



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0287 - Revise property laws (Fitzpatrick, Steve)

Status: As Amended in Senate Committee

- 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		----- unknown -----		
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:		----- unknown -----		

Description of fiscal impact: SB 287 creates a potential for litigation against state agencies, but the fiscal impact cannot be predicted.

FISCAL ANALYSIS

Assumptions:

1. SB 287, as amended, revises laws relating to property interests subject to eminent domain and regulatory takings to include real property, personal property, water rights, intangible property, and mineral rights.

Department of Revenue

2. The bill is amended to refer to intangible personal property as defined in 15-6-218, MCA.
3. The bill has also been amended to state that the bill does not affect enforcement of terms of a license, permit, or government authorization, including requirements imposed by state, local, or federal law. With this amendment, the Department of Revenue could still regulate alcoholic beverage and cannabis licensees.
4. This bill would not create additional administrative costs to the Department of Revenue, but it may have some legal implications with an unknown fiscal impact due to conflict with current law. See the technical note below.

Department of Transportation

- 5. The Department of Transportation is unable to predict the fiscal impact of SB 287 due to the broad language. It is not possible to assess the fiscal impact of SB 287, because it opens the possibility of claims for inverse condemnation.

Technical Notes:

Department of Revenue

- 1. Although the bill is amended to remove the explicit reference to licenses, the bill was also amended to refer to intangible personal property as defined in 15-6-218, MCA. This definition includes licenses, so it appears to create a property right in alcoholic beverage and cannabis licenses. However, this is in conflict with existing statutory language in 16-4-401(1), MCA, which states "A license under [the Montana Alcoholic Beverage Code] is a privilege that the state may grant to an applicant and is not a right to which any applicant is entitled" and 16-12-207(1), MCA, which states that "a cultivator license, manufacturer license, adult-use dispensary license, medical marijuana dispensary license, combined-use marijuana license, marijuana transporter license, or any other license authorized under this chapter is a privilege that the state may grant to an applicant and is not a right to which an applicant is entitled."

NO SPONSOR SIGNATURE

Sponsor's Initials

2/27/23

Date



Budget Director's Initials

2-24-23

Date

