

Annual Encroachment Fees



September 8, 2025



HISTORY OF ENCROACHMENT RENTAL FEES

FY85	FY21	FY22	FY23	FY24	FY25	FY26
Encroachment rental fee set at \$1/SF	<p>Changed to tier system</p> <p>Encroachment rental fee set at \$2/SF</p> <p>First year of 5-year plan for tier 2 encroachments</p>	<p>Second year of 5-year plan for tier 2 encroachments</p> <p>Tier 2 encroachments increased from \$2/SF to \$2.80/SF</p>	<p>Third year of 5-year plan for tier 2 encroachments</p> <p>Tier 2 encroachment increased from \$2.80/SF to \$3.80/SF</p>	<p>Fourth year of 5-year plan for tier 2 encroachments</p> <p>Tier 2 encroachment increased from \$3.80/SF to \$5.15/SF</p>	<p>Additional 3-year phase-in for tier 2 encroachments</p> <p>Tier 2 encroachment increased from \$5.15/SF to \$6.45/SF</p>	<p>Sixth year of 8-year phase-in for tier 2 encroachments</p> <p>Tier 2 encroachment increased from \$6.45/SF to \$7.80/SF</p>

Tier Structure
Defined by public impact

Tier 1 minimal impact to the right-of-way (awnings, overhanging signs, conduit)

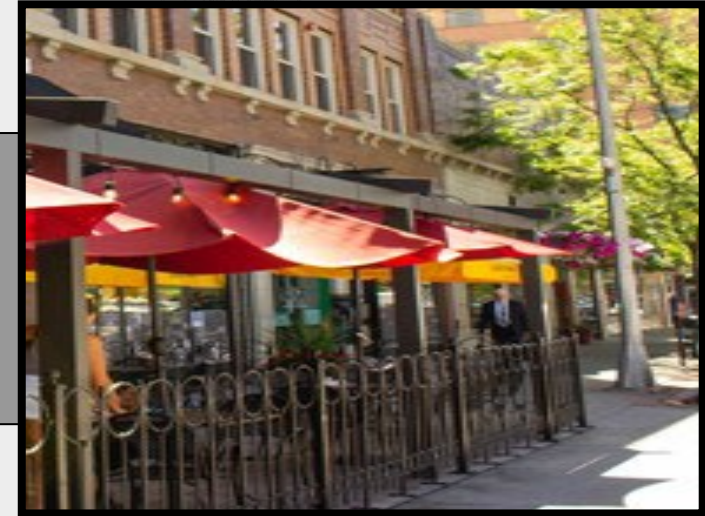
Tier 2 major impact to the right-of-way and cause part of the right-of-way to be unusable (restaurant patios on the sidewalk, fences, stairways, and sheds)

- Additional 3-year fee phase-in to 50% of the average assessed value of adjacent land

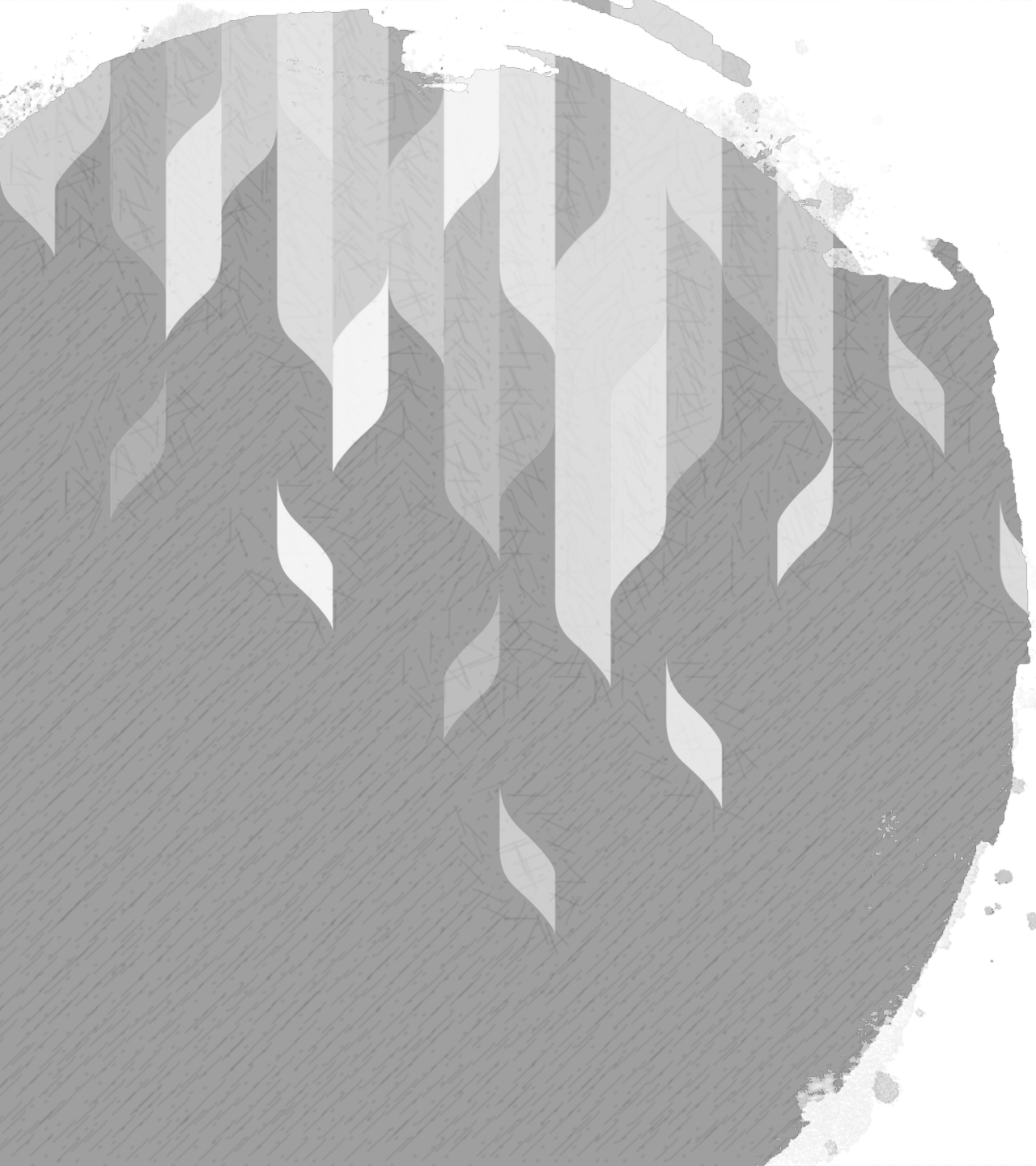
RENTAL FEES & ANNUAL ASSESSMENTS

Description	Current Rate	Proposed Rate
Tier I		
Annual rate per square foot	\$2.10	\$2.21
Annual rate per linear foot	\$2.10	\$2.21
Minimum annual fee	\$25.00	\$26.50
Tier II		
Annual rate per square foot	\$5.15	\$6.45
Annual rate per linear foot	\$5.15	\$6.45
Minimum annual fee	\$25.00	\$26.50

131 encroachments
 Assessed to **154** tax codes
\$128.7k in revenues from
 annual rental fees



Address	Encroachment	Tier	FY25 Annual Assessment	FY26 Annual Assessment	\$ Increase
2305 3 rd Ave S	Underground Conduit	I	\$176.80	\$185.60	\$8.80
138 Florine Ln	Fence in Alley	II	\$96.75	\$117.00	\$20.25
533 Park Ln	Retaining Wall	II	\$26.50	\$28.00	\$1.50
3040 Central Ave	Sign	II	\$193.50	\$234.00	\$40.50
222 N 28 th	Outdoor Patio	II	\$3,225.00	\$3,900.00	\$675.00



THANK YOU

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Billings
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