LICENSED ESTABLISHMENT FEE INCREASES

Counties bear the majority of the cost of Montana’s Licensed Establishment Program. License fees are set in state law and have not increased since 2009. Licensed establishment inspections protect the public from foodborne illness, maintain clean environments, and support business operators in selling safe products and services to consumers.

WHY INCREASE FEES?
State-mandated licensed establishment inspection programs cost more than **3.8 million dollars in local tax dollars statewide.**

Licensed establishment inspection program costs are covered by:

- 75 percent of costs are covered by local property taxes.
- 17 percent of costs are reimbursed through license fees.
- 8 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 24 counties, representing about 78 percent of the population in Montana.

WHO WILL BENEFIT?
Everyone. Licensed establishment inspections benefit local residents and visitors as well as new and longtime business operators. Taxpayers and businesses should more evenly split the cost of this program.

GET INVOLVED
- Stay connected on this topic with your registered sanitarian and/or public health director.
- Tell us what you think.
- Talk with your State Representatives about why fee increases are needed during this interim.

NEXT STEPS
- **March:** Make sure your county submitted their data (see below).
- **April:** Registered sanitarians will discuss specific policy proposals at the statewide Confluence/MEHA conference.
- **Summer:** Outreach and conversations with the business community.

See backside for additional information.

Need data from: Anaconda-Deer Lodge, Beaverhead, Blaine, Broadwater, Carter*, Custer, Daniels, Garfield, Glacier, Granite, Hill, Jefferson, Judith Basin, Mineral, Musselshell, Park, Petroleum, Phillips, Pondera, Powder River, Powell, Ravalli, Rosebud, Sanders*, Sheridan, Stillwater, Sweet Grass, Teton, Treasure, Wheatland, and Wibaux. If you govern one of these counties, please encourage your registered sanitarian to respond – we want to be able to show the legislature a complete picture of the issue from across the state. (*Currently working with Sanders and Carter to get the data.)
Increasing Licensed Establishment Fees

Licensed Establishments are those businesses that are required to be licensed through DPHHS and are inspected by Registered Sanitarians. These include food services (coffee huts, restaurants, grocery stores, etc), public lodging (hotels, motels, B and Bs, tourist homes, etc), pools and spas, and campgrounds and trailer courts.

Annual license fees are low compared to the actual cost to counties. Counties get a percentage of these fees to hire and train sanitarians, inspect the businesses, follow up on issues and investigate complaints.

<table>
<thead>
<tr>
<th>Establishment Type</th>
<th>Current Fee</th>
<th>State Retains</th>
<th>County Reimbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Food Small</td>
<td>$85</td>
<td>$8.50</td>
<td>$76.50</td>
</tr>
<tr>
<td>Retail Food Large</td>
<td>$115</td>
<td>$11.50</td>
<td>$103.50</td>
</tr>
<tr>
<td>Wholesale Food</td>
<td>$115</td>
<td>$11.50</td>
<td>$103.50</td>
</tr>
<tr>
<td>Public Accommodations - Small</td>
<td>$40</td>
<td>$6.00</td>
<td>$34.00</td>
</tr>
<tr>
<td>Public Accommodations - Med</td>
<td>$80</td>
<td>$12.00</td>
<td>$68.00</td>
</tr>
<tr>
<td>Public Accommodations - Large</td>
<td>$160</td>
<td>$24.00</td>
<td>$136.00</td>
</tr>
<tr>
<td>Trailer Court/Campground - Small</td>
<td>$40</td>
<td>$6.00</td>
<td>$34.00</td>
</tr>
<tr>
<td>Trailer Court/Campground - Med</td>
<td>$60</td>
<td>$9.00</td>
<td>$51.00</td>
</tr>
<tr>
<td>Trailer Court/Campground - Large</td>
<td>$120</td>
<td>$18.00</td>
<td>$102.00</td>
</tr>
<tr>
<td>Pools</td>
<td>$200</td>
<td>$30.00</td>
<td>$170.00</td>
</tr>
<tr>
<td>Spas</td>
<td>$75</td>
<td>$11.25</td>
<td>$63.75</td>
</tr>
</tbody>
</table>

Montana’s Licensed Establishment Program:

- **Prevents foodborne illness.** The Centers for Disease Control and Prevention (CDC) estimates that 1 in 6 people get sick from foodborne illnesses each year. Foodborne illness effects can range from feeling nauseous enough to miss work to hospitalization or even death. Inspections reduce the incidence of foodborne illnesses by providing operators with the information they need to establish and maintain safe food handling practices, and by pointing out where they need to make improvements.

- **Provides invaluable information to business operators.** Plan review, inspections, complaint follow up and training let operators know where they need to shore up practices to keep consumers safe, to meet the state standards, and to protect their bottom line.

- **Protects consumers.** By helping operators understand and comply with regulations ranging from requiring clean sheets between guests to eradicating bed bugs to ensuring clean water and adequate sewer systems, Montana’s licensed establishment program helps protect consumer safety in hotels, motels, pools, spas, trailer courts and campgrounds.

Preliminary Policy Ideas

1. Use the existing fee structure and propose a percentage increase for each license type, or
2. Consider ways to improve equity in fee structure, without making it complicated, and/or
3. Propose new categories, which could include:
   - **For larger food establishments:** Currently, there are only two categories, those with two or fewer employees and those with more than two employees. However, some businesses, such as large grocery stores with delis and other departments, and food service complexes with multiple kitchens under one owner, take significantly more time to inspect than a large coffee shop.
   - **For year-round pools and spas:** Year-round pools and spas take more time than seasonal pools and spas because they have to be inspected twice a year.
   - **For public lodging that also serves food:** Currently, food service in hotels, motels, etc. are exempt from food licensing but subject to the food rules and pay the same fee as a lodging facility without any food service.