



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0933.01: Establish the Montana railroad crossing clarity act

Primary Sponsor: Neil Duram 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				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 933 establishes an annual fee and a crossing fee to be paid by utilities to the railroad. It also establishes a filing fee that would be paid by utilities to the Montana Department of Transportation (MDT). Fiscal impact can not be determined.

FISCAL ANALYSIS

Assumptions

Department of Transportation

- HB 933 establishes conditions for when a utility crosses a railroad for relocation or new facilities:
 - it limits the annual fee paid from the utility to the railroad at 10% of the original crossing fee or \$300, unless an annual fee agreement has been established in an original executed agreement.
 - it limits the crossing fee paid from the utility to the railroad at the greater of \$3,000 or \$10 for each linear foot for the length of the railroad right of way occupied by the crossing.
- HB 933 defines utility as "a public utility, rural telephone cooperative, rural electric cooperative, transmission company, gas utility, municipal utility, municipal power utility, municipality, pipeline company, rural water system, or telephone, telegraph, telecommunications, cable, or fiber optic provider." The term includes contractors and agents hired by a utility.
- HB 933 notes that a crossing fee may not be imposed for the replacement or upgrade of existing utility facilities in a railroad right-of-way, disused rail crossing, extension of utility service to buildings or facilities owned by the railroad, extension of utility service at the request of the railroad, any crossing where the railroad or its predecessor has agreed in writing to provide no cost to the utility, easements, license, or other authorization to place crossings or facilities or related improvements.

4. HB 933 clarifies the crossing fee is a lifetime fee.
5. Section 15 requires that beginning January 1, 2026, the facility owner that constructs a crossing and pays a crossing or annual fee, shall be required to file a construction report with MDT that includes the crossing agreement, insurance coverage, and fees paid to a railroad within 60 days of completion.
6. Section 15 requires the facility owner to pay MDT a filing fee commensurate with the crossing fee paid to the railroad, as defined in assumption number two.
7. There are 1,360 public at-grade crossings, 1,800 private at-grade crossings, and 232 separated crossings. It is unknown how many of these crossings would be impacted by this bill.
8. MDT currently does not track utility crossings that are not within the MDT Right-of-Way. Therefore, it cannot determine the fiscal impact of this bill as it cannot determine how many rail crossings would be impacted in a given fiscal year.
9. MDT cannot determine the amount of linear feet that would be impacted by a utility in the bill to determine whether the \$3,000 or \$10 for each linear foot would apply to determine financial impact.
10. Section 15 further requires the fee to be deposited in the state special revenue fund for local road and bridges. Any revenue this is collected would be expended from the local road and bridges fund established in 15-70-132, MCA, which may be used for the reconstruction or repair of off-system bridges, secondary highway routes, or urban highway system routes.

Effect on County or Other Local Revenues or Expenditures

1. As municipal utilities are noted in the definition, they would be impacted by having to pay the filing fee to MDT.



Sponsor's Initials

APRIL 3, 2025

Date



Budget Director's Initials

4/2/2025

Date