

BEFORE THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION OF THE STATE OF MONTANA

In the matter of the adoption of New) NOTICE OF PUBLIC HEARING
Rules I and II regarding Rangeland) ON PROPOSED ADOPTION
Management)

To: All Concerned Persons

1. On December 11, 2020, at 10:00 a.m., the Department of Natural Resources and Conservation (department) will hold a public hearing via remote conferencing to consider the proposed adoption of the above-stated rules. Because there currently exists a state of emergency in Montana due to the public health crisis caused by the coronavirus, there will be no in-person hearing. Interested parties may access the remote conferencing platform in the following ways:

- a. Join Zoom meeting, <https://mt-gov.zoom.us/j/98705168557>, Meeting ID: 987 0516 8557, Passcode: 270646; or
- b. Dial by telephone, +1 646 558 8656, Meeting ID: 987 0516 8557, Passcode: 270646.

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m. on Friday, December 4, 2020, to advise us of the nature of the accommodation that you need. Please contact Stacey Barta, Department of Natural Resources and Conservation, 220 W. Lamme, Suite 1A, Bozeman, MT 59715, telephone (406) 594-8481, or e-mail sbarta@mt.gov.

3. The department proposes to adopt the following rules:

NEW RULE I DEFINITIONS As used in this chapter, the following definitions apply:

- (1) "Board" means the Conservation District Supervisory Board.
- (2) "CARDD" means the Conservation and Resource Development Division of the Montana Department of Natural Resources and Conservation.
- (3) "Committee" means the Montana rangeland resources committee selected as provided in 2-15-3305(2), MCA.
- (4) "Department" means the Department of Natural Resources and Conservation.
- (5) "District" means conservation district.
- (6) "Loans" means rangeland improvement loans.
- (7) "Program" means the rangeland resource program administered by CARDD.
- (8) "Rangeland" means land on which the native vegetation is predominantly grasses, grasslike plants, forbs, or shrubs suitable for grazing or browsing use, including lands revegetated naturally or artificially to provide a forage cover that is managed like native vegetation.

(9) "Resource conservation plan" means a plan that includes the record of decisions, supporting information for treatment of a unit of land meeting planning criteria for one or more identified natural resource concerns, and the schedule of implementation for practices and activities needed to solve identified natural resource concerns.

(10) "State coordinator" means the state coordinator for the Montana Rangeland Resources Act provided for in 2-15-3304, MCA.

(11) "Supervisor" means conservation district supervisor.

(12) "Tame pastureland" means land that has been modified by mechanical cultivation and that has current vegetation consisting of native species, or introduced species, or both.

AUTH: 76-14-116, MCA

IMP: 76-14-111, 76-14-112, 76-14-113, 76-14-114, 76-14-115, MCA

REASONABLE NECESSITY: In 1983 the legislature created the rangeland improvement loan special revenue account, codified as 76-14-112, MCA, and directed the department to adopt rules relative to the loan program. These proposed rules are to bring the program into compliance with statute and provide clarity and guidance to the public and the program.

NEW RULE II RANGELAND RESOURCE LOANS (1) Applicants are eligible to apply for a loan to finance rangeland improvements to be constructed, developed, and operated in Montana according to 76-14-113, MCA.

(2) Applications must be:

(a) initiated through the local district;

(b) completed using the Range Improvement Loan Application, available online at <http://dnrc.mt.gov/divisions/carodd> or upon request;

(i) terms and conditions of the loan can be found in application;

(c) accompanied by a resource conservation plan, which may be prepared in consultation with the Natural Resources Conservation Service (NRCS), and verified by the board;

(d) the application must be submitted to the board at least two weeks prior to their next scheduled meeting.

(3) During the application review process:

(a) the board must consider each application individually using the criteria outlined in 76-14-114, MCA;

(b) the board must act on the application at the first board meeting following receipt of the application;

(c) the board must notify applicants of action taken within five business days;

(d) the board must forward the application with recommendations to the department within five business days of board recommendation and approval;

(e) CARRD will organize and review the application for financial clarity and completeness prior to committee review;

(f) the application will be reviewed by the committee;

(g) the committee shall make recommendations to the department;

(h) the department director makes final approval or disapproval of applications recommended by the committee and selects the loan recipients; and
(i) applicants shall be notified within five business days of a decision by the department director.

(4) Upon final approval by the department, applicants will be contacted by CARDD for loan closing instructions.

(5) CARDD is responsible for the proper execution of security instruments and the filing of necessary documents, including, but not limited to the following terms and conditions:

(a) annual repayment installments can be spread over a maximum of ten years;

(b) prepayments may be made:

(i) in any amount;

(ii) at any time; and

(iii) will be applied to accrued interest first with the balance of the payment being applied to the principal;

(c) prepayments will not affect the obligation of the borrower to pay the remaining installments as scheduled;

(d) any provision of the loan agreement may be modified or supplemented by written agreement between the borrower and the department on or after the date of the original agreement;

(e) the interest rate and maximum loan amount charged for loans will be recommended by the committee and approved by the director annually no later than July 1;

(i) the determination of the interest rate will be based on the conventional agriculture loan rates of the current year.

(f) all costs incident to the loan must be paid by the borrower, including, but not limited to:

(i) title insurance;

(ii) filing fees; and

(iii) administrative fees;

(A) an administrative fee of one percent of the total loan, in addition to the interest rate, will be assessed and due at the time of loan closing;

(g) loans must be secured by a mortgage on real property;

(i) the mortgage value required for security of the loan will be determined by the department from a current average per acre of land prices in the area of the approved application;

(A) the financial disclosures required for the loan application are submitted separately, and

(B) financial information submitted to the department as a requirement of the loan application process will be held in strict confidence by the department and will not be subject to public review;

(ii) real estate used as security must have access from a public road.

AUTH: 76-14-116, MCA

IMP: 76-14-113, 76-14-114, 76-14-115, MCA

REASONABLE NECESSITY: In 1983 the legislature created the rangeland improvement loan special revenue account, codified as 76-14-112, MCA, and directed the department to adopt rules relative to the loan program. These proposed rules are to bring the program into compliance with statute and provide clarity and guidance to the public and the loan program.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing to be held on December 11, 2020, at 10:00 a.m. Written data, views, or arguments may also be submitted in writing to Stacey Barta, Department of Natural Resources and Conservation, 220 W. Lamme, Suite 1A, Bozeman, MT 59715, telephone (406) 594-8481, or e-mail sbarta@mt.gov., and must be received no later than 5:00 p.m. on December 18, 2020.

5. Stacey Barta, Department of Natural Resources and Conservation, has been designated to preside over and conduct the public hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Aliselina Strong, P.O. Box 201601, 1539 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail astrong@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

7. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

8. With regard to the requirements of 2-4-111, MCA, the department has determined that the adoption of the above-referenced rules will not significantly impact small businesses.

/s/ John E. Tubbs
John E. Tubbs
Director
Natural Resources and Conservation

/s/ Ada C. Montague Stepleton
Ada C. Montague Stepleton
Rule Reviewer

Certified to the Secretary of State on November 10, 2020.