



Subdivision Annual Report to the Environmental Quality Council



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Montana Department of Environmental Quality

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1.0 Executive Summary

The Subdivision Section has continued to complete the vast majority of our reviews on-time in Fiscal Year 2025 (FY25). In FY25 the program logged 1071 new project applications and only 5 of them were processed beyond statutory timeframes (>99.5% on-time). The Subdivision Section is currently fully staffed and operating efficiently.

2.0 Purpose of the Sanitation in Subdivisions Act

The main purpose of the Sanitation in Subdivisions Act (Title 76-4, MCA) is to protect water quality for drinking and other beneficial uses. This includes agriculture, industry, recreation, and wildlife use. Protections are accomplished by the Department of Environmental Quality (Department) review and approval of subdivision water, wastewater, solid waste, and storm water facilities for compliance with minimum design standards and administrative rules prior to recording a new subdivision with the County Clerk and Recorder.

A secondary purpose of the Sanitation in Subdivisions Act is to provide consumer protection to future landowners. These protections assure future landowners that their properties can be developed using safe drinking water and wastewater practices. Title 76-4-116, MCA, requires the Department to report annually to the Environmental Quality Council about review procedures adopted under the Sanitation Act and to recommend whether statutory changes should be made to the process.

Statutory Authority

The Sanitation in Subdivisions Act:

- Identifies which parcels require Sanitation review,
- Identifies which parcels are statutorily exempt from Sanitation review,
- Requires the Department to adopt rules for water, wastewater, and storm water facilities applicable to subdivision activities,
- Establishes procedures for Counties to review subdivisions under contract with the Department,
- Requires that property purchasers be notified of the approved facilities,
- Prohibits County Clerks from recording a new subdivision until it is approved or has a valid exemption,
- Establishes review procedures and timelines,
- Establishes subdivision review fees and program funding; and,
- Describes prohibited actions under the Sanitation Act and their enforcement.

Review Scope

Subdivision regulation in Montana began in 1961. The size and type of parcels that require review have changed several times since regulation began. Under the Sanitation Act, the current definition of a “subdivision” is:

"Subdivision" means a division of land or land so divided that creates one or more parcels containing less than 20 acres, exclusive of public roadways, in order that the title to or possession of the parcels may be sold, rented, leased, or otherwise conveyed and includes any resubdivision, any condominium, townhome, or townhouse, or any parcel, regardless of size, that provides two or more permanent spaces for recreational camping vehicles or mobile homes.

Review under the Sanitation Act covers water, wastewater, solid waste, and stormwater facilities to ensure that both public and environmental health remain protected in all land development proposals.

Water Systems. Water system review ensures that there is adequate water quality, quantity, and dependability to serve a proposed subdivision.

Wastewater Systems. Wastewater system review ensures wastewater treatment systems will not negatively impact ground or surface water. In addition to complying with the wastewater system design standards, new wastewater treatment systems are required to submit a non-degradation analysis in accordance with Title 75-5, MCA.

Solid Waste Systems. Review of solid waste plans ensures that a proposed subdivision will be provided with adequate garbage disposal.

Storm Water Systems. Storm water review ensures that additional storm water runoff generated from a development during certain storm events does not negatively impact adjacent properties and roads.

3.0 Subdivision Section

The Subdivision Section is in the Engineering Bureau of DEQ's Water Quality Division. The Section consists of a Supervisor, five Sanitarian reviewers, one Data Control Specialist, one Program Support Specialist and one Water Quality Modeler. Subdivision work requiring review by a professional engineer is done by the companion Plan and Spec Engineering Section. The Engineering Section consists of one supervisor and nine permanent review engineer positions.

The Subdivision Section's primary goals and objectives are to:

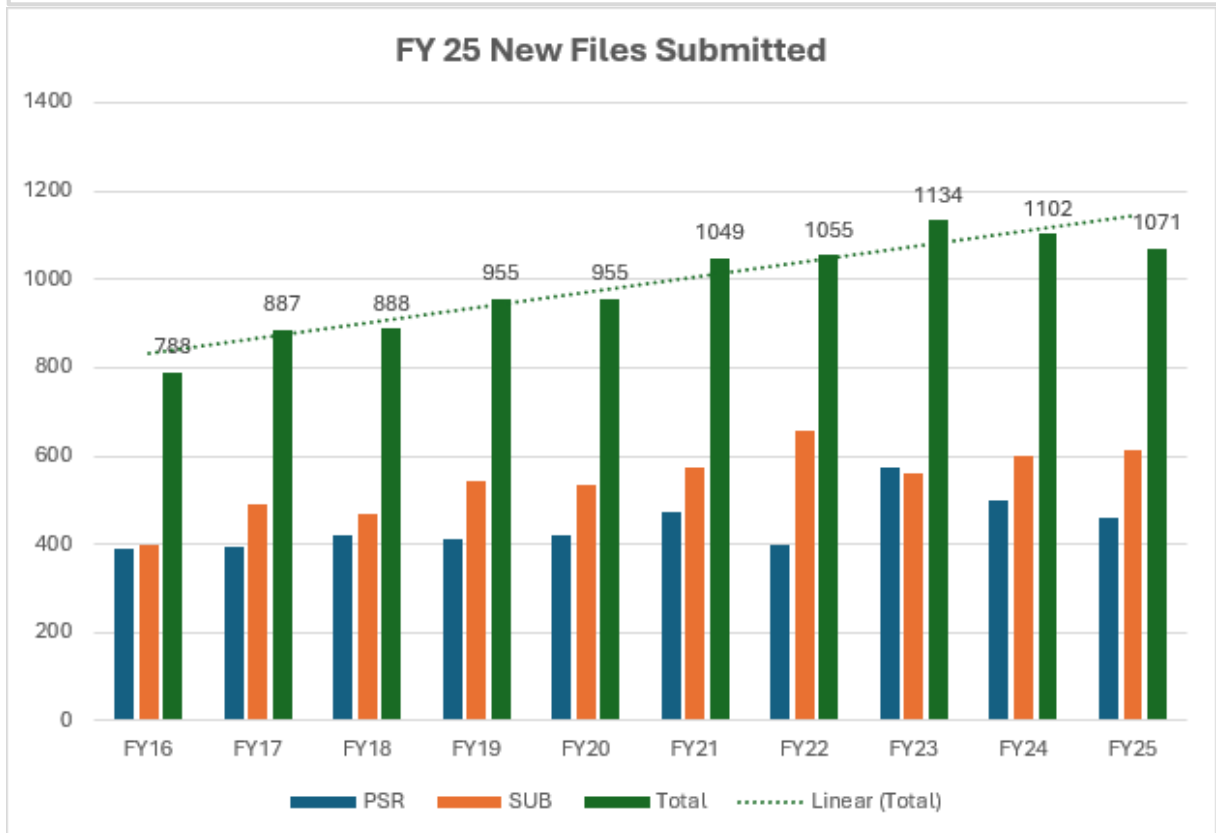
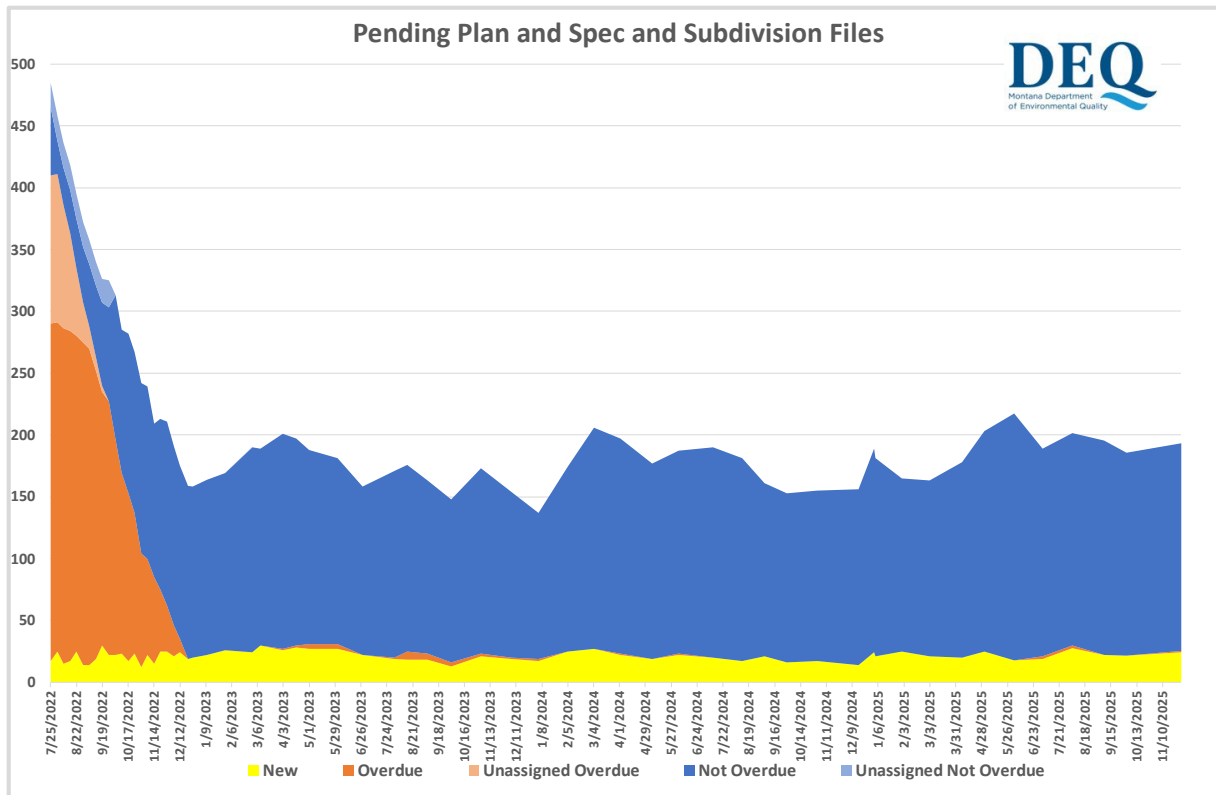
- Provide comprehensive review of water, wastewater, solid waste and storm water facilities that protect public health and the environment while still allowing for reasonable development; and,
- Provide efficient review of sanitation infrastructure and subdivisions to protect public health and water quality within the deadlines set by statute and rule.

4.0 FY25 Goals and Assessment

Subdivision Section FY25 program goals, objectives and achievements included:

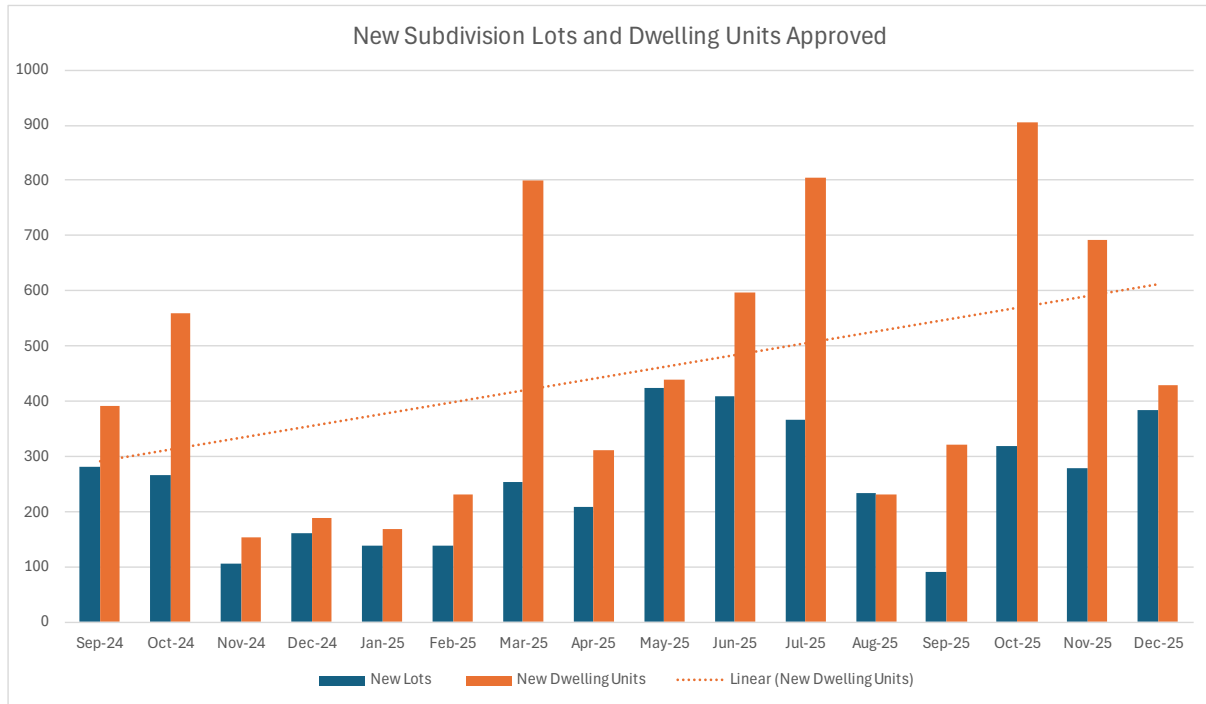
Goal	Objective	Achievements
Continue work on the Non-Degradation Circular update	To revise and codify the Non-Degradation Manual into a Circular	Circular 35% Complete
Provide at least 2 trainings for Contracted Counties, DEQ review staff, and Consultants.	To ensure reviews are completed consistently.	4 trainings provided
Have DEQ staff attend at least one field visit/site inspection annually	To provide opportunities for professional growth within DEQ workforce and ensure a positive and active presence in MT communities	100% complete
Utilize and train users on the electronic submission and review program.	To save mail time for consultants, developers, and reviewers.	System was successfully utilized in FY25 by DEQ, Counties and the Public. 100% complete
Complete 99% of Department Subdivision reviews within statutory timeframes.	To ensure subdivision approval is consistently on-time.	98.13% of files completed on time.

The Section is proud of the achievements made in FY25. Despite experiencing challenges due to changes in staffing and the statewide roll-out of a new electronic application system, this program succeeded in meeting our stated goals for the year. The chart below shows FY22-FY25 trends in overdue applications (depicted in orange). Less than 0.05% of files were processed in excess of statutory timeframes in FY25.



The chart above shows the number of new Public Water/Wastewater applications decreased very slightly in FY25 while there was again an increase in new Subdivision

applications for the second year in a row. FY25 saw the greatest number of new Subdivision applications in the last 10 years with the exception of FY22.



The chart above shows the number of new parcels of land and residential living units approved by the Subdivision and Engineering Sections per month in FY25 starting in September. The Sections together approved 3,240 new parcels and 5,933 new living units across MT in the last three quarters of FY25. The Department estimates that in the entirety of FY25 approximately 4,320 new parcels and 7,911 new living units were approved in total. This data does not include lots and units for files approved by County Health Departments which were reviewed under contract. The program intends to summarize that additional data in FY26.

The 2025 Legislature passed the following bills related to subdivisions:

- HB180- Requiring Local Boards of Health to propose for adoption to the local governing body regulations which prohibit the construction of a subsurface wastewater treatment system if the associated mixing 25 zone would encroach onto adjacent property, except as allowed in 76-4-104(7)(i)
- HB534- Providing that an eligible Sewer and/or Water District may connect to a water or wastewater system beyond its rated capacity if authorized by an approved development plan.
- HB629- Requiring Municipalities and/or County Sewer/Water Districts to allow connections to water and sewer if within 1000' of the development

- HB681- Requiring certain elements related to water rights under Title 76-3, MCA (Platting Act) review.
- HB923- Revised categorical exclusions from a non-degradation authorization.
- SB532- Allowing for 15-day expedited DEQ subdivision review under Title 76-4 MCA if the proposed development consists of the addition of an accessory dwelling unit and the property has existing public water and wastewater services
- SB262- Exempting Subdivisions from the requirements of the Montana Environmental Protection Act (MEPA)

5.0 FY26 Goals and Objectives

Department Goals for FY26 include:

Goal	Objective	Measurement
Continue the development of the Non-Degradation Circular	To make submittals easier and to clarify requirements so there are fewer requests for additional information	% progress made
Provide State-wide training opportunities for Contracted Counties, DEQ review staff and independent reviewers at least two times	To ensure reviews are completed consistently	Number of training events provided.
Provide training for consultants	To ensure consultants understand what is needed so there are fewer requests for additional information	Number of training events provided.
Advance to sole use of the online application system by July 2026	To increase review efficiencies for consultants, developers, and reviewers	Achieve by July 1, 2026
Have DEQ staff attend at least one field visit/site inspection annually	To provide opportunities for professional growth within DEQ workforce and ensure a positive and active presence in MT communities	% complete
Audit at least one of each DEQ-Subdivision Section Reviewer's completed files	To ensure consistency within the agency	% of staff audits completed

Complete 99% of Department Subdivision reviews within statutory timeframes	To ensure subdivision approval is consistently on-time	Percentage of active files that are on-time
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6.0 Proposed Legislation

The Department has no legislative recommendations pertaining to the Subdivision program at this time.

6.0 Budgetary Considerations

Preliminary estimates indicate a fee increase may be needed to ensure the program remains properly funded. In FY26, the Department will be working to more accurately identify potential need for a fee increase through future rulemaking.