

Building Codes State Special Revenue

BUILDING CODES (02448)

Statutory References:

[50 60 104, MCA](#): The Building Codes Program establishes and enforces statewide building codes and generates funds through issuing permits and charging fees for inspections.

Fund Purpose and Restrictions:

Funds are used for the administration of this program, this includes funding for personal services, operating expenditures, and equipment.

Fiscal Snapshot

Fund Balance for the Building Codes Program									
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
01 Fund Balance	1,106,755	2,218,157	3,231,086	4,320,151	3,645,053	6,115,204	6,904,003	9,774,630	11,586,035
02 Revenue	4,552,110	4,810,946	4,765,665	4,911,256	5,885,053	5,488,035	7,610,034	7,293,618	5,888,401
03 Disbursements	(3,440,708)	(3,798,017)	(3,673,621)	(5,575,000)	(3,414,856)	(4,699,237)	(4,738,141)	(5,477,655)	(7,927,205)
Ending Fund Balance	2,218,157	3,231,086	4,323,129	3,656,407	6,115,249	6,904,003	9,775,896	11,590,593	9,547,231

Original Legislation

Enacted in 1969 and first funded in 1971.

Dependent Agencies:

Department of Labor and Industry

REVENUE SOURCES:

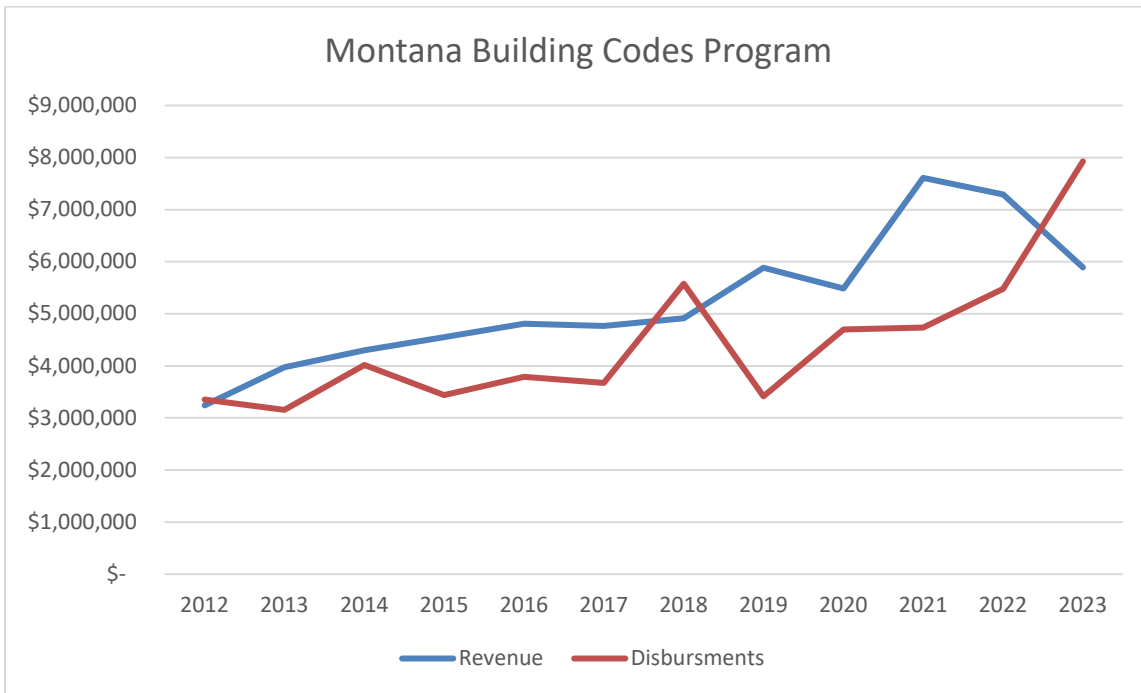
Fees are charged for inspection of:

- Plans and specifications
- Buildings
- Factory-build buildings
- Any other facility or structure

Permits are issued for the following:

- Buildings
- Electrical
- Factory built building
- Mechanical
- Plumbing

Revenue History:



In the last ten years, construction has been increasing in the State of Montana, resulting in increased revenues. To address this increase in revenues and increasing fund balance, the Department of Labor and Industry has implemented a reduction in fees. Additionally, there were spikes in disbursements in 2018 and in 2023. In 2018, there was a transfer of \$2.0 million from the building codes state special revenue fund to the general fund to purchase updated equipment. During the 2023 Legislative Session, the legislature approved another one-time-only transfer of \$2.3 million to purchase new equipment.

HISTORICAL UTILIZATION:

The fund has been primarily used to fund administrative personal services expenditures within the Department of Labor and Industry. Personal services expenditures have increased since 2019 primarily due to the reclassification for inspector workers who can now provide multiple types of inspections. The added complexity of the inspector jobs has led to an increase in inspector salaries. The agency did anticipate a decrease in costs related to travel. However, the agency did face rising inflation costs in the last three years that surpassed any anticipated savings. Additionally, there has been two large transfers of funding in 2018 and 2023 that were previously discussed.

Appropriations/Expenditure History:

Montana Building Codes Program Historical Expenditures

