

## Conservation Districts in the 2023 Session

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### Locally Led, Voluntary Conservation

Conservation Districts are Montana's legislatively mandated local soil and water conservation authority. Conservation districts are governmental subdivisions of the state with broad responsibility to carry out programs that conserve soil and water, protect streams and rivers, and improve wildlife habitat. To accomplish these objectives, districts work with landowners to develop tailored solutions and serve their communities through a variety of restoration projects, education, demonstration, and research that conserve Montana's natural resources.

- **Low cost, huge benefit:** Despite a relatively small statewide investment in conservation districts, they serve as hubs of local leadership and have a significant conservation impact across Montana.

### Challenges Facing Conservation Districts

- Districts receive funds through a combination of local mill dollars and state funding, primarily from the coal severance tax. The state funding is not at an adequate level, and has been unstable in recent years. During the 2021 session, districts were in a funding crisis due to the decline in coal tax revenues. The legislature then passed HB374, which provided temporary funding to the CD account, as well as HJ27 A study of CD Funding.
- As a state mandated program with specific duties, adequate operational funding through mills and increased state funding is absolutely necessary. The annual attrition rate for district staff has consistently been over 25%.
- There are increasing demands on conservation districts due to land use changes and increasing populations and development. Communities are asking more of districts in terms of services and 310 permits.
- Districts provide a critical role in responding to natural disasters and helping communities recover (Ex. 2022 floods and 2017 fires in Eastern MT).

### The Solution

- Districts need a stable, long-term funding source that provides adequate funding for district operations (ex. ~\$80-100k total operational budget *including* local mills) as well as project funding and other capacity needs.
- **In September, the Environmental Quality Council (EQC) voted to introduce legislation that would increase district funding to \$6 million in the CD Account within DNRC. The funding source would be a combination of coal tax and new marijuana tax dollars. Senator Lang (R-Malta) is sponsoring the bill.**

### Please Join Us in January

Conservation Districts will host an educational event in the **Capitol Rotunda on Jan. 24th**. Additionally, MACD and partners will host a **Legislative Meet and Greet the evening Jan. 25th at the Montana Club in Helena**. Contact Rebecca Boslough-King ([rebecca@macdnet.org](mailto:rebecca@macdnet.org) 406-671-5049) with questions or to RSVP for the Meet and Greet.

## Conservation District Funding Gaps

**Chart 1: Conservation District Mill Levy Funds and Operational Funds Needed**

This chart shows the 2021 Mill Levy dollars received by each district. This sheet also includes calculations of how much money would be needed for each district to have a base operational budget of \$40k, \$80k, or \$100k each. Please see the bottom of the chart for total funds needed. Currently, districts with low amounts of funding are only able to access a total of around \$36-40k in operational funding through a combination of Mill Levy and DNRC grants.

*Please note, this chart does not include district needs (funding gaps) related to projects, planning, training, or emergency funding. Additional funds are also needed in these areas.*

#	Conservation District	2021 (Jan- Dec) Mill Value	Funds needed for \$40k Operational Budget (NOT enough)	Funds needed for \$80k Operational Budget	Funds needed for \$100k Operational Budget
1	Beaverhead	\$39,743.00	\$257	\$40,257	\$60,257
2	Bighorn	\$24,355.08	\$15,645	\$55,645	\$75,645
3	Big Sandy	\$20,724.18	\$19,276	\$59,276	\$79,276
4	Bitterroot	\$173,792.40	\$0	\$0	\$0
5	Blaine	\$21,862.36	\$18,138	\$58,138	\$78,138
6	Broadwater	\$18,038.04	\$21,962	\$61,962	\$81,962
7	Carbon	\$55,481.60	\$0	\$24,518	\$44,518
8	Carter	\$6,319.15	\$33,681	\$73,681	\$93,681
9	Cascade	\$173,984.61	\$0	\$0	\$0
10	Chouteau	\$37,109.63	\$2,890	\$42,890	\$62,890
11	Custer	\$17,146.83	\$22,853	\$62,853	\$82,853
12	Daniels	\$11,045.31	\$28,955	\$68,955	\$88,955
13	Dawson	\$26,384.95	\$13,615	\$53,615	\$73,615
14	Deer Lodge	\$17,598.51	\$22,401	\$62,401	\$82,401
15	Eastern Sanders	\$15,183.34	\$24,817	\$64,817	\$84,817
16	Fergus	\$33,517.36	\$6,483	\$46,483	\$66,483
17	Flathead	\$428,633.20	\$0	\$0	\$0
18	Gallatin	\$241,992.51	\$0	\$0	\$0
19	Garfield	\$7,957.65	\$32,042	\$72,042	\$92,042
20	Glacier	\$16,367.01	\$23,633	\$63,633	\$83,633
21	Granite	\$19,342.23	\$20,658	\$60,658	\$80,658
22	Green Mountain	\$35,317.80	\$4,682	\$44,682	\$64,682

23	Hill	\$41,529.76	\$0	\$38,470	\$58,470
24	Jefferson	\$39,001.17	\$999	\$40,999	\$60,999
25	Judith Basin	\$11,071.95	\$28,928	\$68,928	\$88,928
26	Lake	\$80,547.68	\$0	\$0	\$19,452
27	Lewis and Clark	\$149,006.63	\$0	\$0	\$0
28	Liberty	\$32,615.68	\$7,384	\$47,384	\$67,384
29	Lincoln	\$71,858.23	\$0	\$8,142	\$28,142
30	Little Beaver	\$13,313.76	\$26,686	\$66,686	\$86,686
31	Lower Musselshell	\$16,107.81	\$23,892	\$63,892	\$83,892
32	Madison	\$150,097.11	\$0	\$0	\$0
33	McCone	\$10,865.88	\$29,134	\$69,134	\$89,134
34	Meagher	\$10,077.98	\$29,922	\$69,922	\$89,922
35	Mile High	\$48,285.39	\$0	\$31,715	\$51,715
36	Mineral	\$12,907.40	\$27,093	\$67,093	\$87,093
37	Missoula	\$344,297.44	\$0	\$0	\$0
38	Northern Powell	\$17,199.35	\$22,801	\$62,801	\$82,801
39	Park	\$86,959.79	\$0	\$0	\$13,040
40	Petroleum	\$2,260.33	\$37,740	\$77,740	\$97,740
41	Phillips	\$16,112.81	\$23,887	\$63,887	\$83,887
42	Pondera	\$25,881.24	\$14,119	\$54,119	\$74,119
43	Powder River	\$5,564.75	\$34,435	\$74,435	\$94,435
44	Prairie	\$19,513.33	\$20,487	\$60,487	\$80,487
45	Richland	\$44,570.17	\$0	\$35,430	\$55,430
46	Roosevelt	\$19,132.02	\$20,868	\$60,868	\$80,868
47	Rosebud	\$77,010.84	\$0	\$2,989	\$22,989
48	Ruby Valley	\$18,809.01	\$21,191	\$61,191	\$81,191
49	Sheridan	\$18,693.26	\$21,307	\$61,307	\$81,307
50	Stillwater	\$29,613.82	\$10,386	\$50,386	\$70,386
51	Sweet Grass	\$10,490.00	\$29,510	\$69,510	\$89,510
52	Teton	\$19,398.63	\$20,601	\$60,601	\$80,601
53	Toole	\$2,001.76	\$37,998	\$77,998	\$97,998
54	Treasure	\$11,936.00	\$28,064	\$68,064	\$88,064
55	Upper Musselshell	\$16,311.00	\$23,689	\$63,689	\$83,689

56	Valley	\$23,745.29	\$16,255	\$56,255	\$76,255
57	Wibaux	\$3,136.88	\$36,863	\$76,863	\$96,863
58	Yellowstone	\$121,849.99	\$0	\$0	\$0
59					
60		<b>TOTAL FUNDS NEEDED</b>	<b>\$906,226</b>	<b>\$2,727,490</b>	<b>\$3,719,983</b>
61					
62		<b><u>Current budget</u> (FY2022) for CD Operational Funds (Admin Grants Account #3019)</b>	<b>\$548,000</b>	<b>\$548,000</b>	<b>\$548,000</b>
63					
64		<b>Funding Gap (Additional funds needed) ( = Total funds needed - current funding)</b>	<b>\$358,226</b>	<b>\$2,179,490</b>	<b>\$3,171,983</b>
65		Conservation districts base operational budget	\$40k	\$80k	\$100k

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

3 BY REQUEST OF THE ENVIRONMENTAL QUALITY COUNCIL

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TAX REVENUE FROM MARIJUANA SALES TO  
6 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS TO  
7 CONSERVATION DISTRICTS; PROVIDING FOR AN INFLATION-ADJUSTED INCREASE; AMENDING  
8 SECTIONS 16-12-111 AND 76-15-106, MCA; AND PROVIDING AN EFFECTIVE DATE."

9

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

11

12 **Section 1.** Section 16-12-111, MCA, is amended to read:

13 **"16-12-111. Marijuana state special revenue account -- operating reserve -- transfer of excess**

14 **funds.** (1) There is a dedicated marijuana state special revenue account ~~within~~ in the state special revenue  
15 fund established in 17-2-102, to be administered by the department.

16 (2) The account consists of:

17 (a) money deposited into the account pursuant to this chapter;

18 (b) the taxes collected pursuant to Title 15, chapter 64, part 1;

19 (c) license and registered cardholder fees deposited into the account pursuant to this chapter;

20 (d) taxes deposited into the account pursuant to 16-12-310; and

21 (e) civil penalties collected under this chapter.

22 (3) Except as provided in subsection (4), money in the account must be used by the department  
23 for the purpose of administering the provisions of this chapter.

24 (4) At the end of each fiscal year, the department shall transfer funds in excess of a 3-month  
25 operating reserve necessary to fund operating costs at the beginning of the next fiscal year in the following  
26 order:

27 (a) an amount not to exceed \$6 million must be transferred to the healing and ending addiction  
28 through recovery and treatment (HEART) account established in 16-12-122;

1 (b) the net balance remaining after distribution to the HEART account must be distributed as  
2 follows:

3 (i) 20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for  
4 wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;

5 (ii) 4% to the state park account established in 23-1-105(1);

6 (iii) 4% to the trails and recreational facilities account established in 23-2-108;

7 (iv) 4% to the nongame wildlife account established in 87-5-121;

8 (v) the amount determined pursuant to 76-15-106(2)(b);

9 ~~(vi)~~ 3% or \$200,000, whichever is less, to the veterans and surviving spouses state special  
10 revenue account provided for in 10-2-108;

11 ~~(vii)~~ for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer  
12 grant funding to local and state law enforcement agencies for the purpose of purchasing and training drug  
13 detection canines and canine handlers, including canines owned by local law enforcement agencies to replace  
14 canines who were trained to detect marijuana;

15 ~~(viii)~~ \$150,000 to the board of crime control to fund crisis intervention team training as provided in  
16 44-7-110; and

17 ~~(ix)~~ the remainder to the general fund. (Subsection ~~(4)(b)(vi)~~ (4)(b)(vii) terminates June 30, 2025--  
18 sec. 117(2), Ch. 576, L. 2021.)"

19

20 **Section 2.** Section 76-15-106, MCA, is amended to read:

21 "~~76-15-106. (Temporary) Conservation district account.~~ (1) There is a conservation district  
22 account in the state special revenue fund established by 17-2-102 to be administered by the department of  
23 natural resources and conservation for providing funding for conservation districts.

24 ~~(2) On July 1 of each fiscal year, the state treasurer shall transfer the amount necessary, when~~  
25 ~~combined with available and unencumbered fund balance and anticipated revenue for the fiscal year, to fund~~  
26 ~~the amount appropriated by the legislature in the general appropriations act from the state general fund to the~~  
27 ~~conservation district special revenue account for the sole purpose of funding the appropriations authorized by~~  
28 ~~the legislature from the account. Prior to the closing of the fiscal year, the department shall reconcile anticipated~~

1 revenue with actual revenue received. If revenue is received above the anticipated amount, the transfer in the  
2 following fiscal year shall adjust for the unanticipated amount. If revenue is received below the anticipated  
3 amount, the state treasurer shall transfer the amount of the revenue shortfall from the general fund to the  
4 conservation district special revenue account. (Terminates June 30, 2023--sec. 5, Ch. 138, L. 2021.)

5 **76-15-106. (Effective July 1, 2023) Conservation district account.** (1) There is a conservation  
6 district account in the state special revenue fund established by 17-2-102 to be administered by the department  
7 of natural resources and conservation for providing funding for conservation districts.

8 (2) There must be deposited in the account:

9 (a) coal severance taxes pursuant to 15-35-108(4); and

10 (b) from the dedicated marijuana state special revenue account established in 16-12-111, the  
11 difference between the amount allocated pursuant to subsection (2)(a) of this section and \$6 million adjusted  
12 annually for inflation using the method provided for in 15-10-420(1)."

13

14 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2023.

15

- END -