



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0319 - Revise laws related to tracts of record (Boldman, Ellie)

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	\$0	\$0	\$0	\$0
State Special Revenue	----- Unable to Determine -----			
Federal Special Revenue	----- Unable to Determine -----			
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	----- Unable to Determine -----			
Federal 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: The Department of Transportation (MDT) cannot quantify the fiscal impact to the agency based upon current Right-of-Way acquisition procedures and changes made in SB 319 language.

FISCAL ANALYSIS

Assumptions:

- MDT may lose the ability to sell parcels of excess land that were purchased through a total take acquisition since the excess land parcel will be acquired and purchased in conjunction with the newly acquired Right-of-Way. The language in SB 319 makes the prior boundary line vanish and creating a single tract of record. This new boundary line falsely represents the highway Right-of-Way boundary and no longer separates the excess land parcel. This has the potential to increase agency costs due to resurveying of property to reestablish excess land boundaries.

2. MDT defines excess land based upon 60-4-2020, MCA, as an interest in real property if the department determines that the property is not necessary to the laying out, altering, construction, improvement, or maintenance of a highway. MDT acquires excess land to complete projects based upon negotiations with landowners.
3. MDT could incur possible loss of revenue from not being able to sell excess land. 76-3-209, MCA, transfers land acquired for state highway purposes.
4. SB 319 creates the potential to increase delays in projects due to additional negotiations with landowners with multiple tracts of record due to surveys creating new utility tracts. This could create increased utility easement costs.
5. SB 319’s revised language implies there will be no grandfathering of all previously filed Certificate of Surveys and will eliminate previous tracts of record if not properly shown and depicted on said surveys. This will require additional survey costs to identify excess land boundaries for resale.

Technical Notes:

1. SB 319 revises 76-3-103(17)(b)(ii), MCA, to “automatically supersedes and replaces any prior boundary lines running beneath” surveyed or subdivided property for as long as the survey/plat remains in effect. This removes the expressed authority of landowners to aggregate multiple tracts of record and creates an implied permission to do so. There is no grandfather clause.
2. Additional survey costs may be required for new purchases of highway Right-of-Way to keep existing tracts of land from being aggregated.
3. Due to the unique nature of each transaction, MDT is unable to quantify the fiscal impacts.

Sponsor’s Initials

Date



Budget Director’s Initials

3-13-23

Date