

LICENSED ESTABLISHMENT FEE CHANGES

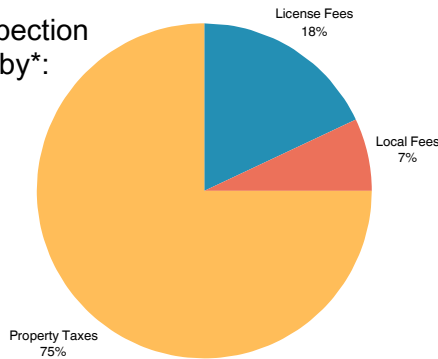
October 28, 2024

In 2023, state-mandated licensed establishment inspection programs cost more than 4.1 million dollars in local tax dollars in 35 counties.

License fees are set in state law and have not increased for 15 years, since 2009. Licensed establishment inspections protect the public from food borne illness, maintain clean environments, and support business operators in selling safe products and services to consumers.

Licensed establishment inspection program costs are covered by*:

- 75 percent of costs are covered by local property taxes.
- 18 percent of costs are reimbursed through license fees.
- 7 percent of costs are reimbursed by local fees only used by some counties (temporary food service permits, plan review).



County costs of this state-mandated program have gone up significantly – an average of 137 percent – among counties that reported information for 2008 and 2023. Since 2009, the cost of living alone has increased by 46 percent.**

*2023 data is based on self-reported data from 35 counties, representing about 88 percent of the population in Montana. **Consumer Price Index Inflation Calculator, US Bureau of Labor Statistics, https://www.bls.gov/data/inflation_calculator.htm, accessed 2/22/24.

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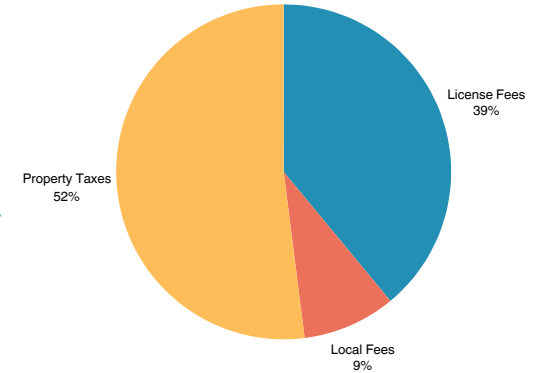


Creating a Fairer Fee System Based on Business Size and Complexity Reduces Reliance on Property Taxes

During the 2025 Legislature, the Montana Environmental Health Association seeks to adjust annual license fees in order to reduce the disproportionate reliance on local property tax subsidies.

The proposed adjustment:

- Achieves a funding split closer to 50 percent between local taxpayers and license fees.
- Recognizes that establishments with more employees take more resources to perform an inspection.
- Adds new categories and increases current fees fairly.



Establishment Type	Current Fee	Proposed Adjustment
Retail Food Small (1-2)*	\$85	\$100
New: Retail Food Medium (3-5)*	\$115	\$200
Retail Food Large (6-10)*	\$115	\$300
New: Retail Food Extra Large (11+)*	\$115	\$400
Food Wholesale/Manufacturer	\$115	\$225
Public Accommodations Small (1-10 rooms)**	\$40	\$100
Public Accommodations Medium (11-25 rooms)**	\$80	\$175
Public Accommodations Large (26+ rooms)**	\$160	\$250
Trailer Court/Campground Small (1-10 sites)	\$40	\$80
Trailer Court/Campground Medium (11-25 sites)	\$60	\$125
Trailer Court/Campground Large (26+ sites)	\$120	\$250
New: Seasonal Spa	\$75	\$100
Year-round Spa	\$75	\$150
New: Seasonal Pool	\$200	\$250
Year-round Pool	\$200	\$375

* Retail Food: Number of employees working at the establishment at any given time.

**Proposed change: Hotels and motels that serve food would be required to hold a retail food license based on the number of employees serving and preparing food.