



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: SB0404.02 (002): Require reporting of building permits for appraisal information

Primary Sponsor: Dave Fern Status: As Amended in Senate Committee

☐ 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				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact

SB 404 as amended in the Senate Local Government Committee requires local governments and the Department of Labor and Industry to send to the Department of Revenue in Helena notice of building permits monthly in order to identify new construction. This process is currently done voluntary. The change would make the timely transmittal of permit information a requirement. There will be no significant fiscal impact to the state. Local governments may see new property in their tax bases sooner. The amendment clarifies that the permit information should be transmitted to the DOR central office.

FISCAL ANALYSIS

Assumptions

Department of Revenue

1. SB 404 requires an electrical or new building permit granted by local governments or the Department of Labor and Industry to be reported to the Department of Revenue within one month of issuance.
2. Many local governments already report these permits to the department however their compliance is voluntary.
3. This mandatory reporting will assist the Department of Revenue in finding new property.
4. There are no anticipated costs associated with SB 404.

Department of Labor and Industry

5. The DLI Building Codes Bureau will establish a memorandum of understanding with the Department of Revenue to notify of new construction building or electrical permits. Current resources within the department will be utilized to set up the transfer of permit information.
6. This legislation does not have a fiscal impact on the DLI Building Codes Bureau.

Effect on County or Other Local Revenues or Expenditures

Department of Revenue

1. Under 15-10-420, MCA, local governments are allowed to grow their revenue base by incremental new property (in addition to the inflation adjustment). To the extent that new construction is picked up more rapidly and accurately, local governments may realize the revenue authority sooner.



Sponsor's Initials

3/26/25

Date



Budget Director's Initials

3/25/2025

Date