

SENATE BILL NO. 262

1/26 Introduced
1/28 Referred to State Administration
1/29 Fiscal Note Requested
2/04 Fiscal Note Received
2/14 Hearing
2/15 Adverse Committee Report
2/15 Bill Killed

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 2 INTRODUCED BY Senate BILL NO. 262
Shaw Abrams Big

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CERTAIN
 5 STRUCTURES COSTING LESS THAN \$250,000 FROM BUILDING
 6 CONSTRUCTION STANDARDS; AMENDING SECTIONS 50-60-101 AND
 7 50-60-503, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN
 8 IMMEDIATE EFFECTIVE DATE."
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 50-60-101, MCA, is amended to read:
 12 "50-60-101. Definitions. As used in parts 1 through 4
 13 and part 7 of this chapter, unless the context requires
 14 otherwise, the following definitions apply:

15 (1) "Building" means a combination of any materials,
 16 whether mobile, portable, or fixed, to form a structure and
 17 the related facilities for the use or occupancy by persons
 18 or property. The word "building" shall be construed as
 19 though followed by the words "or part or parts thereof".
 20 The term does not include any structure the total original
 21 cost of which does not exceed \$250,000, except factory-built
 22 buildings and recreational vehicles under part 4 and
 23 elevators under part 7.

24 (2) "Building regulations" means any law, rule,
 25 resolution, regulation, ordinance, or code, general or

1 special, or compilation thereof enacted or adopted by the
 2 state or any municipality, including departments, boards,
 3 bureaus, commissions, or other agencies of the state or a
 4 municipality relating to the design, construction,
 5 reconstruction, alteration, conversion, repair, inspection,
 6 or use of buildings and installation of equipment in
 7 buildings. The term does not include zoning ordinances.

8 (3) "Construction" means the original construction and
 9 equipment of buildings and requirements or standards
 10 relating to or affecting materials used, including
 11 provisions for safety and sanitary conditions.

12 (4) "Department" means the department of
 13 administration provided for in Title 2, chapter 15, part 10.

14 (5) "Equipment" means plumbing, heating, electrical,
 15 ventilating, air conditioning, and refrigerating equipment,
 16 elevators, dumbwaiters, escalators, and other mechanical
 17 additions or installations.

18 (6) "Local building department" means the agency or
 19 agencies of any municipality charged with the
 20 administration, supervision, or enforcement of building
 21 regulations, approval of plans, inspection of buildings, or
 22 the issuance of permits, licenses, certificates, and similar
 23 documents prescribed or required by state or local building
 24 regulations.

25 (7) "Local legislative body" means the council or



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1 commission charged with governing the municipality.

2 (8) "Municipality" means any incorporated city or town
3 and its jurisdictional area as defined by subsection (9) of
4 this section.

5 (9) (a) "Municipal jurisdictional area" means the area
6 within the limits of an incorporated municipality unless the
7 area is extended at the written request of a municipality.

8 (b) Upon request, the council may approve extension of
9 the jurisdictional area to include:

10 (i) all or part of the area within 4 1/2 miles of the
11 corporate limits of a municipality;

12 (ii) all of any platted subdivision which is partially
13 within 4 1/2 miles of the corporate limits of a
14 municipality; and

15 (iii) all of any zoning district adopted pursuant to
16 Title 76, chapter 2, part 1 or 2, which is partially within
17 4 1/2 miles of the corporate limits of a municipality.

18 (c) Distances shall be measured in a straight line in
19 a horizontal plane.

20 (10) "Owner" means the owner or owners of the premises
21 or lesser estate, a mortgagee or vendee in possession,
22 assignee of rents, receiver, executor, trustee, lessee, or
23 other person, firm, or corporation in control of a building.

24 (11) "Recreational vehicle" means anything defined as a
25 recreational vehicle in the edition of NFPA No. 501C or ANSI

1 All19.2 most recently adopted by the state in accordance with
2 50-60-401.

3 (12) "State agency" means any state officer,
4 department, board, bureau, commission, or other agency of
5 this state.

6 (13) "State building code" means the state building
7 code provided for in 50-60-203 or any portion of the code of
8 limited application and any of its modifications or
9 amendments."

10 Section 2. Section 50-60-503, MCA, is amended to read:

11 "50-60-503. Exceptions. This part shall not be
12 construed to apply to or to affect plumbing installations in
13 any mines, mills, smelters, refineries, public utilities, or
14 railroads, or plumbing installations on farms having their
15 own individual water supply or sewage disposal system, or
16 plumbing installations in any structure the total original
17 cost of which does not exceed \$250,000."

18 NEW SECTION. Section 3. Extension of authority. Any
19 existing authority of the department of administration to
20 make rules on the subject of the provisions of this act is
21 extended to the provisions of this act.

22 NEW SECTION. Section 4. Applicability. This act
23 applies retroactively to all structures the construction of
24 which commenced on or after January 1, 1984.

25 NEW SECTION. Section 5. Effective date. This act is

LC 0599/01

1 effective on passage and approval.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 267-85Form BD-15

In compliance with a written request received January 29, 19 85, there is hereby submitted a Fiscal Note for S.B. 262 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill No. 262 exempts structures costing less than \$250,000 from building and plumbing standards at state and local level. The bill applies retroactively to all structures constructed after January 1, 1984.

ASSUMPTIONS:

1. Based on FY 84 records, the Department of Administration issued 463 building permits, with 45 projects being valued at over \$250,000 resulting in a 90% work reduction.
2. Based on FY 84 records, there were 985 plumbing permits issued, with 95 projects being valued at over \$250,000 resulting in a 90% work reduction.
3. Assume fees, impacted by legislation, collected after January 1, 1984 (effective date of legislation) would be refunded to applicants.
4. Since fees generated by permits fund the operation of the Building Code Division, the refunds would have to come from the General Fund.
5. Assume budget expenditures would be reduced in direct proportion to workload reductions.

FISCAL IMPACT:

	<u>FY 86</u>			<u>FY 87</u>		
	<u>Current</u>	<u>New Legislation</u>	<u>Total Reduction</u>	<u>Current</u>	<u>New Legislation</u>	<u>Total Reduction</u>
<u>Expenditures:</u>						
Personal Services	\$ 749,871	\$ 581,519	\$(168,352)	\$ 738,189	\$ 569,585	\$(168,604)
Operating Expenses	215,049	172,023	(43,026)	214,083	170,636	(43,447)
Capital Outlay	<u>159,256</u>	<u>139,485</u>	<u>(19,771)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
State Special Revenue	\$ 1,124,176	\$ 893,027	\$(231,149)	\$ 952,272	\$ 740,221	\$(212,051)
Fee Refund - General Fund		\$ 146,471	\$ 146,471			

David S. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 4, 1985
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AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Due to time constraints a survey of the 56 municipalities enforcing codes to determine how much the refunded permit fees would amount to was not possible. It can be assumed that a large percentage of their permit fees would have to be refunded.

Without inspection of a majority of the buildings in their jurisdictions, fire insurance rates, federal grant monies, land-use planning and other functions could be impacted, but these items are too extensive to establish dollar amounts on at this time.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

With a large percentage of Montana's structures exempt from inspections, fire insurance rates, fire incidents, structural failures and land-use planning problems will increase. Construction loans, federal grants and other related activities will also be impacted.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

The removal of many bars, restaurants and schools from inspection requirements for plumbing and construction will cause conflicts with Department of Health, Department of Social and Rehabilitation Services, Department of Revenue, Department of Commerce, and Office of Public Instruction who have legislation that relies on the activities of the Department of Administration and local code enforcement programs.