



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0192: Revise county clerk and recorder fee for recording documents

Primary Sponsor: Julie Darling Status: As Introduced

Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact

Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
State Special Revenue (02)	\$7,273	\$9,178	\$9,315	\$9,455
Federal Special Revenue (03)	\$1,127	\$1,422	\$1,444	\$1,465
Revenues				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance				

Description of fiscal impact

HB 192 increases fees paid on recording documents with county clerk and recorders effective October 1 2025. The fees will be adjusted for inflation, as calculated by the Department of Revenue based on the Consumer Price Index biennially, starting in FY 2028. The bill increases the filing fees for recording documents as outlined in 7-4-2637, MCA, from \$8 to \$20 for the first page and from \$8 to \$10 for each additional page. This will result in higher costs for agencies like the Montana Department of Transportation (MDT) when filing records associated with right-of-way acquisition activities for federal-aid projects.

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. HB 192 increases the fee per page recorded with the county clerk and recorder from \$8 to \$10 and increases the fee on the first page from \$8 to \$20.
2. There is no change to fee transmitted to the Department of Revenue for the purposes of support of the geospatial information account.
3. The increased fee per document page has an extra dollar going to the county records preservation fund, the remainder of the fee increase is retained for general use by the county.
4. The Department of Revenue will be required to set the fee every two years through administrative rule to adjust for inflation, rounding down to the nearest dollar. the rounding will likely defer increases for several cycles. the first calculation would occur in FY 2028,
5. Costs associated will be absorbed by the department.

Department of Transportation

Fiscal Note Request - As Introduced

(continued)

1. HB 192 increases filing fees for recording documents under MCA 7-4-2637 from \$8 for each page or fraction of a page, to \$20 for the first page and \$10 for each additional page or fraction of a page.
2. Most of the Montana Department of Transportation (MDT) filings for right-of-way acquisition contain multiple pages.
3. MDT averages 178 filing fees and approximately 1,700 pages for an average annual cost of \$13,600. (1,700 pages x \$8)
4. MDT is anticipating a 10% increase in filing fees due to increases in right-of-way acquisitions.
5. MDT is expecting 200 filings, and a total of 2000 pages to be recorded in FY 2026 for a total cost of \$22,000. (200 first pages x \$20 + 1800 additional pages x \$10)
6. MDT is expecting 220 filings and a total of 2,200 pages to be recorded in FY 2027 for a total cost of \$24,200. (220 first pages x \$20 + 1980 additional pages x \$10)
7. Total costs for filings is projected to increase by \$8,400 (\$22,000 - \$13,600) in FY 2026 and \$10,600 (\$24,200 - \$13,600) in FY 2027.
8. HB 192 allows the fee to be increased biennially by the Montana Department of Revenue. The amount of the increase is unknown, so 1.5% inflation is used to project costs for FY 2028 and FY 2029.

Fiscal Analysis Table

Department of Transportation				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$8,400	\$10,600	\$10,759	\$10,920
TOTAL Expenditures	\$8,400	\$10,600	\$10,759	\$10,920
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$7,273	\$9,178	\$9,315	\$9,455
Federal Special Revenue (03)	\$1,127	\$1,422	\$1,444	\$1,465
TOTAL Funding of Expenditures	\$8,400	\$10,600	\$10,759	\$10,920
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$7,273)	(\$9,178)	(\$9,315)	(\$9,455)
Federal Special Revenue (03)	(\$1,127)	(\$1,422)	(\$1,444)	(\$1,465)

Effect on County or Other Local Revenues or Expenditures

MACO

1. Counties will receive the additional revenue to the general fund. While no direct expense is associated with the revenue it will assist with offsetting ongoing increased costs in personnel and supplies associated with recording of documents.
2. Data on current fees were received from 41 of 56 counties. Where data was not provided, like size county receipts were utilized to impute the missing information.
3. Based on that assumption total revenue derived from these fees by counties in the previous year was \$5,837,657. If implemented these fees would generate approximately \$9,318,572 statewide for an increase to county general funds of \$3,480,915.

Fiscal Note Request - As Introduced

(continued)



Sponsor's Initials

1/21/25

Date



Budget Director's Initials

1/21/2025

Date