



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0192.02 (001): Revise county clerk and recorder fee for recording documents

Primary Sponsor: Julie Darling Status: As Amended in Senate Committee

☐ 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</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
Expenditures				
State Special Revenue (02)	\$457,273	\$609,178	\$609,315	\$609,455
Federal Special Revenue (03)	\$1,127	\$1,422	\$1,444	\$1,465
Revenues				
State Special Revenue (02)	\$450,000	\$600,000	\$600,000	\$600,000
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. The fees will be adjusted biennially, beginning Fiscal Year 2028, for inflation. The amendment increases the deposits to the geospatial and county land information accounts. The deposits to the three listed funds in 7-4-2637, MCA will be adjusted biennially for inflation and rounded down to the nearest quarter dollar. The increased revenue to the geospatial information account amounts to roughly \$600,000 annually. There is no cost associated with implementation. 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. The Department of Revenue (DOR) will be required to set the fee every two years through administrative rule to adjust for inflation, rounding down to the nearest dollar.
3. The fee is expected to increase to \$21 in FY 2028 based on expected inflation contained in HJ 2.
4. The increased fee per document page has an extra dollar going to the county records preservation fund, an extra \$0.75 to the statewide geospatial information account, and \$0.25 to the county land information account. The remainder of the fee increase is retained for general use by the county.
5. The credit to the geospatial information account is remitted through the Department of Revenue. The portion of recording fee sent to this account is increased from \$1.50 to \$2.25.

6. This is a 50% increase in the fee deposited to the account which translates to an increase of roughly \$600,000 per fiscal year.
7. The bill is effective October 1, 2025 which implies only 75% of the normal fiscal effect will be realized in FY 2026, which equates to a \$450,000 increase for FY 2026.
8. The Department of Revenue will also be responsible for automatically adjusting the deposit amounts of the three funds listed in 7-4-2637, rounded down to the nearest quarter dollar. It is not expected for any of the fee deposit amounts to increase over the fiscal note window.
9. Costs associated will be absorbed by the department.

Department of Transportation

10. 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.
11. Most of the Montana Department of Transportation (MDT) filings for right-of-way acquisition contain multiple pages.
12. MDT averages 178 filing fees and approximately 1,700 pages for an average annual cost of \$13,600. (1,700 pages x \$8)
13. MDT is anticipating a 10% increase in filing fees due to increases in right-of-way acquisitions.
14. 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)
15. 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)
16. 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.
17. 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.

Library Commission

18. This bill assumes an increase of \$0.75 per page to be deposited into the Montana geospatial information account effective October 1st, 2025. Currently \$1.50 is deposited per page into this account.

Fiscal Analysis Table

Department of Revenue				
	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$450,000	\$600,000	\$600,000	\$600,000
TOTAL Expenditures	\$450,000	\$600,000	\$600,000	\$600,000
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$450,000	\$600,000	\$600,000	\$600,000
TOTAL Funding of Expenditures	\$450,000	\$600,000	\$600,000	\$600,000
<u>Revenues</u>				
State Special Revenue (02)	\$450,000	\$600,000	\$600,000	\$600,000
TOTAL Revenues	\$450,000	\$600,000	\$600,000	\$600,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Department of Transportation

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<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)

STATEWIDE SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
TOTAL Fiscal Impact	0.00	0.00	0.00	0.00
<u>Expenditures</u>				
Operating Expenses	\$458,400	\$610,600	\$610,759	\$610,920
TOTAL Expenditures	\$458,400	\$610,600	\$610,759	\$610,920
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$457,273	\$609,178	\$609,315	\$609,455
Federal Special Revenue (03)	\$1,127	\$1,422	\$1,444	\$1,465
TOTAL Funding of Expenditures	\$458,400	\$610,600	\$610,759	\$610,920
<u>Revenues</u>				
State Special Revenue (02)	\$450,000	\$600,000	\$600,000	\$600,000
TOTAL Revenues	\$450,000	\$600,000	\$600,000	\$600,000
<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.



Sponsor's Initials

3/29/25

Date



Budget Director's Initials

3/28/2025

Date