



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0033: State buildings subject to state building code review

Primary Sponsor: Greg Hertz Status: As Introduced

Included in the Executive Budget Needs to be included in HB 2 Significant Local Gov Impact

Significant Long-Term Impacts Technical Concerns Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
State Special Revenue (02)	\$91,829	\$90,429	\$91,785	\$91,488
Revenues				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

SB 33 transfers responsibility for plan review, permitting, inspection, and building code enforcement for buildings owned or operated by state government to the Department of Labor and Industry (DLI) with results communicated back to the local jurisdiction. The fiscal impact will be the cost of 1.00 FTE to provide these services, to include salary, benefits, and equipment.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry (DLI)

1. The DLI will require 1.00 FTE classified as Building Code Inspector 1 located in Helena. Costs for salary and benefits for 1.00 FTE will be \$82,208 for FY 2026 and 2027, \$83,441 for FY 2028, and \$83,171 for FY 2029.
2. In addition to salary and benefits, there would be an increase in operating costs of \$8,221 for FY 2026 and FY 2027, \$8,344 for FY 2028, and \$8,317 for FY 2029 for the DLI cost allocation plan calculated at 10% of personal services.
3. One-time-only startup operating costs for equipment would be \$1,400 in FY 2026 including \$1,200 for a computer and \$200 for a cellular phone.
4. Fees to cover overhead and the costs of the inspections, as required by this legislation, will be set commensurate with costs.

Department of Administration

5. Regardless of a capital project's location within the state, the bill will place plan review and permitting for design and construction of all state-owned capital projects under the jurisdiction of the Department of Labor and Industry.

- SB 33 does not establish any new building regulations, and current Department of Administration staff can communicate the required information from the bill to the Department of Labor and Industry. This will therefore have minimal impact to the department's current workload.

Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	1.00	1.00	1.00	1.00
TOTAL Fiscal Impact	1.00	1.00	1.00	1.00
<u>Expenditures</u>				
Personal Services	\$82,208	\$82,208	\$83,441	\$83,171
Operating Expenses	\$9,621	\$8,221	\$8,344	\$8,317
TOTAL Expenditures	\$91,829	\$90,429	\$91,785	\$91,488
<u>Funding of Expenditures</u>				
State Special Revenue (02)	\$91,829	\$90,429	\$91,785	\$91,488
TOTAL Funding of Expenditures	\$91,829	\$90,429	\$91,785	\$91,488
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
State Special Revenue (02)	(\$91,829)	(\$90,429)	(\$91,785)	(\$91,488)

Technical Concerns

- The proposed new subsection (6) creates ambiguity in its reference to "state agency or state government entity" in that "state government entity" is not a defined term, nor is it clear how the term might be reasonably interpreted differently than state agency.
- The proposed new subsection (6) creates conflicting terms from the remainder of the Section by using the terms "local government agencies" and "local jurisdiction" when the remainder of the Section refers to cities, towns, and counties.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

1/8/25

Budget Director's Initials

1/7/2025

Date