

Resolution #2022-10

ACCUMULATION OF BUILDING CODE FEE COLLECTIONS

BACKGROUND

Cities and towns who are certified to enforce the state building codes are allowed to charge for plan review and inspections. The fees charged, however, can only accumulate for an amount needed to enforce the codes for twelve months. (50-60-106, MCA) With the cyclical nature of development, in some years a 12-month accumulation is insufficient to fund the costs of a review and inspection program. A 36-month reserve would be a better cushion to weather the peaks and valleys of development. Without the ability to retain professional experienced reviewers during market lulls, municipalities must lay these employees off and rehire less experienced and knowledgeable inspectors when the market begins to pick up again. This results in slower review times with inspectors that are not as familiar with the building codes.

In addition, municipalities with certified building code enforcement programs are required by the Montana Department of Labor and Industry (DLI) to have the building code fee collection fund audited separately rather than as part of the city's annual audit. (ARM 24.301.208.) This results in the building code fee fund being audited twice, an unnecessary expenditure of taxpayer dollars that provides no additional information not already provided in the municipality's regular annual audit.

ACTION

The MLCT will sponsor legislation to allow municipalities certified to enforce the building codes to accumulate fees and charges needed to enforce building codes for thirty-six months and to require DLI to accept the municipality's annual audit as an acceptable audit of the building code fee collection fund.