

SENATE BILL NO. 54

INTRODUCED BY FACEY, LEWIS

BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING WORKERS' COMPENSATION COVERAGE FOR VOLUNTEER FIREFIGHTERS; ~~REQUIRING EACH COUNTY GOVERNING BODY TO ESTABLISH A FUND FOR PAYING VOLUNTEER FIREFIGHTERS' WORKERS' COMPENSATION PREMIUMS; ALLOWING COUNTY GOVERNING BODIES TO IMPOSE A PERMISSIVE LEVY FOR PAYMENT OF PREMIUMS FOR VOLUNTEER FIREFIGHTERS; EXCLUDING CERTAIN CITIES FROM THE PROPERTY TAX PERMISSIVE LEVY FOR VOLUNTEER FIREFIGHTERS' WORKERS' COMPENSATION;~~ REVISING PREMIUM AND BENEFIT PROVISIONS FOR VOLUNTEER FIREFIGHTERS AND CERTAIN VOLUNTEER EMERGENCY MEDICAL TECHNICIANS; SUPERSEDING THE UNFUNDED MANDATE LAWS; AMENDING SECTIONS 7-6-621, 7-33-2109, 7-33-2209, 7-33-2403, 7-33-4111, 15-10-420, 39-71-118, 39-71-123, AND 39-71-401, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Workers' compensation for volunteer firefighters -- definitions.** (1) As

of July 1, ~~2014~~ 2015, an employer shall provide workers' compensation coverage as provided in Title 39, chapter 71, to any volunteer firefighter who is listed on a roster of service.

(2) An employer may purchase workers' compensation coverage from any entity authorized to provide workers' compensation coverage under plan No. 1, 2, or 3 as provided in Title 39, chapter 71.

~~(3) (a) Except as provided in subsections (3)(b) and (3)(c), an employer shall by the first Tuesday in September of each year certify to the county governing body the dollar amount of workers' compensation premiums paid or expected to be paid for the employer's volunteer firefighters' annual policy period.~~

~~(b) (i) By September 3, 2013, an employer not exempted under [section 3(6)] shall provide the county governing body with an estimate of the dollar amount anticipated as necessary to provide annual workers' compensation coverage, starting no later than July 1, 2014, for volunteer firefighters as provided in this section.~~

~~(i) An employer that has provided volunteer firefighters with workers' compensation coverage with funding subject to the limitations in 15-10-420 may choose to provide coverage through the permissive levy~~



1 allowed in [section 3] and, if that choice is made, shall base the estimated dollar amount under subsection (3)(b)(i)
 2 on actual coverage costs.

3 ~~—— (c) An employer exempted under [section 3(6)] is not subject to the reporting requirements in this
 4 subsection (3) unless the employer requests funding under the permissive levy provided for in [section 3].~~

5 ~~—— (4) The county governing body shall reimburse employers the actual costs as certified in subsection (3)
 6 for the workers' compensation coverage for volunteer firefighters from the fund established in [section 2].~~

7 ~~—— (5) An employer shall file a roster of service with the clerk and recorder in the county in which the
 8 employer is located and update the roster of service monthly if necessary to report changes in the number of
 9 volunteers on the roster of service. The clerk and recorder shall file the original and replace it with updates
 10 whenever necessary.~~

11 ~~(6)(3)~~ For the purposes of this section, the following definitions apply:

12 (a) (i) "Employer" means the governing body of a fire agency organized under Title 7, chapter 33,
 13 including a rural fire district, a fire service area, a volunteer fire department, a volunteer fire company, or a
 14 volunteer rural fire control crew.

15 (ii) The term does not mean a governing body of a city of the first class or second class, including a city
 16 to which 7-33-4109 applies, that on or after July 1, ~~2014~~ 2015, provides workers' compensation coverage to
 17 employees as defined in 39-71-118.

18 (b) "Roster of service" means the list of volunteer firefighters who have filled out a membership card
 19 similar to that required under the Volunteer Firefighters' Compensation Act in Title 19, chapter 17, and that is filed
 20 with the county clerk and recorder.

21 (c) (i) "Volunteer firefighter" means a volunteer who is on the employer's roster of service. A volunteer
 22 firefighter includes a volunteer emergency medical technician as defined in 50-6-202 who is on the roster of
 23 service. A volunteer firefighter is not required to be an active member as defined in 19-17-102.

24 (ii) The term does not mean an individual who is not listed on a roster of service or a member of a
 25 volunteer fire department provided for in 7-33-4109.

26

27 ~~—— NEWSECTION. Section 2. Fund for volunteer firefighters' workers' compensation. (1) Each county
 28 governing body shall establish a special revenue fund known as the volunteer firefighters' workers' compensation
 29 fund.~~

30 ~~—— (2) Levies imposed pursuant to [section 3] must be placed in the fund.~~

1 ~~———— (3) Expenditures from the fund may be made only to provide reimbursements to employers, as defined~~
 2 ~~in [section 1], for workers' compensation premiums required by [section 1].~~

3 ~~———— (4) Money in the fund must be invested as provided in 7-6-202. Interest and income from the investment~~
 4 ~~of money in the fund must be credited to the fund.~~

5
 6 ~~———— **NEW SECTION. Section 3. County tax levy to pay volunteer firefighters' workers' compensation**~~
 7 ~~**coverage.** (1) Subject to subsection (6), the county governing body shall levy an annual property tax in the~~
 8 ~~amount necessary to:~~

9 ~~———— (a) fund premiums for workers' compensation for volunteer firefighters as provided in [section 1]; and~~

10 ~~———— (b) establish a reserve in accordance with 7-6-4034(2)(a).~~

11 ~~———— (2) The amount determined in subsection (1) is not subject to the mill levy limitation provided for in~~
 12 ~~15-10-420. Levies implemented under this section must be calculated separately from the mill levies calculated~~
 13 ~~under 15-10-420 and are not subject to the inflation factor described in 15-10-420(1)(a).~~

14 ~~———— (3) Subject to subsection (6), volunteer firefighters' workers' compensation premiums that are paid wholly~~
 15 ~~or in part from user charges generated by proprietary funds, as defined by generally accepted accounting~~
 16 ~~principles, are included in the amount exempted from the mill levy calculation limitation provided for in 15-10-420.~~

17 ~~———— (4) If tax-billing software is capable, the county treasurer shall list separately the cumulative mill levy or~~
 18 ~~dollar amount on the tax notice sent to each taxpayer under 15-16-101(2). The dollar amount must also be~~
 19 ~~reported to the department of administration pursuant to 7-6-4003.~~

20 ~~———— (5) The mill levy must be described as the permissive volunteer firefighters' workers' compensation levy.~~

21 ~~———— (6) Property located within the boundaries of any incorporated city or town that on or after July 1, 2014,~~
 22 ~~provides workers' compensation coverage to employees as defined in 39-71-118 is not subject to the levy~~
 23 ~~provided for in this section.~~

24
 25 ~~———— **NEW SECTION. Section 4. Public hearing requirement.** Each year prior to implementing a levy as~~
 26 ~~provided in [section 3] and after giving notice of a hearing as provided in 7-1-2121, the county governing body~~
 27 ~~shall hold a public hearing regarding implementation of the levy.~~

28
 29 **Section 2.** Section 7-6-621, MCA, is amended to read:

30 **"7-6-621. Volunteer firefighters' disability income insurance authorized -- voted levy -- fund. (1)**

1 Disability income insurance, as defined in 33-1-235, may be purchased for volunteer firefighters, must provide
2 that:

- 3 ~~_____ (a) payments or benefits are paid only for an injury received as a volunteer firefighter; and~~
- 4 ~~_____ (b) the duration of payments or benefits may not exceed the lesser of 1 year or until the treating~~
5 ~~physician determines that the beneficiary is no longer disabled Disability income insurance purchased under this~~
6 ~~section is not the same as workers' compensation coverage required under [section 1].~~

7 (2) If the voters have approved a levy for the purchase of volunteer firefighters' disability income
8 insurance ~~or workers' compensation coverage~~ OR WORKERS' COMPENSATION COVERAGE, the governing body of a
9 local government entity may establish a volunteer firefighters' disability income insurance account. The governing
10 body may hold money in the account for any time period considered appropriate by the governing body. Money
11 held in the account may not be considered as cash balance for the purpose of reducing mill levies.

12 (3) Money may be expended from the account to purchase disability income insurance coverage ~~meeting~~
13 ~~the provisions of subsection (1) or for workers' compensation coverage~~ only MEETING THE PROVISIONS OF
14 SUBSECTION (1) OR FOR WORKERS' COMPENSATION COVERAGE for volunteer firefighters organized or deployed
15 pursuant to any of the provisions of Title 7, chapter 33, parts 21 through 24 or 41.

16 (4) Money in the account must be invested as provided by law. Interest and income from the investment
17 of money in the account must be credited to the account."

18
19 ~~_____ **Section 6.** Section 7-33-2109, MCA, is amended to read:~~

20 ~~_____ "**7-33-2109. Tax levy, debt incurrence, and bonds authorized -- voted levy for volunteer**~~
21 ~~**firefighters' disability income or workers' compensation coverage.** (1) At the time of the annual levy of taxes,~~
22 ~~the board of county commissioners may, subject to 15-10-420, levy a tax upon all property within a rural fire~~
23 ~~district for the purpose of buying or maintaining fire protection facilities, including real property, and apparatus,~~
24 ~~including emergency response apparatus, for the district or for the purpose of paying to a city, town, or private~~
25 ~~fire service the consideration provided for in any contract with the council of the city, town, or private fire service~~
26 ~~for furnishing fire protection service to property within the district. The tax must be collected as are other taxes.~~
27 ~~The tax under this section is not the same as the permissive levy provided for in [section 3].~~

28 ~~_____ (2) Subject to 15-10-425, the board of county commissioners may levy a tax upon all taxable property~~
29 ~~within a rural fire district for the purpose of purchasing disability income insurance coverage or workers'~~
30 ~~compensation coverage for the volunteer firefighters of the district as provided in 7-6-621.~~



1 ~~_____ (3) The board of county commissioners or the trustees, if the district is governed by trustees, may pledge~~
 2 ~~the income of the district, subject to the requirements and limitations of 7-33-2105(1)(d), to secure financing~~
 3 ~~necessary to procure equipment and buildings, including real property, to house the equipment.~~

4 ~~_____ (4) In addition to the levy authorized in subsection (1), a district may borrow money by the issuance of~~
 5 ~~bonds to provide funds for the payment of all or part of the cost of buying or maintaining fire protection facilities,~~
 6 ~~including real property, and apparatus, including emergency response apparatus, for the district.~~

7 ~~_____ (5) The amount of debt incurred pursuant to subsection (3) and the amount of bonds issued pursuant~~
 8 ~~to subsection (4) and outstanding at any time may not exceed 1.1% of the total assessed value of taxable~~
 9 ~~property, determined as provided in 15-8-111, within the district, as ascertained by the most recent assessment~~
 10 ~~for state and county taxes prior to the incurrence of debt or the issuance of the bonds.~~

11 ~~_____ (6) The bonds must be authorized, sold, and issued and provisions must be made for their payment in~~
 12 ~~the manner and subject to the conditions and limitations prescribed for the issuance of bonds by counties under~~
 13 ~~Title 7, chapter 7, part 22."~~

14
 15 ~~_____ Section 7. Section 7-33-2209, MCA, is amended to read:~~

16 ~~_____ "7-33-2209. Finance of fire control activities -- voted levy for volunteer firefighters' disability~~
 17 ~~income insurance or workers' compensation coverage. (1) The county governing body may appropriate funds~~
 18 ~~for the purchase, care, and maintenance of firefighting equipment or for the payment of wages in prevention,~~
 19 ~~detection, and suppression of fires.~~

20 ~~_____ (2) Subject to 15-10-420, if the general fund is budgeted to the full limit, the county governing body may,~~
 21 ~~at any time fixed by law for levy and assessment of taxes, levy a tax for the purposes of subsection (1).~~

22 ~~_____ (3) Subject to 15-10-425, the county governing body may levy a tax for the purpose of purchasing~~
 23 ~~disability income insurance coverage or workers' compensation coverage for volunteer firefighters of volunteer~~
 24 ~~rural fire control crews and county volunteer fire companies as provided in 7-6-621."~~

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 26 ~~_____ Section 8. Section 7-33-2403, MCA, is amended to read:~~

27 ~~_____ "7-33-2403. Operation of fire service area -- voted levy for volunteer firefighters' disability income~~
 28 ~~insurance or workers' compensation coverage. (1) Whenever the board of county commissioners has~~
 29 ~~established a fire service area, the commissioners may:~~

30 ~~_____ (a) govern and manage the affairs of the area;~~

1 ~~_____ (b) appoint five qualified trustees to govern and manage the affairs of the area; or~~

2 ~~_____ (c) authorize the election of five qualified trustees to govern and manage the affairs of the area. The term~~
3 ~~of office and procedures for nomination and election are the same as those provided for election of rural fire~~
4 ~~district trustees in 7-33-2106.~~

5 ~~_____ (2) Subject to 15-10-425, the commissioners may levy a tax upon all property within the county for the~~
6 ~~purpose of buying disability income insurance coverage or workers' compensation coverage for volunteer~~
7 ~~firefighters deployed within the fire service area as provided in 7-6-621.~~

8 ~~_____ (3) If the commissioners appoint trustees under subsection (1), the provisions of 7-33-2105 apply and~~
9 ~~7-33-2106 applies whether the trustees are elected or appointed, except that the trustees shall prepare annual~~
10 ~~budgets and request a schedule of rates for the budget."~~

11

12 ~~_____ Section 9. Section 7-33-4111, MCA, is amended to read:~~

13 ~~_____ "7-33-4111. Tax levy for volunteer fire departments -- voted levy for volunteer firefighters'~~
14 ~~disability income insurance or workers' compensation coverage. (1) For the purpose of supporting volunteer~~
15 ~~fire departments in any city or town that does not have a paid fire department and for the purpose of purchasing~~
16 ~~the necessary equipment for them, the council in any city or town may, subject to 15-10-420, levy, in addition to~~
17 ~~other levies permitted by law, a tax on the taxable value of all taxable property in the city or town.~~

18 ~~_____ (2) Subject to 15-10-425, a city or town may levy a tax on the taxable value of all taxable property in the~~
19 ~~city or town for the purpose of purchasing disability income insurance coverage or workers' compensation~~
20 ~~coverage for volunteer firefighters of volunteer fire departments as provided in 7-6-621.~~

21 ~~_____ (3) The levies in subsections (1) and (2) are not the same as the permissive levy provided for in section~~
22 ~~91."~~

23

24 ~~_____ Section 10. Section 15-10-420, MCA, is amended to read:~~

25 ~~_____ "15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a~~
26 ~~governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount~~
27 ~~of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3~~
28 ~~years. The maximum number of mills that a governmental entity may impose is established by calculating the~~
29 ~~number of mills required to generate the amount of property tax actually assessed in the governmental unit in the~~
30 ~~prior year based on the current year taxable value, less the current year's value of newly taxable property, plus~~

1 ~~one-half of the average rate of inflation for the prior 3 years.~~

2 ~~—— (b) A governmental entity that does not impose the maximum number of mills authorized under~~
3 ~~subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between~~
4 ~~the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority~~
5 ~~carried forward may be imposed in a subsequent tax year.~~

6 ~~—— (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of~~
7 ~~inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using~~
8 ~~the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.~~

9 ~~—— (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional~~
10 ~~levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly~~
11 ~~taxable property.~~

12 ~~—— (3) (a) For purposes of this section, newly taxable property includes:~~

13 ~~—— (i) annexation of real property and improvements into a taxing unit;~~

14 ~~—— (ii) construction, expansion, or remodeling of improvements;~~

15 ~~—— (iii) transfer of property into a taxing unit;~~

16 ~~—— (iv) subdivision of real property; and~~

17 ~~—— (v) transfer of property from tax-exempt to taxable status.~~

18 ~~—— (b) Newly taxable property does not include an increase in value that arises because of an increase in~~
19 ~~the incremental value within a tax increment financing district.~~

20 ~~—— (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the~~
21 ~~release of taxable value from the incremental taxable value of a tax increment financing district because of:~~

22 ~~—— (i) a change in the boundary of a tax increment financing district;~~

23 ~~—— (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or~~

24 ~~—— (iii) the termination of a tax increment financing district.~~

25 ~~—— (b) If a tax increment financing district terminates prior to the certification of taxable values as required~~
26 ~~in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment~~
27 ~~financing district terminates. If a tax increment financing district terminates after the certification of taxable values~~
28 ~~as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.~~

29 ~~—— (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was~~
30 ~~constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current~~

- 1 year market value of that property less the previous year market value of that property.
- 2 ~~—— (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real~~
 3 ~~property that results in the property being taxable as class four property under 15-6-134 or as nonqualified~~
 4 ~~agricultural land as described in 15-6-133(1)(c).~~
- 5 ~~—— (5) Subject to subsection (8), subsection (1)(a) does not apply to:~~
- 6 ~~—— (a) school district levies established in Title 20; or~~
 7 ~~—— (b) a mill levy imposed for a newly created regional resource authority.~~
- 8 ~~—— (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received~~
 9 ~~under 15-6-131 and 15-6-132.~~
- 10 ~~—— (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:~~
- 11 ~~—— (a) may increase the number of mills to account for a decrease in reimbursements; and~~
 12 ~~—— (b) may not increase the number of mills to account for a loss of tax base because of legislative action~~
 13 ~~that is reimbursed under the provisions of 15-1-121(7).~~
- 14 ~~—— (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes~~
 15 ~~of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the~~
 16 ~~department may not exceed the mill levy limits established in those sections. The mill calculation must be~~
 17 ~~established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the~~
 18 ~~calculation must be rounded up to the nearest tenth of a mill.~~
- 19 ~~—— (9) (a) The provisions of subsection (1) do not prevent or restrict:~~
- 20 ~~—— (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;~~
 21 ~~—— (ii) a levy to repay taxes paid under protest as provided in 15-1-402;~~
 22 ~~—— (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;~~
 23 ~~—— (iv) a levy for the support of a study commission under 7-3-184;~~
 24 ~~—— (v) a levy for the support of a newly established regional resource authority;~~
 25 ~~—— (vi) the portion that is the amount in excess of the base contribution of a governmental entity's property~~
 26 ~~tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703; or~~
 27 ~~—— (vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining~~
 28 ~~county under 7-2-2807 upon relocation of a county boundary; or~~
 29 ~~—— (viii) a levy to pay the amounts authorized in [section 3] to obtain workers' compensation coverage for~~
 30 ~~volunteer firefighters as provided in [section 1].~~

1 ~~_____ (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes~~
2 ~~actually assessed in a subsequent year.~~

3 ~~_____ (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402,~~
4 ~~67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport~~
5 ~~authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating~~
6 ~~funds by a county or municipality during that time.~~

7 ~~_____ (11) The department may adopt rules to implement this section. The rules may include a method for~~
8 ~~calculating the percentage of change in valuation for purposes of determining the elimination of property, new~~
9 ~~improvements, or newly taxable property in a governmental unit."~~

10

11 **Section 3.** Section 39-71-118, MCA, is amended to read:

12 **"39-71-118. Employee, worker, volunteer, volunteer firefighter, and volunteer emergency medical**
13 **technician defined.** (1) As used in this chapter, the term "employee" or "worker" means:

14 (a) each person in this state, including a contractor other than an independent contractor, who is in the
15 service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied,
16 oral or written. The terms include aliens and minors, whether lawfully or unlawfully employed, and all of the
17 elected and appointed paid public officers and officers and members of boards of directors of quasi-public or
18 private corporations, except those officers identified in 39-71-401(2), while rendering actual service for the
19 corporations for pay. Casual employees, as defined by 39-71-116, are included as employees if they are not
20 otherwise covered by workers' compensation and if an employer has elected to be bound by the provisions of
21 the compensation law for these casual employments, as provided in 39-71-401(2). Household or domestic
22 employment is excluded.

23 (b) any juvenile who is performing work under authorization of a district court judge in a delinquency
24 prevention or rehabilitation program;

25 (c) a person who is receiving on-the-job vocational rehabilitation training or other on-the-job training
26 under a state or federal vocational training program, whether or not under an appointment or contract of hire with
27 an employer, as defined in 39-71-117, and, except as provided in subsection ~~(9)~~ (7), whether or not receiving
28 payment from a third party. However, this subsection (1)(c) does not apply to students enrolled in vocational
29 training programs, as outlined in this subsection, while they are on the premises of a public school or community
30 college.

1 (d) an aircrew member or other person who is employed as a volunteer under 67-2-105;

2 (e) a person, other than a juvenile as described in subsection (1)(b), who is performing community
3 service for a nonprofit organization or association or for a federal, state, or local government entity under a court
4 order, or an order from a hearings officer as a result of a probation or parole violation, whether or not under
5 appointment or contract of hire with an employer, as defined in 39-71-117, and whether or not receiving payment
6 from a third party. For a person covered by the definition in this subsection (1)(e):

7 (i) compensation benefits must be limited to medical expenses pursuant to 39-71-704 and an impairment
8 award pursuant to 39-71-703 that is based upon the minimum wage established under Title 39, chapter 3, part
9 4, for a full-time employee at the time of the injury; and

10 (ii) premiums must be paid by the employer, as defined in 39-71-117(3), and must be based upon the
11 minimum wage established under Title 39, chapter 3, part 4, for the number of hours of community service
12 required under the order from the court or hearings officer.

13 (f) an inmate working in a federally certified prison industries program authorized under 53-30-132;

14 (g) a volunteer firefighter as described in 7-33-4109 and section 1 or a person who provides ambulance
15 services under Title 7, chapter 34, part 1;

16 (h) a person placed at a public or private entity's worksite pursuant to 53-4-704. The person is
17 considered an employee for workers' compensation purposes only. The department of public health and human
18 services shall provide workers' compensation coverage for recipients of financial assistance, as defined in
19 53-4-201, or for participants in the food stamp program, as defined in 53-2-902, who are placed at public or
20 private worksites through an endorsement to the department of public health and human services' workers'
21 compensation policy naming the public or private worksite entities as named insureds under the policy. The
22 endorsement may cover only the entity's public assistance participants and may be only for the duration of each
23 participant's training while receiving financial assistance or while participating in the food stamp program under
24 a written agreement between the department of public health and human services and each public or private
25 entity. The department of public health and human services may not provide workers' compensation coverage
26 for individuals who are covered for workers' compensation purposes by another state or federal employment
27 training program. Premiums and benefits must be based upon the wage that a probationary employee is paid for
28 work of a similar nature at the assigned worksite.

29 (i) a member of a religious corporation, religious organization, or religious trust while performing services
30 for the religious corporation, religious organization, or religious trust, as described in 39-71-117(1)(d).

1 (2) The terms defined in subsection (1) do not include a person who is:

2 (a) performing voluntary service at a recreational facility and who receives no compensation for those
3 services other than meals, lodging, or the use of the recreational facilities;

4 (b) performing services as a volunteer, except for a person who is otherwise entitled to coverage under
5 the laws of this state. As used in this subsection (2)(b), "volunteer" means a person who performs services on
6 behalf of an employer, as defined in 39-71-117, but who does not receive wages as defined in 39-71-123.

7 (c) serving as a foster parent, licensed as a foster care provider in accordance with 52-2-621, and
8 providing care without wage compensation to no more than six foster children in the provider's own residence.
9 The person may receive reimbursement for providing room and board, obtaining training, respite care, leisure
10 and recreational activities, and providing for other needs and activities arising in the provision of in-home foster
11 care.

12 (d) performing temporary agricultural work for an employer if the person performing the work is otherwise
13 exempt from the requirement to obtain workers' compensation coverage under 39-71-401(2)(r) with respect to
14 a company that primarily performs agricultural work at a fixed business location or under 39-71-401(2)(d) and is
15 not required to obtain an independent contractor's exemption certificate under 39-71-417 because the person
16 does not regularly perform agricultural work away from the person's own fixed business location. For the
17 purposes of this subsection, the term "agricultural" has the meaning provided in 15-1-101(1)(a).

18 (3) (a) With the approval of the insurer, an employer may elect to include as an employee under the
19 provisions of this chapter any volunteer as defined in subsection (2)(b).

20 (b) ~~A fire district, fire service area, or volunteer fire department formed under Title 7, chapter 33, an~~ An
21 ambulance service not otherwise covered by subsection (1)(g); or a paid or volunteer nontransporting medical
22 unit, as defined in 50-6-302, in service to a town, city, or county may elect to include as an employee under the
23 provisions of this chapter ~~a volunteer firefighter or a volunteer emergency medical technician.~~

24 ~~(4) (a) The term "volunteer emergency medical technician" means a person who has received a~~
25 ~~certificate issued by the board of medical examiners as provided in Title 50, chapter 6, part 2, and who serves~~
26 ~~the public through an ambulance service not otherwise covered by subsection (1)(g) or a paid or volunteer~~
27 ~~nontransporting medical unit, as defined in 50-6-302, in service to a town, city, or county.~~

28 ~~(b) The term "volunteer firefighter" means a firefighter who is an enrolled and active member of a~~
29 ~~governmental fire agency organized under Title 7, chapter 33, except 7-33-4109.~~

30 ~~(c) The term "volunteer hours" means all the time spent by a volunteer firefighter or a volunteer~~

1 emergency medical technician in the service of an employer or as a volunteer for a town, city, or county, including
2 but not limited to training time, response time, and time spent at the employer's premises.

3 ~~(5)~~(4) (a) If the employer is a partnership, limited liability partnership, sole proprietor, or a
4 member-managed limited liability company, the employer may elect to include as an employee within the
5 provisions of this chapter any member of the partnership or limited liability partnership, the owner of the sole
6 proprietorship, or any member of the limited liability company devoting full time to the partnership, limited liability
7 partnership, proprietorship, or limited liability company business.

8 (b) In the event of an election, the employer shall serve upon the employer's insurer written notice
9 naming the partners, sole proprietor, or members to be covered and stating the level of compensation coverage
10 desired by electing the amount of wages to be reported, subject to the limitations in subsection ~~(5)(d)~~ (4)(d). A
11 partner, sole proprietor, or member is not considered an employee within this chapter until notice has been given.

12 (c) A change in elected wages must be in writing and is effective at the start of the next quarter following
13 notification.

14 (d) All weekly compensation benefits must be based on the amount of elected wages, subject to the
15 minimum and maximum limitations of this subsection ~~(5)(d)~~ (4)(d). For premium ratemaking and for the
16 determination of the weekly wage for weekly compensation benefits, the electing employer may elect an amount
17 of not less than \$900 a month and not more than 1 1/2 times the state's average weekly wage.

18 ~~(6)~~(5) (a) If the employer is a quasi-public or a private corporation or a manager-managed limited liability
19 company, the employer may elect to include as an employee within the provisions of this chapter any corporate
20 officer or manager exempted under 39-71-401(2).

21 (b) In the event of an election, the employer shall serve upon the employer's insurer written notice
22 naming the corporate officer or manager to be covered and stating the level of compensation coverage desired
23 by electing the amount of wages to be reported, subject to the limitations in subsection ~~(6)(d)~~ (5)(d). A corporate
24 officer or manager is not considered an employee within this chapter until notice has been given.

25 (c) A change in elected wages must be in writing and is effective at the start of the next quarter following
26 notification.

27 (d) For the purposes of an election under this subsection ~~(6)~~ (5), all weekly compensation benefits must
28 be based on the amount of elected wages, subject to the minimum and maximum limitations of this subsection
29 ~~(6)(d)~~ (5)(d). For premium ratemaking and for the determination of the weekly wage for weekly compensation
30 benefits, the electing employer may elect an amount of not less than \$200 a week and not more than 1 1/2 times

1 the state's average weekly wage.

2 ~~(7) (a) The trustees of a rural fire district, a county governing body providing rural fire protection, or the~~
 3 ~~county commissioners or trustees for a fire service area may elect to include as an employee within the provisions~~
 4 ~~of this chapter any volunteer firefighter. A volunteer firefighter who receives workers' compensation coverage~~
 5 ~~under this section may not receive disability benefits under Title 19, chapter 17.~~

6 ~~_____ (b) In the event of an election, the employer shall report payroll for all volunteer firefighters for premium~~
 7 ~~and weekly benefit purposes based on the number of volunteer hours of each firefighter, but no more than 60~~
 8 ~~hours, times the state's average weekly wage divided by 40 hours.~~

9 ~~_____ (c) A self-employed sole proprietor or partner who has elected not to be covered under this chapter, but~~
 10 ~~who is covered as a volunteer firefighter pursuant to subsection (7)(a), and when injured in the course and scope~~
 11 ~~of employment as a volunteer firefighter may in addition to the benefits described in subsection (7)(b) be eligible~~
 12 ~~for benefits at an assumed wage of the minimum wage established under Title 39, chapter 3, part 4, for 2,000~~
 13 ~~hours a year. The trustees of a rural fire district, a county governing body providing rural fire protection, or the~~
 14 ~~county commissioners or trustees for a fire service area may make an election for benefits. If an election is made,~~
 15 ~~payrolls must be reported and premiums must be assessed on the assumed wage.~~

16 ~~(8)(6)~~ Except as provided in Title 39, chapter 8, an employee or worker in this state whose services are
 17 furnished by a person, association, contractor, firm, limited liability company, limited liability partnership, or
 18 corporation, other than a temporary service contractor, to an employer, as defined in 39-71-117, is presumed to
 19 be under the control and employment of the employer. This presumption may be rebutted as provided in
 20 39-71-117(3).

21 ~~(9)(7)~~ A student currently enrolled in an elementary, secondary, or postsecondary educational institution
 22 who is participating in work-based learning activities and who is paid wages by the educational institution or
 23 business partner is the employee of the entity that pays the student's wages for all purposes under this chapter.
 24 A student who is not paid wages by the business partner or the educational institution is a volunteer and is subject
 25 to the provisions of this chapter.

26 ~~(10)(8)~~ For purposes of this section, an "employee or worker in this state" means:

27 (a) a resident of Montana who is employed by an employer and whose employment duties are primarily
 28 carried out or controlled within this state;

29 (b) a nonresident of Montana whose principal employment duties are conducted within this state on a
 30 regular basis for an employer;

1 (c) a nonresident employee of an employer from another state engaged in the construction industry, as
 2 defined in 39-71-116, within this state; or

3 (d) a nonresident of Montana who does not meet the requirements of subsection ~~(10)(b)~~ (8)(b) and
 4 whose employer elects coverage with an insurer that allows an election for an employer whose:

5 (i) nonresident employees are hired in Montana;

6 (ii) nonresident employees' wages are paid in Montana;

7 (iii) nonresident employees are supervised in Montana; and

8 (iv) business records are maintained in Montana.

9 ~~(11)(9)~~ An insurer may require coverage for all nonresident employees of a Montana employer who do
 10 not meet the requirements of subsection ~~(10)(b)~~ (8)(b) or ~~(10)(d)~~ (8)(d) as a condition of approving the election
 11 under subsection ~~(10)(d)~~ (8)(d).

12 ~~(12)(a)~~ (10)(a) An ambulance service not otherwise covered by subsection (1)(g) or a paid or volunteer
 13 nontransporting medical unit, as defined in 50-6-302, in service to a town, city, or county may elect to include as
 14 an employee within the provisions of this chapter a volunteer emergency medical technician who serves public
 15 safety through the ambulance service not otherwise covered by subsection (1)(g) or the paid or volunteer
 16 nontransporting medical unit.

17 (b) In the event of an election under subsection ~~(12)(a)~~ (10)(a), the employer shall report payroll for all
 18 volunteer emergency medical technicians for premium and weekly benefit purposes based on the number of
 19 volunteer hours of each emergency medical technician, but no more than 60 hours, times the state's average
 20 weekly wage divided by 40 hours.

21 (c) ~~A~~ An ambulance service not otherwise covered by subsection (1)(g) or a paid or volunteer
 22 nontransporting medical unit, as defined in 50-6-302, may make a separate election to provide benefits as
 23 described in this subsection (10) to a member who is either a self-employed sole proprietor or partner who has
 24 elected not to be covered under this chapter, but who is covered as a volunteer emergency medical technician
 25 pursuant to subsection ~~(12)(a)~~ (10)(a), and when injured in the course and scope of employment as a volunteer
 26 emergency medical technician may ~~in addition to~~ instead of the benefits described in subsection ~~(12)(b)~~ (10)(b)
 27 be eligible for benefits at an assumed wage of the minimum wage established under Title 39, chapter 3, part 4,
 28 for 2,080 hours a year. If ~~an~~ the separate election is made as provided in this subsection ~~(12)(a)~~, payrolls (10),
 29 payroll information for those self-employed or partners must be reported and premiums must be assessed on the
 30 assumed weekly wage.

1 (d) A volunteer emergency medical technician who receives workers' compensation coverage under this
2 section may not receive disability benefits under Title 19, chapter 17, if the individual is also eligible as a volunteer
3 firefighter.

4 (e) (i) The term "volunteer emergency medical technician" means a person who has received a certificate
5 issued by the board of medical examiners as provided in Title 50, chapter 6, part 2, and who serves the public
6 through an ambulance service not otherwise covered by subsection (1)(g) or a paid or volunteer nontransporting
7 medical unit, as defined in 50-6-302, in service to a town, city, or county.

8 (ii) The term does not include a volunteer emergency medical technician who serves an employer as
9 defined in [section 1].

10 (f) The term "volunteer hours" means the time spent by a volunteer emergency medical technician in the
11 service of an employer or as a volunteer for a town, city, or county, including but not limited to training time,
12 response time, and time spent at the employer's premises."

13

14 **Section 4.** Section 39-71-123, MCA, is amended to read:

15 **"39-71-123. Wages defined.** (1) "Wages" means all remuneration paid for services performed by an
16 employee for an employer, or income provided for in subsection (1)(d). Wages include the cash value of all
17 remuneration paid in any medium other than cash. The term includes but is not limited to:

18 (a) commissions, bonuses, and remuneration at the regular hourly rate for overtime work, holidays,
19 vacations, and periods of sickness;

20 (b) backpay or any similar pay made for or in regard to previous service by the employee for the
21 employer, other than retirement or pension benefits from a qualified plan;

22 (c) tips or other gratuities received by the employee, to the extent that tips or gratuities are documented
23 by the employee to the employer for tax purposes;

24 (d) income or payment in the form of a draw, wage, net profit, or substitute for money received or taken
25 by a sole proprietor or partner, regardless of whether the sole proprietor or partner has performed work or
26 provided services for that remuneration;

27 (e) board, lodging, rent, or housing if it constitutes a part of the employee's remuneration and is based
28 on its actual value; and

29 (f) payments made to an employee on any basis other than time worked, including but not limited to
30 piecework, an incentive plan, or profit-sharing arrangement.

- 1 (2) The term "wages" does not include any of the following:
- 2 (a) employee expense reimbursements or allowances for meals, lodging, travel, subsistence, and other
- 3 expenses, as set forth in department rules;
- 4 (b) the amount of the payment made by the employer for employees, if the payment was made for:
- 5 (i) retirement or pension pursuant to a qualified plan as defined under the provisions of the Internal
- 6 Revenue Code;
- 7 (ii) sickness or accident disability under a workers' compensation policy;
- 8 (iii) medical or hospitalization expenses in connection with sickness or accident disability, including health
- 9 insurance for the employee or the employee's immediate family;
- 10 (iv) death, including life insurance for the employee or the employee's immediate family;
- 11 (c) vacation or sick leave benefits accrued but not paid;
- 12 (d) special rewards for individual invention or discovery; or
- 13 (e) monetary and other benefits paid to a person as part of public assistance, as defined in 53-4-201.
- 14 (3) (a) Except as provided in subsection (3)(b), for compensation benefit purposes, the average actual
- 15 earnings for the four pay periods immediately preceding the injury are the employee's wages, except that if the
- 16 term of employment for the same employer is less than four pay periods, the employee's wages are the hourly
- 17 rate times the number of hours in a week for which the employee was hired to work.
- 18 (b) For good cause shown, if the use of the last four pay periods does not accurately reflect the
- 19 claimant's employment history with the employer, the wage may be calculated by dividing the total earnings for
- 20 an additional period of time, not to exceed 1 year prior to the date of injury, by the number of weeks in that period,
- 21 including periods of idleness or seasonal fluctuations.
- 22 (4) (a) For the purpose of calculating compensation benefits for an employee working concurrent
- 23 employments, the average actual wages must be calculated as provided in subsection (3). As used in this
- 24 subsection, "concurrent employment" means employment in which the employee was actually employed at the
- 25 time of the injury and would have continued to be employed without a break in the term of employment if not for
- 26 the injury.
- 27 (b) Except as provided in ~~39-71-118(7)(c) and (12)(c)~~ 39-71-118(10)(c), the compensation benefits for
- 28 a covered volunteer must be based on the average actual wages in the volunteer's regular employment, except
- 29 self-employment as a sole proprietor or partner who elected not to be covered, from which the volunteer is
- 30 disabled by the injury incurred.

1 (c) The compensation benefits for an employee working at two or more concurrent remunerated
2 employments must be based on the aggregate of average actual wages of all employments, except for the wages
3 earned by individuals while engaged in the employments outlined in 39-71-401(3)(a) who elected not to be
4 covered, from which the employee is disabled by the injury incurred.

5 (5) For the purposes of calculating compensation benefits for an employee working for an employer, as
6 provided in 39-71-117(1)(d), and for calculating premiums to be paid by that employer, the wages must be based
7 upon all hours worked multiplied by the mean hourly wage by area, as published by the department in the edition
8 of Montana Informational Wage Rates by Occupation, adopted annually by the department, that is in effect as
9 of the date of injury or for the period in which the premium is due."

10

11 **Section 5.** Section 39-71-401, MCA, is amended to read:

12 **"39-71-401. Employments covered and exemptions -- elections -- notice.** (1) Except as provided
13 in subsection (2), the Workers' Compensation Act applies to all employers and to all employees. An employer
14 who has any employee in service under any appointment or contract of hire, expressed or implied, oral or written,
15 shall elect to be bound by the provisions of compensation plan No. 1, 2, or 3. Each employee whose employer
16 is bound by the Workers' Compensation Act is subject to and bound by the compensation plan that has been
17 elected by the employer.

18 (2) Unless the employer elects coverage for these employments under this chapter and an insurer allows
19 an election, the Workers' Compensation Act does not apply to any of the following:

20 (a) household or domestic employment;

21 (b) casual employment;

22 (c) employment of a dependent member of an employer's family for whom an exemption may be claimed
23 by the employer under the federal Internal Revenue Code;

24 (d) employment of sole proprietors, working members of a partnership, working members of a limited
25 liability partnership, or working members of a member-managed limited liability company, except as provided in
26 subsection (3);

27 (e) employment of a real estate, securities, or insurance salesperson paid solely by commission and
28 without a guarantee of minimum earnings;

29 (f) employment as a direct seller as defined by 26 U.S.C. 3508;

30 (g) employment for which a rule of liability for injury, occupational disease, or death is provided under

1 the laws of the United States;

2 (h) employment of a person performing services in return for aid or sustenance only, except employment
3 of a volunteer under 67-2-105;

4 (i) employment with a railroad engaged in interstate commerce, except that railroad construction work
5 is included in and subject to the provisions of this chapter;

6 (j) employment as an official, including a timer, referee, umpire, or judge, at an amateur athletic event;

7 (k) employment of a person performing services as a newspaper carrier or freelance correspondent if
8 the person performing the services or a parent or guardian of the person performing the services in the case of
9 a minor has acknowledged in writing that the person performing the services and the services are not covered.

10 As used in this subsection (2)(k):

11 (i) "freelance correspondent" means a person who submits articles or photographs for publication and
12 is paid by the article or by the photograph; and

13 (ii) "newspaper carrier":

14 (A) means a person who provides a newspaper with the service of delivering newspapers singly or in
15 bundles; and

16 (B) does not include an employee of the paper who, incidentally to the employee's main duties, carries
17 or delivers papers.

18 (l) cosmetologist's services and barber's services as referred to in 39-51-204(1)(e);

19 (m) a person who is employed by an enrolled tribal member or an association, business, corporation,
20 or other entity that is at least 51% owned by an enrolled tribal member or members, whose business is conducted
21 solely within the exterior boundaries of an Indian reservation;

22 (n) employment of a jockey who is performing under a license issued by the board of horseracing from
23 the time that the jockey reports to the scale room prior to a race through the time that the jockey is weighed out
24 after a race if the jockey has acknowledged in writing, as a condition of licensing by the board of horseracing, that
25 the jockey is not covered under the Workers' Compensation Act while performing services as a jockey;

26 (o) employment of a trainer, assistant trainer, exercise person, or pony person who is performing
27 services under a license issued by the board of horseracing while on the grounds of a licensed race meet;

28 (p) employment of an employer's spouse for whom an exemption based on marital status may be
29 claimed by the employer under 26 U.S.C. 7703;

30 (q) a person who performs services as a petroleum land professional. As used in this subsection, a

1 "petroleum land professional" is a person who:

2 (i) is engaged primarily in negotiating for the acquisition or divestiture of mineral rights or in negotiating
3 a business agreement for the exploration or development of minerals;

4 (ii) is paid for services that are directly related to the completion of a contracted specific task rather than
5 on an hourly wage basis; and

6 (iii) performs all services as an independent contractor pursuant to a written contract.

7 (r) an officer of a quasi-public or a private corporation or, except as provided in subsection (3), a
8 manager of a manager-managed limited liability company who qualifies under one or more of the following
9 provisions:

10 (i) the officer or manager is not engaged in the ordinary duties of a worker for the corporation or the
11 limited liability company and does not receive any pay from the corporation or the limited liability company for
12 performance of the duties;

13 (ii) the officer or manager is engaged primarily in household employment for the corporation or the limited
14 liability company;

15 (iii) the officer or manager either:

16 (A) owns 20% or more of the number of shares of stock in the corporation or owns 20% or more of the
17 limited liability company; or

18 (B) owns less than 20% of the number of shares of stock in the corporation or limited liability company
19 if the officer's or manager's shares when aggregated with the shares owned by a person or persons listed in
20 subsection (2)(r)(iv) total 20% or more of the number of shares in the corporation or limited liability company; or

21 (iv) the officer or manager is the spouse, child, adopted child, stepchild, mother, father, son-in-law,
22 daughter-in-law, nephew, niece, brother, or sister of a corporate officer who meets the requirements of subsection
23 (2)(r)(iii)(A) or (2)(r)(iii)(B);

24 (s) a person who is an officer or a manager of a ditch company as defined in 27-1-731;

25 (t) service performed by an ordained, commissioned, or licensed minister of a church in the exercise of
26 the church's ministry or by a member of a religious order in the exercise of duties required by the order;

27 (u) service performed to provide companionship services, as defined in 29 CFR 552.6, or respite care
28 for individuals who, because of age or infirmity, are unable to care for themselves when the person providing the
29 service is employed directly by a family member or an individual who is a legal guardian;

30 (v) employment of a person performing the services of an intrastate or interstate common or contract

1 motor carrier when hired by an individual or entity who meets the definition of a broker or freight forwarder, as
2 provided in 49 U.S.C. 13102;

3 (w) employment of a person who is not an employee or worker in this state as defined in ~~39-71-118(10)~~
4 39-71-118(8);

5 (x) employment of a person who is working under an independent contractor exemption certificate;

6 (y) employment of an athlete by or on a team or sports club engaged in a contact sport. As used in this
7 subsection, "contact sport" means a sport that includes significant physical contact between the athletes involved.

8 Contact sports include but are not limited to football, hockey, roller derby, rugby, lacrosse, wrestling, and boxing.

9 (z) a musician performing under a written contract.

10 (3) (a) (i) A person who regularly and customarily performs services at locations other than the person's
11 own fixed business location shall elect to be bound personally and individually by the provisions of compensation
12 plan No. 1, 2, or 3 unless the person has waived the rights and benefits of the Workers' Compensation Act by
13 obtaining an independent contractor exemption certificate from the department pursuant to 39-71-417.

14 (ii) Application fees or renewal fees for independent contractor exemption certificates must be deposited
15 in the state special revenue account established in 39-9-206 and must be used to offset the certification
16 administration costs.

17 (b) A person who holds an independent contractor exemption certificate may purchase a workers'
18 compensation insurance policy and with the insurer's permission elect coverage for the certificate holder.

19 (c) For the purposes of this subsection (3), "person" means:

20 (i) a sole proprietor;

21 (ii) a working member of a partnership;

22 (iii) a working member of a limited liability partnership;

23 (iv) a working member of a member-managed limited liability company; or

24 (v) a manager of a manager-managed limited liability company that is engaged in the work of the
25 construction industry as defined in 39-71-116.

26 (4) (a) A corporation or a manager-managed limited liability company shall provide coverage for its
27 employees under the provisions of compensation plan No. 1, 2, or 3. A quasi-public corporation, a private
28 corporation, or a manager-managed limited liability company may elect coverage for its corporate officers or
29 managers, who are otherwise exempt under subsection (2), by giving a written notice in the following manner:

30 (i) if the employer has elected to be bound by the provisions of compensation plan No. 1, by delivering

1 the notice to the board of directors of the corporation or to the management organization of the
2 manager-managed limited liability company; or

3 (ii) if the employer has elected to be bound by the provisions of compensation plan No. 2 or 3, by
4 delivering the notice to the board of directors of the corporation or to the management organization of the
5 manager-managed limited liability company and to the insurer.

6 (b) If the employer changes plans or insurers, the employer's previous election is not effective and the
7 employer shall again serve notice to its insurer and to its board of directors or the management organization of
8 the manager-managed limited liability company if the employer elects to be bound.

9 (5) The appointment or election of an employee as an officer of a corporation, a partner in a partnership,
10 a partner in a limited liability partnership, or a member in or a manager of a limited liability company for the
11 purpose of exempting the employee from coverage under this chapter does not entitle the officer, partner,
12 member, or manager to exemption from coverage.

13 (6) Each employer shall post a sign in the workplace at the locations where notices to employees are
14 normally posted, informing employees about the employer's current provision of workers' compensation
15 insurance. A workplace is any location where an employee performs any work-related act in the course of
16 employment, regardless of whether the location is temporary or permanent, and includes the place of business
17 or property of a third person while the employer has access to or control over the place of business or property
18 for the purpose of carrying on the employer's usual trade, business, or occupation. The sign must be provided
19 by the department, distributed through insurers or directly by the department, and posted by employers in
20 accordance with rules adopted by the department. An employer who purposely or knowingly fails to post a sign
21 as provided in this subsection is subject to a \$50 fine for each citation."

22

23 **NEW SECTION. Section 6. Calculation of volunteer firefighter benefits and premiums --**
24 **definitions.** (1) (a) A plan No. 1 OR PLAN NO. 2 insurer shall designate whether an employer, as defined in [section
25 1], is to use actual volunteer hours or a flat assumed payroll amount for each volunteer firefighter for calculating
26 premiums. The coverage option must be the same for all fire agencies organized under Title 7, chapter 33, that
27 are covered by that insurer and meet the definition of employer in [section 1]. A ~~plan No. 2~~ or plan No. 3 insurer
28 shall use a flat assumed payroll amount for each volunteer firefighter for calculating premiums.

29 (b) If a plan No. 1 OR PLAN NO. 2 insurer uses actual volunteer hours, the payroll calculation is the number
30 of actual volunteer hours of each volunteer firefighter, but no more than 60 hours a week, times the state's

1 average weekly wage divided by 40 hours.

2 (c) When a plan No. 1, plan No. 2, or plan No. 3 insurer uses a flat assumed payroll amount, the
3 assumed payroll for each volunteer firefighter must be reported as a full month for any month in which the
4 volunteer firefighter is on the roster of service.

5 (2) For benefit purposes, if concurrent employment under 39-71-123 does not apply, a volunteer
6 firefighter injured in the course and scope of employment as a volunteer firefighter is eligible for medical and
7 compensation benefits provided in Title 39, chapter 71. Any weekly compensation benefit must be based on
8 either the actual volunteer hours if chosen as provided in subsection (1)(b) or the flat assumed payroll amount
9 on which premiums are based, whichever is applicable.

10 (3) For the purposes of this section, the following definitions apply:

11 (a) (i) "Volunteer firefighter" means a volunteer who is on the roster of service, as defined in [section 1],
12 of a fire agency organized under Title 7, chapter 33, including a rural fire district, a fire service area, a volunteer
13 fire department, a volunteer fire company, or a volunteer rural fire control crew. The fire agency must meet the
14 definition of an employer under [section 1]. A volunteer firefighter includes a volunteer emergency medical
15 technician, as defined in 50-6-202, who is on the roster of service. A volunteer firefighter is not required to be an
16 active member as defined in 19-17-102.

17 (ii) The term does not mean an individual who is not listed on a roster of service or a member of a
18 volunteer fire department provided for in 7-33-4109.

19 (b) The term "volunteer hours" means the time spent by a volunteer firefighter in the service of a fire
20 agency organized under Title 7, chapter 33, that meets the definition of employer in [section 1], including but not
21 limited to training time, response time, and time spent at the premises of the fire agency.

22

23 **NEW SECTION. Section 7. Unfunded mandate laws superseded.** The provisions of [this act]
24 expressly supersede and modify the requirements of 1-2-112 through 1-2-116.

25

26 **NEW SECTION. Section 8. Codification instruction.** (1) ~~Sections 1, 3, and 4~~ are SECTION 1 IS
27 intended to be codified as an integral part of Title 7, chapter 33, part 45, and the provisions of Title 7, chapter 33,
28 part 45, apply to ~~sections 1, 3, and 4~~ SECTION 1.

29 ~~(2) [Section 2] is intended to be codified as an integral part of Title 7, chapter 6, part 2, and the provisions~~
30 ~~of Title 7, chapter 6, part 2, apply to [section 2].~~

1 ~~(3)~~(2) [Section ~~44 6~~] is intended to be codified as an integral part of Title 39, chapter 71, part 7, and the
2 provisions of Title 39, chapter 71, part 7, apply to [section ~~44 6~~].

3

4 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2013.

5

- END -

COOPERATIVE FIRE CONTROL AGREEMENT

BETWEEN THE STATE OF MONTANA AND RAVALLI COUNTY

THIS AGREEMENT is made and entered into by and between Ravalli County, hereinafter called the COOPERATOR, and the Montana Department of Natural Resources and Conservation, Forestry Division, hereinafter called the DEPARTMENT, and effective the first day of July, 2007.

The purpose of this agreement, when signed by both parties and accompanied by a written wildland fire management plan, hereinafter called the PLAN, is to satisfy the requirements of 7-33-2210 MCA.

The parties to this agreement, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

- 1. The COOPERATOR shall assist the DEPARTMENT in drafting and annually updating the PLAN for the fire protection area within the COOPERATOR's territorial boundaries.
2. The COOPERATOR shall appoint a County Rural Fire Chief/Firewarden pursuant to 7-33-2203 MCA. The County Fire Chief/Firewarden shall work directly with the DEPARTMENT in accordance with the requirements of the PLAN.
3. The COOPERATOR is authorized to annually appropriate funds per 7-33-2209 MCA. The COOPERATOR shall use these funds in accordance with the requirements of the PLAN.
4. The COOPERATOR shall implement the PLAN by performance of the duties imposed by 7-33-2202 through 7-33-2204 MCA. The COOPERATOR may exercise the powers authorized by 7-33-2205 through 7-33-2208 MCA.
5. The DEPARTMENT shall update the PLAN and present it for the approval of the COOPERATOR no later than May 15 of each year.
6. The DEPARTMENT shall, as funds permit, provide assistance to the COOPERATOR in accordance with the requirements of the PLAN. Equipment made available to the COOPERATOR by the DEPARTMENT shall comply with the stipulations set forth in the COOPERATIVE EQUIPMENT AGREEMENT F-202.
7. It is mutually agreed that both parties shall meet annually to review this agreement and the PLAN. The DEPARTMENT shall schedule the annual meeting and shall notify all affected parties of the date and location of the meeting.
8. It is mutually agreed that this agreement may be terminated at any time by mutual consent of the parties. In the absence of mutual consent, either party may terminate this agreement on June 30 of any year by giving written notice to the other party on or before June 1 of that year. Unless terminated in accordance with this provision, this agreement will continue in full force and effect for an additional period of one year beginning July 1 of each year.

COUNTY OF RAVALLI CONSERVATION:

BY [Signatures]
BY [Signatures]
BY [Signatures]
BY [Signatures]
BY [Signatures]

DEPARTMENT OF NATURAL RESOURCES AND

BY [Signature]
AREA MANAGER, SOUTHWESTERN LAND OFFICE

ATTEST [Signature]
CHIEF, FIRE & AVIATION MANAGEMENT BUREAU

COOPERATIVE EQUIPMENT AGREEMENT

between

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
FORESTRY DIVISION

and

RAVALLI

COUNTY

COUNTY'S Address

This Cooperative Equipment Agreement is made between Ravalli County, hereinafter referred to as the COUNTY, and the Montana Department of Natural Resources and Conservation, Forestry Division, represented by and hereinafter referred to as the STATE:

WHEREAS on July 9th, 2007, the COUNTY entered into a Fire Control Agreement with the STATE for the protection from fire of State and private forest, range, farm, and watershed resources within its protection area; and

WHEREAS, the COUNTY can more adequately carry out this function, as described and set forth in Montana Code Annotated (MCA) 7-33-2201 through 7-33-2211, as amended, if additional equipment is available; and

WHEREAS, the federal Government, from time to time, has a limited number of vehicles or other equipment suitable for fire fighting that can be made available to other agencies involved in fire control work; and

WHEREAS, it has been determined to be advantageous to the STATE in the proper discharge of his responsibilities as described and set forth in Montana Code Annotated (MCA) 76-11-101, 76-11-102, as amended, to make certain surplus federal government equipment available to the COUNTY;

NOW, THEREFORE, it is mutually agreed:

1. The STATE will loan specific items of fire fighting equipment, when such equipment is available, to the COUNTY in accordance with the mutually established fire plan and its amendments, and applicable Federal laws, rules and regulations.
2. The COUNTY agrees to make the above equipment available for use on private and public ownership for the protection from fire as set forth in Montana Code Annotated (MCA) 76-11-101, 76-11-102, and 7-33-2201 when requested by the STATE'S representative. Incidental use on any type of fire or other emergencies which threaten loss of life or property is proper providing that this equipment is available and primarily used for fire duties as set forth in Montana Code Annotated (MCA) 76-11-101, 76-11-102, and 7-33-2201. Refusal or neglect to make this equipment available for use on such fires without good and sufficient cause shall be grounds for termination of this Agreement by the STATE.
3. The proper identification of the equipment as cooperative fire equipment, and as federal or state property, if applicable, will be maintained and the equipment will not be sold, junked, rented, traded, given away, nor is personal use to be allowed. No disassembly of equipment or removal of parts is allowed without prior approval of the STATE. All State or Federal property is to be painted and marked in accordance with State statutes or STATE'S instructions.

4. Title to all equipment loaned under this Agreement will remain with the State of Montana or Federal government. All vehicles will bear the permanent Montana Agency (State-owned) license plate furnished by the State without charge.
5. The COUNTY is solely responsible for the proper use, protection, maintenance, and care of the equipment and supplies loaned under this Agreement.
6. The COUNTY shall maintain and make necessary repairs to the said equipment and component parts thereof so that it is kept in good, serviceable and safe repair.
7. The STATE will maintain an inventory of the equipment made available through this Agreement.
8. The COUNTY will assure that all operators of the equipment covered by this Agreement meet the appropriate minimum driver's license requirements per Montana State law and are members of either a Rural Fire District, County Volunteer Rural Fire Department, Fire Service Area, or Municipal Fire Department.
9. The STATE will assume the costs for property damage to the loaned equipment only. The COUNTY is solely responsible and will assume the costs for any damage or personal injuries caused by the use, including, but not limited to, the improper, negligent, or wrongful use, of the equipment loaned under this agreement. The COUNTY will assume the cost for any damaged miscellaneous equipment, such as separate pumps, hose, tools, and supplies that were not loaned or supplied by the STATE.
10. The COUNTY shall provide Workers Compensation Insurance coverage on drivers, passengers or workers using or working with any equipment loaned under this agreement.
11. The COUNTY acknowledges and agrees that the equipment or supplies loaned under this agreement carry no express or implied warranty and, on behalf of itself and its agents, successors and assigns, agrees that it shall make no claim against the STATE, the State of Montana or the Federal Government based upon any defect, whether apparent or not, in such loaned equipment or supplies.
12. The COUNTY agrees to indemnify, defend and hold the STATE and the Federal Government harmless from any and all claims, or causes of action arising out of the use or condition of the equipment or supplies loaned under this Agreement.
13. Loss, damage, or destruction of State- or Federally-owned equipment by fire, collision, theft, or any other means, will be reported immediately to the STATE with signed affidavit showing loss, cause and recovery action attempted by the COUNTY. Accidents involving State- or Federally-owned equipment must be reported immediately by the COUNTY to the STATE on forms provided for that purpose. Federal policy requires investigation to determine the cause of negligence, if any.
14. The COUNTY agrees to permit and assist in inventory and inspection of fire equipment procured under this Agreement as may be necessary to promote the effective use of this equipment, whether it be State-owned or Federal excess property.
15. Items of equipment covered by this Agreement no longer needed by the COUNTY will be reported to the STATE, who will determine disposition.
16. If this Agreement or the Fire Control Agreement between the STATE and the COUNTY is terminated by either party, all equipment provided by the STATE will be returned to the STATE.
17. Any equipment owned and installed by the COUNTY remains the property of the COUNTY and should be removed prior to returning the equipment to the STATE.

18. The Agreement shall be effective for an indefinite period and may be terminated by either party hereto by thirty (30) days written notice. If the COUNTY terminates this Agreement, the equipment covered by this Agreement will be returned to the STATE in operable condition.

Ravalli

COUNTY

Date

7-9-07

BY

Ann E. Robisch
[Signature]
[Signature]
[Signature]
[Signature]

(Title)

Chairman
MEMBER
MEMBER
Vice-Chair
MEMBER

MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION:

Date

7/9/07

BY

Anthony L. Braine

Area Manager, Southwestern Land Office