

Long-Range Planning Presentation – Senate

Section F Subcommittee Staff: Erica Thomas, LFD

OBPP Staff: Jason Harlow

HB 8 – Renewable Resource Loans

Program Staff:

- Autumn Coleman, Resource Development Bureau Chief

Program Description: The Renewable Resource Grants and Loan (RRGL) program was created by the 1993 Legislature. The loan portion of the program is authorized under HB 8. The loan program authorizes the issuance of coal severance tax collateralized bonds to finance RRGL project loans.

Funding: Proceeds from the issuance of bonds are used to finance the loans and the repayment of the loans pay the associated debt service. Loans have differing interest rates based on the years of the loan and the state's bond rate. The basic interest rate on CST loans is determined by the bond market at the time the CST bonds are sold. Loans may be provided at a rate less than the rate at which the state bond is sold for all or part of them; subsidies vary depending on legislative authorization. Because money from the coal severance tax bond fund is pledged as collateral for debt service payments on the bonds, HB 8 requires a three-fourths vote of the members of each house, as directed by the Montana Constitution.

General Notes:

- As proposed by the executive, HB 8 contains 16 loans; including 7 new loans, and 9 loans to be reauthorized
- Loans to be re-authorized include:
 - \$30.0 million (\$7.5 million each) for the 4 regional water authorities
 - \$6.7 million for refinancing existing debt or rehabilitation of irrigation districts
 - St. Mary's Diversion Project local share - \$40.0 million
- Total loan funding was proposed at \$133.3 million
- There were no changes proposed to HB 8 by the House

**Renewable Resource Loans
HB 8 - 2027 Biennium**

HB 8	Sponsor	Project	County	Proposal	
1	DNRC Water Resources Division	DNRC Willow Creek Dam Rehabilitation	Madison	\$ 14,000,000	New
2	DNRC Water Resources Division	DNRC Painted Rocks Dam Rehabilitation, Phase 1	Ravalli	\$ 15,000,000	New
3	Fort Shaw Irrigation District	Fort Shaw Irrigation District Simms Creek Siphon Replacement	Cascade	\$ 5,181,317	New
4	Hammond Irrigation District	Hammond Irrigation District Big Porcupine Siphon Rehabilitation	Rosebud	\$ 241,900	New
5	Kinsey Irrigation District	Kinsey Irrigation District Harris Creek Spill Structure Rehabilitation	Custer	\$ 511,520	New
6	Kinsey Irrigation District	Kinsey Irrigation District Hammerbacker Lateral to Pipeline Conversion	Custer	\$ 840,823	New
7	Zurich Irrigation District	Zurich Irrigation District Brown Creek Siphon Rehabilitation	Blaine	\$ 872,884	New
8	Central Montana Regional Water Authority	Local Match for Central Montana Regional Water Projects	Musselshell, Yellowstone	\$ 5,000,000	Reauthorize
9	DNRC Conservation and Resource Development Division	Refinance Existing Debt or Rehabilitation of Infrastructure Facilities	Statewide	\$ 8,000,000	Reauthorize
10	Dry Prairie Regional Water Authority	Local Match for Dry Prairie Regional Water Projects	Daniels, Roosevelt, Sheridan, Valley	\$ 5,000,000	Reauthorize
11	Dry-Redwater Regional Water Authority	Local Match for Dry-Redwater Regional Water Projects	Dawson, Garfield, McCone, Prairie, Richland	\$ 10,000,000	Reauthorize
12	Greenfields Irrigation District	Hydropower Development	Teton	\$ 1,500,000	Reauthorize
13	Huntley Project Irrigation District	Tunnel 2 and Canal System	Yellowstone	\$ 3,500,000	Reauthorize
14	Lockwood Irrigation District	Box Elder Siphon, Pump Station, and Pump 3	Yellowstone	\$ 1,550,000	Reauthorize
15	North Central Regional Water Authority	Local Match for North Central Regional Water Projects	Chouteau, Hill, Liberty, Pondera, Teton, Glacier, Toole	\$ 10,000,000	Reauthorize
16	St. Mary's Milk River Project Beneficiaries Share	Local Match for St. Mary Milk River Project	Glacier, Hill, Blaine, Phillips	\$ 40,000,000	Reauthorize
	Bond Reserve	10% Total Loans	Statewide	\$ 12,119,844	New
Total				\$133,318,288	

