

# DNRC Geocoding/Ownership Fact Sheet

August 2019

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The ownership update process existing prior to 2007 required the seller of property to file paper ownership update form with DNRC when a sale was closed. Once a form was filed and the proper fee was paid, DNRC updated the ownership of applicable water rights. In 2005, the MT Legislature passed HB22 to fund the adjudication of pre-July 1, 1973 water rights, which required the DNRC to send out invoices to water right owners. Although the law provided that water rights transfer with the land to which they are appurtenant (§ 85-2-403, MCA), the Department discovered, through returned mail, that there were thousands of property transfers for which the seller had not filed the requisite ownership update form.

Using this knowledge and the desire to maintain more accurate ownership information, dialogue was opened with the Department of Revenue (DOR) regarding the sharing of property ownership records. This dialogue helped produce HB39, which provides for the current ownership update process and was passed by the MT Legislature in 2007.

Geocodes are unique identifiers for property that are used as the common element between the DNRC and DOR databases. Most parcels of property in the state are assigned a unique identifier referred to as a geocode. In order to implement HB 39, DNRC had approximately one year to add a geocode(s) to water right records for over 365,000 water rights that required geocodes. The Department accomplished this through the use of a GIS geocode overlay based upon the legal land description for each water right. For example, if the legal description listed on a water right was NENE of a section, all parcel geocodes within that 40 acre description were assigned to the water right. In some cases, there may be just one parcel in that 40 acre description or there may be 100 parcels.

Each geocode is reviewed and validated by Department staff, which is documented in the database. While geocodes are not typically altered after validation, geocodes may occasionally be changed, split, or consolidated. Some water rights are not geocoded because they are not appurtenant to and should not automatically transfer with the place of use.

DOR updates its records to reflect a water right(s) for each parcel as necessary. DOR and DNRC exchange data monthly. DOR pulls records for all geocodes that have transferred and sends that information to DNRC. DNRC converts the data into the proper format, DNRC offices review and validate the data, and the ownership update is completed using the validated data. Once a month DNRC sends fee letters to the new owner of the water right for those transfers that occurred and no fee received. Many thousands of these updates are paid based solely upon fee letters. Those updates would likely have been missed without the DOR ownership update process.

DNRC also accepts and processes paper ownership update forms filed with the requisite fee and a copy of the most recent deed. The geocode data provided on the form is reviewed and validated in the same manner as the data received from DOR. If the most recent deed is not included, DNRC must wait for DOR records to confirm the transfer of property.

Using geocodes for water rights has additional benefits.

- DNRC staff and the public can now search water right records by geocode. In many cases this proves to be a very quick and reliable check.
- Through the geocoding process, DNRC discovered incorrect legal land descriptions on thousands of water rights and corrected over 4500 water rights. Many more have been sent to the water court for correction. For the first few decades of water right filings, computerized mapping systems were not available, and many water rights were filed incorrectly and unable to be corrected by DNRC staff. All of these records have been updated to reflect correct and generally more refined legal land descriptions.
- DNRC staff can note important information regarding place of use for water rights that can be used by all staff members thereby saving research time for other employees.

## Geocoding

**Number of Active Water Rights in System:** 366,535

**Number of Active Water Rights without Geocodes:** 57,248

*Some water rights are not geocoded such as instream flows and those owned by government entities, water user's associations, etc.*

**Number of Water Rights with Valid Geocodes:** 273,834

*These have been reviewed and water rights will transfer with a property transfer*

**Number of Water Rights with Non-Valid Geocodes:** 48,270

*These have not been reviewed and will require DNRC staff review. Non-valid geocodes are reviewed with property transfers and a determination is made at that time which property is assigned to the water right.*

**Number of Water Rights with Unresolved Geocodes:** 3329

*There is not enough information present in the file to validate the geocodes. Additional information is required from the owner of the water right which isn't the owner in DNRC records.*

### Final Geocoding Takeaway:

Percentage of active water rights that require and possess validated geocodes: 83.3%

## Ownership Updates

**Average # of Ownership Updates Processed Annually 2002-2004:** 4407

*Represents pre-HB39 and pre-HB22*

**Average # of Ownership Updates Processed Annually 2007-2008:** 4873

*Represents mostly pre-HB39 in a generally thriving economy but after HB22*

**Average # of Ownership Updates Processed Annually 2011-2013:** 7900

*Represents a recovering economy when geocoding of water rights was in full swing  
Includes 2977 which were processed after fee letters were sent/paid (1458 not processed/paid)*

**Average # of Ownership Updates Processed Annually 2016-2018:** 10731

*Represents most current ownership update numbers  
Includes 4029 which were processed after fee letters were sent/paid (1704 not processed/paid)*

### Final Ownership Update Takeaway:

Water right ownership records are more up-to-date than ever!

## Thoughts from DNRC Regional Offices

- The geocoding process isn't perfect and could stand a few improvements, but overall, I believe it is a very worthwhile endeavor and has increased our accuracy and the number of ownership updates that are processed. It has made querying for water rights by using a geocode so much more efficient!! (Helena)
- The ability to research water rights by geocode has been a HUGE benefit to the citizens of Montana. The tremendous effort from DNRC to research the water right records and assign relevant geocodes has helped get the water right ownerships current, spotted errors or deficiencies with some rights, and provided the public some certainty about water rights filed on their property. (Kalispell)