

Fiscal Note Request SB0236, As Introduced

(continued)

vacant positions were never filled because implementation of SB 242 from the 2001 Legislative Session (extended municipal jurisdictional areas) was enjoined by the Montana Supreme Court.

5. The personal services costs associated with the above-mentioned positions would be approximately \$124,785 in FY 2004 and \$166,380 in FY 2005. These funds are included in the Executive Budget as long as the above mentioned vacant positions are not removed by legislative action. The operating and equipment costs associated with these positions also are included in the Executive Budget and would be expended with or without the passage of this bill. They are budgeted in the base at \$45,738 and \$28,000 respectively in FY 2004 and \$43,192 and \$28,000 in FY 2005.

<u>FISCAL IMPACT:</u>	FY 2004	FY 2005
Department of Labor and Industry		
FTE	3.00	4.00
Personal Services	\$124,785	\$166,380
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$124,785	\$166,380
<u>Revenue:</u>		
State Special Revenue (02)	\$208,766	\$278,355
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$83,981	\$111,975

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. Municipalities with extended jurisdictional areas collect a significant portion of their building enforcement revenues from the extended jurisdictional areas. Projections of operating revenue lost by the elimination of the extended jurisdictions range from 10 percent to 30 percent (21 percent average projected loss). Projections were furnished by municipalities with extended municipal building codes jurisdictional areas for legislation in the 1999 and 2001 Legislative sessions. Since the prior projections remained consistent, the Building Codes Bureau did not request new projections from the municipalities for SB 236.
2. The projected loss in operating revenue may adversely affect individual municipal building department staffing levels with the possible loss of inspector and plan reviewer positions, which may affect the quality of their building regulation programs and their ability to serve the public.

LONG-RANGE IMPACTS:

1. It is projected that several hundred new single family and multi-family dwellings annually will not receive building inspections under the exemption.

TECHNICAL NOTES:

1. New Section 4 allows municipalities with an extended jurisdictional area to continue to issue permits and perform inspections until October 1, 2003, but does not appear to provide authorization for the municipalities to complete inspections on projects that were issued permits prior to and were not completed by October 1, 2003. It should be clarified as to whether the municipalities or the Building Codes Bureau has the authority and responsibility to complete the inspections on the projects not completed by October 1, 2003.