

FISCAL NOTE

Bill #: SB0277

Title: Plumbing permit for homeowner installations

Primary

Sponsor: Debbie Shea

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
State Special Revenue	\$84,750	\$107,202
Revenue:		
State Special Revenue	\$84,750	\$107,202
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Prepared

Fiscal Analysis

ASSUMPTIONS:

Department of Commerce

1. SB 277 implements the recommendations of the Building Codes Exemptions Task Force, as found in the report entitled Determinations & Recommendations dated April 2000. SB 277, as introduced, does not impact plumbing licensure requirements; homeowners would still be able to do their own work on their own single-family dwelling.

2. The Building Codes Division of the Department of Commerce currently issues plumbing permits to licensed plumbers and performs inspections on all installations in the Division's jurisdiction, including those single family dwellings not exempt from permit requirements. Exempted installations include mines, mills, smelters, refineries, public utilities, railroads and farms and ranches. SB 277 adds the single family dwellings plumbed by homeowners to the installations that would be required to be permitted, and inspected, except for single family dwellings on farms or ranches.
3. The Department estimates an additional 1,100 new single family dwellings would be added to the current Building Codes Division plumbing/mechanical permit and inspection workload per year. This additional work represents an approximately 30% increase in total workload.
4. An additional 2.00 FTE plumbing/mechanical inspectors (grade 14) will be required to complete the inspections based upon the anticipated increase in plumbing permits. It is anticipated the new plumbing/mechanical inspectors would be located in Billings and Missoula. Since SB 277 has an October 1, 2001 effective date, it is assumed that only 1.50 FTE would be needed in FY 2002 (2.00 FTE * 75% fiscal year). The estimated personal service cost for the 1.50 FTE is \$49,625 in FY 2002 and \$66,166 in FY 2003.
5. Additional operating expenses of \$17,652 would be incurred in FY 2002 and \$23,536 in FY 2003. Two additional vehicles will be required (one in FY 2002 and one in FY 2003) for the new plumbing/mechanical inspectors at an estimated cost of \$17,500 each for a total of \$35,000.
6. Revenues generated by the additional plumbing permits would offset the estimated expenditures.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE	1.50	2.00

Expenditures:

Personal Services	49,625	66,166
Operating Expenses	17,625	23,536
Equipment	<u>17,500</u>	<u>17,500</u>
TOTAL	\$84,750	\$107,202

Funding:

State Special Revenue (02)	\$84,750	\$107,202
----------------------------	----------	-----------

Revenues:

State Special Revenue (02)	\$84,750	\$107,202
----------------------------	----------	-----------

Net Impact to Fund Balance (Revenue minus Expenditure):

State Special Revenue (02)	\$0	\$0
----------------------------	-----	-----

LONG-RANGE IMPACTS:

Provisions in SB 277 requiring the homeowner to obtain a plumbing permit and inspections on single family dwellings will require that all single family dwellings constructed following the effective date of the legislation (10/01/01) be permitted, inspected, and built to the requirements of the state plumbing code.