



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0049

Title: Revise recording fees to support county and state land information accounts

Primary Sponsor: Bedey, David

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$828,392	\$828,392	\$828,392	\$828,392
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$828,392	\$828,392	\$828,392	\$828,392
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 49 increases the fee for recording documents under 7-4-2637, MCA, by \$1. That extra \$1 charge is distributed 25% to the local county land information account and 75% to the Montana land information account. This would result in an additional \$276,130 for local county land information accounts and \$828,392 for the Montana land information account. The total statewide fee increase is \$1,104,523 each year.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. The average yearly amount remitted for the existing fees over the last five fiscal years (FY 2016 – FY 2020) is \$828,392.
2. HB 49 doubles the portion of the fee being credited to the Montana land information account.
3. The additional annual collections deposited in this account are expected to be \$828,392.
4. The department does not expect significant costs associated with implementation of HB 49.

Montana State Library

5. The Montana State Library (MSL) meets their statutory obligation to consistently collect, accurately maintain, and make commonly available needed land information by administering the Montana Spatial Data Infrastructure, 15 themes of statewide data used for mapping in Montana. The Montana Natural Heritage Program (MTNHP) is the steward of two of those themes, Wetlands and Land Cover. Additionally, the Montana Land Information Act (MLIA) requires MSL to work with all federal, state, local, private, and tribal entities to develop and maintain land information. MTNHP partner relationships are necessary for MSL to carry out this work. Finally, the MLIA requires MSL to implement the conservation easement information requirements as provided for in 76-6-212, MCA. These statutes require coordination with the MTNHP.
6. Currently, only seven of Montana's 56 counties have dedicated GIS staff. This funding would allow for additional support for local governments to help increase the accuracy and correctness of land ownership information.
7. Due to a decline in state funds in the past few years, staff of the Montana Natural Heritage Program (MTNHP) rely on grants and contracts to sustain the program. As a result, their time and attention are focused on completing special projects rather than core functions to update Montana species and habit information. With additional funding, staff would ensure that Montanans including, policy makers, economic developers, natural resource managers, and educators, have access to more current information.
8. Through a combination of temporary FTE (as needed) and contracts for application development, MSL would use the additional funding to modernize web applications to better coordinate and deliver access to the state's GIS and natural resource data. Investment in modern applications can better support other agencies that rely on centralized data to be available in order to make delivery of their services more efficient. Adoption of new technologies may also be able to help MSL better evaluate data and application usage.

<u>Fiscal Impact:</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Department of Revenue	Difference	Difference	Difference	Difference
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
TOTAL Expenditures	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
TOTAL Funding of Exp.	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
TOTAL Revenues	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>	<u>\$828,392</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

Department of Revenue

1. Under 7-4-2637, MCA, the local county land information account currently receives \$0.25 of the \$7 currently assessed this is equal to one-third of the money being remitted to the Montana land information account.
2. Therefore, the five-year fiscal average (FY 2016 – FY 2020) is \$276,130.
3. HB 49 doubles the portion of the fee going to the local county land information account.
4. Local county land information accounts should see an additional \$276,130 each year.

AUTHORIZED BY SPONSOR

Sponsor's Initials

1/13/21
Date

KA

Budget Director's Initials

1/11/21
Date