



2021 Legislative Session

LEGISLATIVE PACKET

Montana State Library

Short Title: [Revise recording fees to support county and state land information accounts \(HB49\)](#)

Date: 12/18/2020

Sponsor

Rep. David Bedey, HD 86

Contact Information

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Executive Summary

Short Title: Revise recording fees to support county and state land information accounts

1. **Synopsis:** The bill revises the recordation fees established by the Montana Land Information Act (MLIA) and found in 7-4-2367 MCA. As passed in 2005, the MLIA established a \$1 per page recording fee to fund state and local Land Information work to support the Act. Under existing MLIA statute 25% of the recording fee is deposited in the county land information account while the remaining 75% is transmitted to the state and deposited into the Montana land information account. HB 49 would increase the MLIA recording fee to \$2 per page and retain the existing fund split. 25%, or 50 cents per page would go to the county land information account and 75%, or \$1.50 per page would be transmitted to the Montana land information account.

2. **Fiscal Impact:** Yes No Uncertain

7-4-2367 MCA currently establishes a \$7 per page fee to record standard documents. Of the \$7, \$1 funds the work of the MLIA. HB 49 would increase the fee to \$8 per page, \$2 of which would fund the work of the MLIA.

Recordation fees can be highly variable. Since the establishment of the MLIA recordation fee in 2005, collections in the Montana land information accounts have averaged about \$875,000 with lower years bringing in less than \$750,000 and high years bringing in just over \$1,000,000. By increasing the per page recordation fee for land information funding to \$2 per page, we would expect average collections to the Montana land information account close to \$1.75 Million per year. Similarly, currently approximately \$292,000 is retained in county land information accounts. We expect that as a result of this bill the average amount retained in county land information accounts would increase to \$584,000.

3. **Opposition Expected:** Yes No Uncertain

Interest Group	Position	Summary
Local Government	Supportive	<p>While during the interim, MACo did not state an opinion on this proposed legislation, it is unlikely that local government would oppose an increase in recordation fees that benefit state and local government.</p> <p>While a few County government officials have historically questioned the 75% (state)/25% (county) allocation of Montana land information account funds and have</p>

		<p>“threatened” to amend statute to increase the percentage allocated to counties, MSL and the Montana Land Information Advisory Council have made a concerted effort to maintain a strong granting program that awards nearly 30% of annual Montana land information account collections (~\$250,000) available to government entities. The bulk of that grant funding ends up with county or other local governments.</p>
Clerks and Recorders	Uncertain	<p>Clerks and Recorders also depend heavily on recordation fees for funding and are facing some of the same funding instability as MSL (as well as a need for additional funding to address increased recordation demands and the costs associated with keeping up with increasingly digital recording tools). LC2633 proposes to increase recordation fees to meet their needs. MSL supports such legislation since we depend upon the ability of local clerk and recorder offices to do their work efficiently in order for the state land information data to remain current and accurate. Recognize, however, that while both bills impact overall recordation fees, they do not do the same things. HB 49 would not impact clerk and recorder recordation fees. Likewise, LC 2633 would not increase MLIA recording fees.</p>
Land Title & Banking Industry	Uncertain	<p>We have not surveyed this group specifically regarding this bill, however the land title and banking industry, including the Montana Land Title Association, a local title company and the Montana Bankers Association testified against the original bill establishing the MLIA, primarily because they were opposed to the funding mechanism. This group did not oppose a 2013 bill to the transfer MLIA responsibilities to the State Library, but that bill did not have any impact on the recording fee. Nor did this group offer an opinion on proposed legislation during the interim. It is possible that they may testify against this bill due to the increase in the recording fee.</p>

		However, since the original bill to establish MLIA in 2005, the Montana Cadastral application, supported heavily by the MLIA funding, has become an essential tool of the Land Title and Banking industry and really all aspects of the real estate industry from brokers to banking and insurance. It seems likely that these groups would support a modest increase in the recordation fee to ensure long term access to an accurate and well-maintained land information including cadastral parcels.
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Questions & Answers

Short Title: Revise recording fees to support county and state land information accounts

Question	Answer
<p>What is GIS?</p>	<p>GIS stands for Geographic Information Systems and generally represents the technologies used to develop maps and databases of important land characteristics in digital or electronic formats.</p> <p>The definition in the MLIA is: Geographic Information System (GIS) means an organized collection of computer hardware, software, land information, and personnel designed to efficiently collect, maintain, and disseminate all forms of geographically referenced information.</p>
<p>How much money is collected annually by the MLIA? How much has been disbursed, and to who?</p>	<p>As passed in 2005, the MLIA established a \$1 per page recording fee to fund state and local Land Information work to support the Act. Under existing MLIA statute 25% of the recording fee is deposited in the county land information account while the remaining 75% is transmitted to the state and deposited into the Montana land information account.</p> <p>Collections in the Montana land information accounts have averaged about \$875,000 with lower years bringing in less than \$750,000 and high years bringing in just over \$1,000,000. By increasing the per page recordation fee for land information funding to \$2 per page, we would expect average collections to the Montana land information account close to \$1.75 Million per year. Similarly, currently approximately \$292,000 is retained in county land information accounts. We expect that as a result of this bill the average amount retained in county land information accounts would increase to \$584,000.</p> <p>MSL and the Montana Land Information Advisory Council have made a concerted effort to maintain a strong granting program that awards nearly 30% of annual Montana land information account collections (~\$250,000) available to government entities. The bulk</p>

	<p>of that grant funding ends up with county or other local governments.</p> <p>For more information see the 2021 MLIA Legislative Report - https://arcg.is/mCCif</p> <p>Collection information – Monthly MLIA Collections Disbursements – Land Plans - Montana Land Information Plans Grant Awards - MLIA Awarded Grant Projects</p>
<p>What projects have been funded by the MLIA?</p>	<p>MLIA fees fund the maintenance of the Montana Spatial Data Infrastructure, 15 statewide GIS datasets, GIS coordination activities between local, state, federal, and private sector stakeholders and a granting program.</p> <p>State work is tracked primarily via the Land Information Plans - Land Plans - Montana Land Information Plans</p> <p>Information about Grant Funded projects can be found here - MLIA Grant Award History FY2008 to FY2021</p>
<p>Why does the state receive 75% of the funds and counties only 25%? Why isn't it reversed?</p>	<p>The purpose and intent of the MLIA is to develop “statewide” layers that all entities can rely upon. Many counties in Montana have no GIS programs or staff, and therefore are unable to provide the needed effort to develop the data appropriately. It is true that our larger counties have good GIS programs, but their focus is only on their individual counties’ data. To develop good statewide models overall coordination of the funding is needed at the state level, to direct the monies where it is most needed for particular layers and to provide support, training and consulting services to GIS users around the state. The 25% is available to provide counties with monies needed to do local GIS projects and join with the state in standard data development. Counties are also eligible to apply for access to the grant monies that will be made available through the 75% funds that the State Library will administer.</p>
<p>How do Counties spend the 25% they receive.</p>	<p>Though MSL can track how much revenue MLIA fees generate by county, MSL and the State has no oversight over how local governments spend their revenue so we do not collect information about how this revenue is spent.</p>
<p>Why does the funding need to be increased?</p>	<p>At current staffing levels cadastral boundary adjustments occur every 18 months to two years. With additional staff, adjustments will occur more frequently to ensure that the Montanans have access to the most accurate information available to inform policy and economic decisions. Because only 7 of Montana's 56 counties have dedicated GIS staff, funding will also add additional support for local governments to help increase the accuracy and currentness of land ownership information.</p>

	<p>Due to a decline in state funds, MSL relies on OTO grants and contracts to sustain the Montana Natural Heritage Program. As a result, their time and attention are focused on completing projects rather than core functions to update Montana species and habit information. With funding, staff will ensure that Montanans including, policy makers, economic developers, natural resource managers, and educators, have access to more current information.</p> <p>As funding for MSL declined, state agencies stood up their own GIS information architectures which is a less efficient use of state resources. Investment in modern applications can better support other agencies that rely on centralized data to be available in order to make delivery of their services for efficient. Adoption of new technologies may also be able to help MSL better evaluate data and application usage.</p>
<p>Why does it need to be so much?</p>	<p>Despite doubling the recordation fee, other priorities, like the establishment of a Real Time GPS repeater network remain unfunded, even with this increase.</p>
<p>Notable Legislative History</p>	<p>SB98, passed in the 2005 Legislative Session, created the Montana Land Information Act (90-1-401 through 90-1-413, MCA). SB317, passed in the 2007 Legislative Session, expanded the scope of the MLIA to include conservation easements.</p> <p>House Bill 38 passed in the 2013 Legislative Session, transferred administration of the Montana Land Information Act to the Montana State Library. This legislation passed the Legislature with near-unanimous support.</p> <p>House Bill 61 passed the legislature in the 2017 session created a path for Montana to develop a Next Generation 9-1-1 system for the State. This bill, in part, allocated OTO funding to MSL to perform a one-time assessment of Public Safety Answering Point GIS data readiness for Next Generation 9-1-1. MSL was determined the appropriate agency to lead this effort due to its role, through the Montana Land Information Act, to coordinate statewide transportation, address, and structure data.</p>
<p>LC 2633</p>	<p>LC2633 proposes to increase recordation fees to meet the needs of county clerks and recorders.</p>

