



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0362

Title: Generally revise the Residential Mobile Home Lot Rental Act

Primary Sponsor: Hoven, Brian

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Proprietary	\$42,745	\$41,966	\$42,595	\$43,234
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Proprietary	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 362 revises the Montana Residential Mobile Home Act; provides a determination of an excessive rent increase; revises reasons for and the process of a lawful eviction or termination of a rental agreement; and provide rulemaking authority.

FISCAL ANALYSIS

Assumptions:

1. Based on very limited data from Department of Revenue there is estimated to be around 100 parks with 75 or more spaces.
2. Considering anything over 3% increase as substantial there could be many parks effected
3. Department of Commerce assumes a 10% rate of complaints resulting in 10 parks being review a year.
4. The process starts with receiving 10% of residents complaining, collection of data, review of data, presentation to the Board of Housing and final determination and closing of each case would take around 80 hours.
5. With a total of 800 hours compared to a full year of 2,080 hours is around 40% of a mid-level FTE plus overhead.

Fiscal Note Request – As Introduced

(continued)

- It is estimated that FTE costs including benefits of \$82,250 times 40% = \$32,902 plus associated operating expenses of \$9,843 would be a total of \$42,745 the first year as the program was established. Expenses in the second year would total \$42,160 with increases at 1.5% per year thereafter.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.40	0.40	0.40	0.40
<u>Expenditures:</u>				
Personal Services	\$32,902	\$33,373	\$33,874	\$34,382
Operating Expenses	\$9,843	\$8,593	\$8,721	\$8,852
TOTAL Expenditures	<u>\$42,745</u>	<u>\$41,966</u>	<u>\$42,595</u>	<u>\$43,234</u>
<u>Funding of Expenditures:</u>				
Proprietary	\$42,745	\$41,966	\$42,595	\$43,234
TOTAL Funding of Exp.	<u>\$42,745</u>	<u>\$41,966</u>	<u>\$42,595</u>	<u>\$43,234</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Proprietary	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Proprietary	(\$42,745)	(\$41,966)	(\$42,595)	(\$43,234)

Technical Notes:

- Montana Board of Housing legal council would have to conduct an assessment of whether the role prescribed to the Board under SB 362 is within the purview of the Board and its enacting legislation under the Housing Act of 1975.

 Sponsor's Initials Date *XA*
 Budget Director's Initials *2/26/21*
 Date