



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0776 - Provide for the long-term development of a statewide bike trail (France, Tom)

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 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$64,000	\$128,000	\$192,000	\$256,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 776 requires the Department of Transportation (MDT), counties, and cities to build a statewide network of shared-use paths, in partnership with organizations that promote outdoor recreation, with funds provided by MDT or from the opt-in vehicle registration fee, that connect each county seat by the year of 2100. It requires MDT to develop a statewide bike and shared-use plan and update the plan every 10 years.

FISCAL ANALYSIS

Assumptions:

- MDT has a Statewide Bicycle and Pedestrian Plan that was completed in 2019 that sets the vision, goals, and strategies for biking and walking in Montana, which was developed with significant public and stakeholder input. If updated on the 10-year cycle called for in HB 776, this plan would cost an estimated \$300,000 in 2029. If the scope of this plan is revised it will impact the estimated cost to complete. An inventory as part of this plan update would significantly increase the cost to an unknown amount (see next assumption).

2. Publishing an online map will require city, county, tribal, and non-profit organizations to provide GIS data, which may not exist today, to MDT. Maintaining this inventory on a biannual basis will require non-MDT path owners to submit data to MDT as they construct new paths; nothing requires them to do this and it is outside of MDT’s jurisdiction. Creation of an online map can be accomplished with existing resources.
3. MDT has a detailed inventory and maintenance plan for all shared-use paths located in the right-of-way of each state-maintained federal-aid highway in Montana.
4. MDT estimates that the optimized route milage for a statewide network of shared-use paths that connects each county seat would be approximately 3,200 miles of shared-use path. MDT has about 200 miles of shared-use paths that are currently built, leaving about 3,000 miles of new shared-use paths to be constructed.
5. The shared-use path network mileage assumes the most efficient route on state-maintained roads that connect every county seat. The mileage calculation does not include any path that is not on MDT’s state-maintained system that may be used for the shared-use path network.
6. Some of these shared-use paths would be along the Interstate system and would require special permission from the Federal Highways Administration to construct.
7. In HB 776, MDT, counties, and cities have to complete this network by 2100, (77 total years), which would require constructing approximately 40 miles of new shared-use paths per year to meet the goal in HB 776 of completing the network by 2100. (3,000 miles / 77 years = 38.96 miles per year)
8. MDT assumes it would still engage in maintenance agreements with cities and counties to maintain any paths that are built.
9. From MDT’s Maintenance Management System (MMS), the cost to maintain one mile of shared-use path is approximately \$1,600 annually, which includes snow removal and general maintenance.
10. The maintenance costs for the new paths would be \$64,000 for the new paths constructed each year. (\$1,600 maintenance costs per mile per year x 40 miles = \$64,000 per year of additional maintenance costs)
Total maintenance costs in FY24 would be \$1,600 x 40 miles = \$64,000
Total maintenance costs in FY25 would be \$1,600 x 80 miles = \$128,000
Total maintenance costs in FY26 would be \$1,600 x 120 miles = \$192,000
Total maintenance costs in FY27 would be \$1,600 x 160 miles = \$256,000
11. At today’s costs, the total annual maintenance costs for the entire shared-use path network connecting each county seat would be \$4,800,000 annually. (3,000 miles x \$1,600 maintenance costs per mile = \$4,800,000)
12. The maintenance costs would be borne by MDT, counties, and cities.
13. These costs do not include any reconstruction or pavement preservation costs for any of the 3,200 miles of paths that would be built between now and the year 2100.
14. It is assumed that the Construction program would reallocate resources away from the construction of roads and bridges for use in the construction of shared-use paths, and therefore impact the state match funding for the federal program.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$64,000	\$128,000	\$192,000	\$256,000
TOTAL Expenditures	<u>\$64,000</u>	<u>\$128,000</u>	<u>\$192,000</u>	<u>\$256,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$64,000	\$128,000	\$192,000	\$256,000
TOTAL Funding of Exp.	<u>\$64,000</u>	<u>\$128,000</u>	<u>\$192,000</u>	<u>\$256,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$64,000)	(\$128,000)	(\$192,000)	(\$256,000)

Technical Notes:

1. Approximately 3,000 miles of shared-use path would be required to connect all county seats (assuming the shortest route possible). Assuming all paths to be fully (physically) separated, the average cost of new shared-used paths is \$1,500,000 per mile. This equates to \$4,500,000,000 (\$1,500,000 x 3,000 = \$4,500,000,000), or approximately \$58,000,000/year (in uninflated 2023 dollars) (\$4,500,000,000 / 77 years = \$58,441,558).
2. Assuming no other revenue source, these costs would need to be absorbed into existing highway and bridge infrastructure funding.
3. It is difficult to account for the risk of some paths being very costly due to the proposed amendment to 60-3-303(2), MCA, in HB 776. This section currently prohibits shared-use paths from being constructed “if the cost of establishing the path is excessively disproportionate to the need or probable use.” HB 776 makes an exception in that language for shared-use paths on the statewide bike path network.

NOT SIGNED BY SPONSOR

			2-27-23
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>