



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
SB0521 - Generally revise right of way laws (Vance, Shelley)	
Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	Undeterminable	Undeterminable	Undeterminable	Undeterminable
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	Undeterminable	Undeterminable	Undeterminable	Undeterminable
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: The Montana Department of Transportation (MDT) cannot predict the fiscal impact related to SB 521 at this time.

FISCAL ANALYSIS

Assumptions:

1. Under SB 521, a \$100 application fee is assessed to the applicant seeking a ROW use agreement.
2. It is unknown the total number of ROW use agreement issued as it would depend on the organizations interested in taking advantage of the opportunity. Therefore, MDT is unable to quantify revenue from applications.
3. SB 521 may provide MDT with an additional revenue stream associated with each approved right of way use agreement for the use of longitudinal Right-of-Way (ROW) along interstate highways in the state.
4. Under SB 521, an approved applicant is assessed a fair market value of \$100 a mile for each year, or \$3,000 a mile for a 30-year term ROW use agreement, according to the definition of fair market value.

- 5. It is assumed the Federal Highway Administration (FHWA) will accept these fair market value definitions.
- 6. All ROW use agreements will be executed for a 30-year term. Payments can be made annually or in a lump sum for the full length of the term.
- 7. It is unknown the total number of miles to be requested to be used under ROW use agreements. Therefore, MDT is unable to quantify revenue from usage agreements.
- 8. Overall, MDT cannot quantify or forecast fiscal impacts based on the unknown levels of eligible project requests and the extent of occupancy.
- 9. Future projects requiring relocation of these facilities will result in costs borne by the state.

Technical Notes:

- 1. A dedicated power source means a power source strictly used only for the functionality of eligible project infrastructure.
- 2. Definition of wireless facility is interpreted to mean small wireless facility per 47 C.F.R. 1.6002.
- 3. “Connectivity” in the last sentence in subsection (7)(c) of Section 2 of this bill means “connectivity to Montana citizens” as stated in the first sentence of that subsection.
- 4. Future relocation costs will be incurred in accordance with 60-4-403, MCA. The state’s share will be 75% of all relocation costs.
- 5. Defining fair market value in statute makes it difficult for MDT to consider adjusting fees in the future based on inflation.

DV

Sponsor's Initials

3-27-23

Date

NO

Budget Director's Initials

3-24-23

Date