

1
2 INTRODUCED BY Stacy House BILL NO. 506

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A PROCESS FOR THE ACKNOWLEDGMENT OF
5 WATER RIGHT TRANSFERS IN REAL PROPERTY TRANSFER TRANSACTIONS; AMENDING SECTIONS
6 15-7-305, 15-7-308, AND 85-2-424; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN
7 APPLICABILITY DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **Section 1.** Section 15-7-305, MCA, is amended to read:

12 **"15-7-305. Realty transfer certificate required.** (1) The county clerk and recorder shall ~~cause to~~
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14 certificate declaring the consideration paid or to be paid for the real estate transferred.

15 (2) ~~No~~ An instrument or deed evidencing a transfer of real estate may not be accepted for
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28 **Section 2.** Section 15-7-308, MCA, is amended to read:

29 **"15-7-308. Disclosure of information restricted -- water right transfer certificate exception.** (1)
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14 **NEW SECTION. Section 5. Effective date -- applicability.** [This act] is effective January 1, 1998,
15 and applies only to deeds entering escrow on or after that date.

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-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0506, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing a process for the acknowledgment of water right transfers in real property transfer transactions.

ASSUMPTIONS:

1. The number of water right transfer filings will increase each year due to the following factors: The water right disclosure associated with the realty transfer certificate will ensure that associated water rights will be discussed by real property buyers and sellers prior to closing, and the water right transfer form will be more readily available than it is currently.
2. Inquiries to the Department of Natural Resources and Conservation (DNRC) about water rights are expected to increase as a result of this legislation but not to a degree that will require additional FTE or financial resources.
3. Water right transfer filings are expected to increase somewhat due to increased compliance as a result of this act, but associated revenue increases are impossible to project.

FISCAL IMPACT:

None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

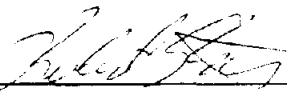
None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

1. This legislation is likely to result in improved compliance with the statutory requirement for filing water right transfers, which in turn will result in more accurate water right records.
2. This legislation will clarify whether water rights are appurtenant to real property undergoing ownership transfer.

 2-13-97

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



ROBERT STORY, PRIMARY SPONSOR DATE

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HB 506

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