



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0364 - Allow for independent subdivision reviews for past due applications (Knudsen, Casey )

**Status:** As Amended in House Committee

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$121,091	\$118,685	\$120,230	\$121,798
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$376,934)	(\$444,782)	(\$524,843)	(\$619,315)
<b>Net Impact-General Fund Balance:</b>	<u>(\$121,091)</u>	<u>(\$118,685)</u>	<u>(\$120,230)</u>	<u>(\$121,798)</u>

**Description of fiscal impact:** HB 364 allows for independent reviewers to conduct subdivision reviews and requires the Department of Environmental Quality (DEQ) to develop a curriculum and examination to certify subdivision reviewers. HB 364 requires DEQ to refund subdivision fees for deadline extensions requested by the department.

### FISCAL ANALYSIS

**Assumptions:**

- DEQ will require addition of 1.00 FTE engineer to develop the educational curriculum and examination to certify subdivision reviewers and prequalified applicants.
- Based on trending annual fee collection and upward market growth and review submittals, DEQ assumes an 18% increase in revenue for all subdivision review fees each fiscal year.
- DEQ assumes 17% of subdivision reviews would be self-certified and DEQ would not receive fees for those reviews decreasing the revenue proportionally.
- DEQ assumes no extensions would be necessary and no refunds would be issued.

- DEQ assumes no revenue collected for reviews completed by self-certified entities as it is not specified in the bill.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$95,396	\$95,714	\$96,960	\$98,225
Operating Expenses	\$25,695	\$22,971	\$23,270	\$23,574
<b>TOTAL Expenditures</b>	<b>\$121,091</b>	<b>\$118,685</b>	<b>\$120,230</b>	<b>\$121,798</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$121,091	\$118,685	\$120,230	\$121,798
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$121,091</b>	<b>\$118,685</b>	<b>\$120,230</b>	<b>\$121,798</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$376,934)	(\$444,782)	(\$524,843)	(\$619,315)
<b>TOTAL Revenues</b>	<b>(\$376,934)</b>	<b>(\$444,782)</b>	<b>(\$524,843)</b>	<b>(\$619,315)</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$121,091)	(\$118,685)	(\$120,230)	(\$121,798)
State Special Revenue (02)	(\$376,934)	(\$444,782)	(\$524,843)	(\$619,315)

**Effect on County or Other Local Revenues or Expenditures:**

- DEQ assumes 50% of current subdivision reviews completed by counties will go to independent reviewers reducing their annual subdivision review revenue by 50%.

**Technical Notes:**

- Changes to 76-4-105 (2)(b) and (c), MCA, conflict with changes to 76-4-114 (4), MCA. The former would require refunds for the second and third extension while the latter limits DEQ to one extension.
- Changes to 76-4-121, MCA, conflict with changes to 76-4-127 (3), MCA. The former would allow lots to be sold if the municipal or county water sewer district provides water, and/or sewer or storm water drainage. The latter requires the reviewing authority to approve services not provided by the municipal or county water/sewer district system. This would require the reviewing authority to issue a Certificate of Subdivision Approval so the project cannot be exempt from Sanitation Act review.
- Changes to 76-4-127(1), MCA, conflict with the definitions of “adequate county water and/or sewer district facilities” and “adequate municipal facilities” in 76-4-102, MCA, and with the title of 76-4-127, MCA.

**NOT SIGNED BY SPONSOR**  
~~Sponsor's Initials~~ **BY SPONSOR**

  
 Budget Director's Initials

3-15-23  
 Date