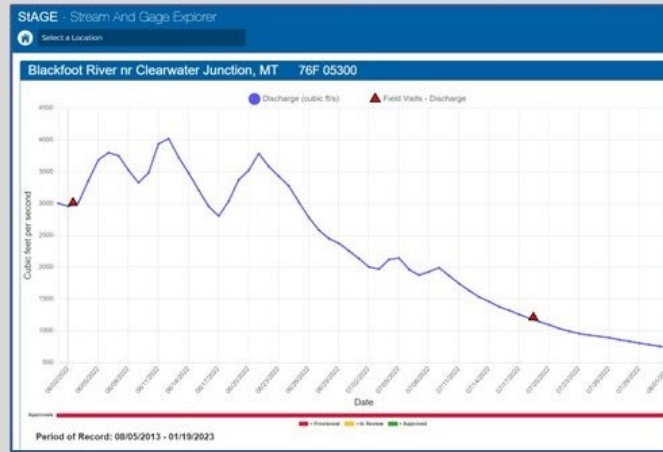
- House Bill 7
- Rank: 10
- [Page 25](#)



StAGE (Stream and Gage Explorer)

Beaver Creek Reservoir
Benefits:
Flood Management
Fisheries Management
Reservoir Operations

Blackfoot River
Benefits:
Compact Implementation
Water Rights
Administration
Drought Management
Fisheries Management



County	Lat/Lon	Spillway Elevation
Hill	48.416, -109.732	3091.5 ft.

Most Recent Readings		
Sensor	Value	Time
Storage	2471.50 Acre-ft	1/19/2023, 1:15 PM
Elevation	3085.41 ft	1/19/2023, 1:15 PM
Temperature	No Data	No Data

Period of Record
11/08/2022 - 01/19/2023

Date Range
From: 01/19/2022
To: 01/20/2023
Generate CSV

Site Sensors
 Lake res elevation - Elevation
 Total Storage - Storage

Reservoir Level
2,471 / 3,510 Acre-Ft
70.4% Full



**Reclamation and Development Grants Program
Ranking and Funding Recommendations for the 2025 Biennium
Proposed Project Funding Package (Hope Table)
Alphabetical Order**

Project Information					Proposed Project Funding				Match Funding				
Rank	Applicant	Project Name	Project Type	County	Requested Amount	RDG Recommend	Total Project Match	Total Project Cost	Applicant (Cash or In-Kind)	State	Federal	Loans	Other
1	Beaverhead Conservation District	Grasshopper Creek Mine Tailings Stream Bank Stabilization	Mining	Beaverhead	\$419,180	\$419,180	\$10,000	\$429,180		\$10,000			
5	Black Eagle-Cascade County Water and Sewer District	Black Eagle Sewer System Improvements 2023	Mining	Cascade	\$125,000	\$125,000	\$704,620	\$829,620	\$290,620	\$414,000			
9	Cascade Conservation District	Muddy Creek Restoration and Resilience Project	Crucial State Need	Cascade	\$500,000	\$500,000	\$2,491,291	\$2,991,291	\$34,600	\$70,284	\$1,751,116		\$635,291
4	Chester, Town of	Chester Motors Petroleum Cleanup	Hazardous Waste	Liberty	\$300,000	\$300,000	\$123,561	\$423,561	\$1,300				\$122,261
7	Deer Lodge, City of	Milwaukee Roundhouse Passenger Refueling Area VCRA Program Remediation, Phase 3	Hazardous Waste	Powell	\$342,500	\$342,500	\$5,346	\$347,846	\$5,346				
2	DNRC - State Water Projects Bureau	Willow Creek Dam Rehabilitation Project	Crucial State Need	Gallatin	\$500,000	\$500,000	\$12,302,500	\$12,802,500	\$11,702,500		\$600,000		
3	DNRC - State Water Projects Bureau	East Fork of Rock Creek Dam Rehabilitation	Crucial State Need	Granite	\$500,000	\$500,000	\$12,694,365	\$13,194,365	\$1,698,265	\$8,996,100		\$2,000,000	
10	DNRC - Water Management Bureau	Expansion of Water Resources Division Hydrology Data Portal	Crucial State Need	Lewis And Clark	\$150,000	\$150,000	\$97,970	\$247,970	\$97,970				
6	Harlowton, City of	Asbestos Removal, Cleanup, and Restoration of Contaminated Soils at Harlowton Roundhouse	Hazardous Waste	Wheatland	\$500,000	\$500,000	\$31,547	\$531,547	\$1,215		\$30,332		
8	Philipsburg, Town of	Philipsburg Wastewater Project	Crucial State Need	Granite	\$316,667	\$316,667	\$950,000	\$1,266,667			\$950,000		
*	Sand Coulee Water District	Sand Coulee Wastewater Improvements	Mining	Cascade	\$300,000	\$0	\$2,762,439	\$3,062,439		\$2,762,439			
					\$3,953,347	\$3,653,347	\$32,173,639	\$36,126,986	\$13,831,816	\$12,252,823	\$3,331,448	\$2,000,000	\$757,552

* Not recommended for funding.

Note: DNRC = Department of Natural Resources and Conservation
RDG = Reclamation and Development Grant
VCRA = Voluntary Cleanup and Redevelopment Act

