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Economic Affairs Interim Committee

68th Montana Legislature

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April 22, 2024

TO: Economic Affairs Interim Committee
FROM: Jameson Walker, Staff Attorney
RE: Administrative Rulemaking and Rule Review, April 2024

The Economic Affairs Interim Committee is required to review administrative rules promulgated by the Department of Agriculture, Department of Commerce, Department of Labor and Industry, Department of Livestock, State Auditor's Office, Division of Banking and Financial Institutions, Governor's Office of Economic Development, and Department of Revenue, Alcoholic Beverage Control Division and Cannabis Control Division for compliance with the Montana Administrative Procedure Act (MAPA). The following notices are filed with the Secretary of State's Office for publication in the Montana Administrative Register (MAR). Notices are available at <http://www.mtrules.org> (search by notice number).

PROPOSAL NOTICES

Department of Agriculture and administratively attached entities

There are no new rules.

Department of Commerce and administratively attached entities

MAR Notice Number: 8-94-211

Subject: Amendment of rules pertaining to the submission and review of applications for funding under the Montana Coal Endowment Program.

Summary: The Board proposes to amend 8.94.3814 and 8.94.3815. The proposed amendments seek to update references from the 2022 Montana Coal Endowment Program Project Administration Manual to 2024 and to update references relating to the 2022 Construction Application Guidelines for the 2025 Biennium to the 2024 Construction Application Guidelines for the 2027 Biennium.

Notes/Hearing: The board held a public hearing on March 28, 2024, to consider the notice.

MAR Notice Number: 8-101-212

Subject: Amendment and repeal of rules pertaining to the submission and review of applications for funding under the Coal Board.

Summary: The department proposes to amend ARM 8.101.302 and repeal ARM 8.101.202 and 8.101.203. The department states that the rule notice is necessary to implement House Bill 795.

The updates reflect that the Coal Board is exempt from the provisions of Title 75, chapter 1, parts 1 and 2.

Notes/Hearing: The board held a public hearing on April 11, 2024, to consider the notice.

Department of Labor and Industry and administratively attached entities

MAR Notice Number: 24-17-413

Subject: Amendment of rules pertaining to prevailing wage rate adoption.

Summary: The department proposes to amend ARM 24.17.119, 24.17.120, 24.17.121, and 24.17.122. The department provided this statement of reasonable necessity:

There is reasonable necessity to update the rules pertaining to prevailing wage rate adoption to clarify that wage information must be submitted during the wage survey process. During recent years, significant wage information has been submitted during the adoption phase of the prevailed rate process. This has led to recalculations during the rulemaking process, which limits the ability of the public to review and ensure the accuracy of wage rate calculations. While the department will consider comments regarding the accuracy of calculations or comments regarding prevailing wage rates in general, the department has determined it is necessary to clarify the survey rules to specify, without ambiguity, that survey information must be submitted during the survey period—and not later.

Notes/Hearing: The department held a public hearing on March 28, 2024, to consider the notice.

MAR Notice Number: 24-29-412

Subject: Amendment, adoption, and repeal of rules pertaining to workers' compensation.

Summary: Generally, the department states that the rule notice is necessary to substantially review and revise the current workers' compensation rules to provide greater clarity, simplicity, and usability of the administrative rules. The department states that the rules are “proposed to be amended to eliminate duplication of statute, to repeal no longer applicable rules, and to clarify departmental processes for those who use the workers' compensation rules. This rulemaking is in furtherance of Executive Order 1-2021 and efforts to reduce red tape in administrative rules.”

In furtherance of those goals the Department proposes to amend ARM 24.29.601, 24.29.604, 24.29.607, 24.29.611, 24.29.616, 24.29.617, 24.29.618, 24.29.621, 24.29.624, 24.29.628, 24.29.703, 24.29.720, 24.29.721, 24.29.801, 24.29.813, 24.29.816, 24.29.818, 24.29.821, 24.29.824, 24.29.831, 24.29.837, 24.29.841, 24.29.844, 24.29.908, 24.29.1201, 24.29.1202, 24.29.1512, 24.29.1513, 24.29.1515, 24.29.1523, 24.29.1534, 24.29.1538, 24.29.1601, 24.29.1611, 24.29.1616, 24.29.1621, 24.29.1710, 24.29.1725, 24.29.1741, 24.29.2605, 24.29.2607, 24.29.2610, 24.29.2614, 24.29.2831, 24.29.2841, 24.29.2843, 24.29.2853, 24.29.3101, 24.29.3103, 24.29.3127, 24.29.3802, 24.29.4303, 24.29.4307, 24.29.4314, 24.29.4321, 24.29.4332, 24.29.4336, and 24.29.4339.

The department proposes to adopt New Rules I through VII:

NEW RULE I UEF PENALTY DISPUTES (1) A UEF penalty determination is final 15 days from the date it is sent to a party.

(2) A party disputing a UEF penalty determination must request a redetermination within 15 days of the date the determination is sent.

(3) A party disputing a UEF penalty redetermination must request mediation within 15 days of the date the redetermination was sent. Requested mediation must be completed pursuant to ARM Title 24, chapter 28.

(4) If mediation does not fully resolve the dispute, a party may request a hearing in accordance with Title 2, chapter 4, part 6, MCA. Requests for hearing must be received by the department within ten days from the date the mediator's report is sent. Failure to request a hearing means the original UEF penalty determination becomes final.

(5) Any party aggrieved by the order following hearing may petition the Workers' Compensation Court for judicial review, pursuant to Title 2, chapter 4, part 7, MCA.

(6) This rule governs procedures for disputes solely regarding penalties issued by the UEF. It does not apply to disputes for reimbursement regarding benefits paid by the UEF.

NEW RULE II ORDERS AND APPEALS (1) On request of any party or on its own, the department may issue an order on a dispute concerning workers' compensation. Any order issued must be in writing and signed by a department employee.

(2) A party aggrieved by an order which is not subject to a more specific appellate review procedure:

(a) may request reconsideration 30 days after the order was sent. A party who requested reconsideration may request a contested case hearing ten days after notice of the results of reconsideration are sent; or

(b) may, in the alternative to reconsideration, request a contested case hearing within 30 days of the date the order was sent.

(3) A party seeking judicial review of a final order of the department after a contested case hearing must file a petition with the Workers' Compensation Court within 30 days after the final order was sent.

(4) "Sent" for purposes of this rule means mailed, delivered by personal service, or transmitted electronically if electronic service has been consented to by the party.

NEW RULE III RENEWAL (1) A self-insured employer or employer group must renew each year. The renewal application must be submitted to the department 60 days before the renewal date.

(2) A renewal applicant must:

(a) submit all required documents; and

(b) be in compliance with laws governing plan No. 1 employers and groups.

(3) A self-insured employer or employer group not renewing shall elect to be bound by plan No. 2 or 3 on the effective date of the termination of permission to self-insure.

NEW RULE IV DESCRIPTION OF BENEFITS PAID FOR PURPOSES OF ASSESSMENT (1) Compensation benefits paid include periodic and lump-sum payments for:

(a) permanent total disability;

(b) permanent partial disability;

(c) temporary total disability;

(d) temporary partial disability;

(e) loss of hearing, whether under the Workers' Compensation or Occupational Disease Act for occupational diseases that occurred prior to July 1, 2005;

(f) rehabilitation benefits (biweekly compensation paid to claimants);

(g) death benefits;

(h) disfigurement payments;

(i) SIF cases, to the extent paid by the insurer and not reimbursed by the SIF;

(j) settlement amounts paid pursuant to [39-71-741](#), MCA, except to the extent any portion of the settlement is reported as being medical benefits paid;

(k) benefits paid pursuant to [39-71-608](#), MCA; and

(l) settlement amounts paid pursuant to [39-71-405](#), MCA.

(2) Medical benefits paid include payments for:

(a) medical and dental treatment;

(b) prescription drugs;

(c) prosthetics and orthotics;

(d) other durable medical goods;

(e) hospital care;

(f) domiciliary care;

(g) diagnostic examinations for the purpose of determining what treatment is necessary;

(h) medical benefits paid pursuant to [39-71-615](#), MCA; and
(i) hearing loss treatment, whether under the Workers' Compensation or Occupational Disease Act for occupational diseases that occurred prior to July 1, 2005.

(3) Miscellaneous expense costs are not included in the calculation of the administration fund assessment. Miscellaneous expense costs are all workers' compensation or occupational disease costs incurred by an insurer other than compensation or medical benefits paid. These costs include, but are not limited to:

(a) rehabilitation services provided by a licensed rehabilitation provider or the Department of Public Health and Human Services;

(b) rehabilitation expenses, such as books and tuition, or auxiliary rehabilitation benefits, such as relocation expenses;

(c) administrative costs for the processing of claims, such as the costs of investigating or adjusting the claim;

(d) independent medical examinations requested by the insurer, where the purpose of the examination(s) is not for the diagnosis or treatment of the claimant's condition;

(e) matching payments to a catastrophically injured worker's family; and

(f) various other miscellaneous costs that do not constitute a compensation benefit or medical benefit provided to the claimant or beneficiary.

(4) Benefits paid include any amount paid by the insurer or the employer, regardless of any deductible paid by the employer or reimbursements to the insurer from reinsurance or excess insurance other than by the claimant. Copayments actually made by the claimant are not considered to be "benefits paid" for the purposes of this rule.

(5) The department may inspect the insurer's records to determine whether the insurer is properly reporting compensation paid and medical benefits paid.

NEW RULE V ASSESSMENT OVERPAYMENTS AND UNDERPAYMENTS

(1) For the purposes of this rule an employer is also the insurer's policyholder.

(2) Each plan No. 2 insurer and the plan No. 3 insurer is responsible for correctly calculating the amount of the authorized premium surcharge for assessments that the insurer is to collect from each of its insured employers using the rates established by the department. Because the insurer, not the department, calculates the amount of premium due from the employer, disputes between the insurer and the insured regarding the amount of the premium surcharge are not disputes over which the department has jurisdiction.

(3) Insurers may address over-collections or overpayments in the following manner:

(a) Any over-collection of the premium surcharge(s) from a policyholder by the insurer may be refunded by the insurer or applied to premium or future surcharge payments due from the policyholder to the insurer. An accounting of the payment shall be provided by the insurer to the policyholder.

(b) If a surcharge remittance from an insurer to the department is later determined to include an overpayment, the insurer may deduct the amount overpaid from the next surcharge remittance due from the insurer to the department. The insurer shall maintain records documenting any surcharge amounts refunded to its policyholders.

(4) Each plan No. 2 insurer and the plan No. 3 insurer shall maintain reasonable records showing the total amount of premium and premium surcharge collected from each policyholder. The department may inspect those records.

NEW RULE VI MANAGED CARE ORGANIZATION APPLICATION AND RENEWAL (1) In addition to statutory requirements, applicants for recognition as a managed care organization must electronically submit:

(a) an application fee of \$1,500;

(b) the proposed organizational structure and contact information;

(c) evidence that the applicant can meet the financial obligations of the contract, including capital, insurance, and business plan; and

(d) the managed care plan.

(2) Applications are reviewed for completeness. The department may request more information. Applications will be approved or denied on the information received.

(3) Certification is valid for two years. Renewal applications must be submitted at least 60 days before expiration. There is no renewal fee.

(4) Applications and renewals are public documents. If an applicant believes part of its applications is a trade secret, it must mark the information as confidential. The applicant will be notified if the information is requested. The applicant is responsible for defending any action to release the information.

NEW RULE VII PETITION TO REOPEN MEDICAL BENEFITS (1) A party wishing to reopen medical benefits terminated by statute must submit a petition to reopen to the department on the form provided by the department. A claim may go through the petition process, including initial petition and biennial reviews, one time.

(2) The department will provide notice of the petition to reopen to the insurer. The parties must provide claim records to the department and the other party within 14 days of the notice. Records not received in that time will not be considered.

(3) An insurer may dispute the presumption that a petition to reopen relates to a compensable claim. The dispute must be made within 14 days of the notice of the petition to reopen from the department.

(4) The petition to reopen may be reviewed solely by the department's medical director upon a mutual, irrevocable agreement from the injured worker and the insurer. The medical director will issue a report explaining the rationale for the decision pursuant to statutory criteria.

(5) If the injured worker and insurer agree to reopen medical benefits, they may submit a joint petition to reopen. The petition to reopen form must be completed, but claim records need not be provided. The reopened benefits are subject to biennial review.

(6) Any other petition to reopen will be reviewed by a three-member panel. Each panel member must prepare a report evaluating the statutory reopening criteria. The medical director will issue a report on behalf of the panel explaining the rationale for the decision.

The Department proposes to repeal ARM 24.29.205, 24.29.206, 24.29.207, 24.29.213, 24.29.215, 24.29.608, 24.29.610, 24.29.622, 24.29.623, 24.29.627, 24.29.704, 24.29.709, 24.29.713, 24.29.804, 24.29.851, 24.29.902, 24.29.907, 24.29.929, 24.29.954, 24.29.956, 24.29.962, 24.29.971, 24.29.1401, 24.29.1501, 24.29.1510, 24.29.1517, 24.29.1522, 24.29.1526, 24.29.1533, 24.29.1701, 24.29.1705, 24.29.1761, 24.29.2002, 24.29.2003, 24.29.2301, 24.29.2303, 24.29.2311, 24.29.2321, 24.29.2323, 24.29.2326, 24.29.2329, 24.29.2331, 24.29.2336, 24.29.2339, 24.29.2341, 24.29.2346, 24.29.2351, 24.29.2356, 24.29.2361, 24.29.2366, 24.29.2371, 24.29.2373, 24.29.2376, 24.29.2379, 24.29.2602, 24.29.2701, 24.29.2811, 24.29.2839, 24.29.2846, 24.29.2849, 24.29.2851, 24.29.2855, 24.29.3107, 24.29.3111, 24.29.3114, 24.29.3117, 24.29.3121, 24.29.3124, 24.29.4301, 24.29.4311, 24.29.4317, 24.29.4322, and 24.29.4329.

Notes/Hearing: The board held a public hearing on March 28, 2024, to consider the notice. EAIC staff emailed the rule notice on March 11, 2024 to the committee for review.

MAR Notice Number: 24-33-415

Subject: Amendment and repeal of rules pertaining to construction contractors.

Summary: The department proposes to amend ARM 24.33.121, 24.33.135, 24.33.142, and 24.33.151. The department proposes to repeal ARM 24.33.111 and 24.33.131. The department stated that the rule notice was generally necessary to amend rule references in furtherance of Executive Order No. 1-2021, requiring agencies to review administrative rules for the purpose of reducing red tape.

Notes/Hearing: The board held a public hearing on April 12, 2024, to consider the notice.

MAR Notice Number: 24-40-414

Subject: Amendment, transfer, adoption, and repeal of rules pertaining to unemployment insurance.

Summary: Generally, the department states that the extensive rule notice is to further the Governor's red tape relief initiative – to shorten, simplify, and clarify administrative rules pertaining to unemployment insurance. The department states that the rule notice proposes to remove language that is duplicative of statute. The rule proposal proposes to reorganize rules into shorter subchapters, divided by topic, to allow ease of use by the public.

The department proposes to amend and transfer ARM 24.11.204, 24.11.317, 24.11.335, 24.11.447, 24.11.451, 24.11.457, 24.11.458, 24.11.462, 24.11.463, 24.11.469, 24.11.472, 24.11.475, 24.11.613, 24.11.915, 24.11.2005, 24.11.2007, 24.11.2015, 24.11.2201, 24.11.2204, 24.11.2205, 24.11.2208, 24.11.2221, 24.11.2405, 24.11.2407, 24.11.2504, 24.11.2506, 24.11.2701, 24.11.2704, 24.11.2707, 24.11.2711, and 24.11.2715.

The department proposes to adopt New Rules I through XL:

NEW RULE I (24.40.XXX) TIME AND PROCEDURE FOR FILING INFORMATION (1) Interested parties shall file responses to the department's requests for information and questions within eight calendar days. Interested parties shall file responses to any subsequent request for information within two business days. The department's request for information or questions shall include the interested party's specific deadline to file a response.

(2) When a deadline falls on a Saturday, Sunday, or holiday, the filing is due the next business day. Information is filed with the department on the day it is received by the department, not the day it is sent or postmarked. This rule does not apply to the filing of weekly payment requests under [NEW RULE XXI].

(3) Interested parties may file responses using the online portal, or by filing responses through the mail.

(4) The department may extend the deadlines for filing information if the interested party shows good cause for the delayed filing.

NEW RULE II (24.40.XXX) INTERESTED PARTIES (1) The department is an interested party to all issues adjudicated regarding claims for benefits and employer tax liability.

(2) A claimant is an interested party to all adjudication of claimant's eligibility and qualification for unemployment insurance benefits.

(3) Except as provided by [39-51-605](#), MCA, and [NEW RULE III], a base period employer is an interested party to an adjudication of the claimant's separation from employment with that employer. An employer is not an interested party to an adjudication of nonseparation issues related to a claim.

(4) An employer is an interested party to adjudication of the employer's tax determinations, including the employer's tax liability, contribution rate, application for refund, subject wages, and other tax contribution-related issues.

(5) The department shall provide only interested parties with written notice of a determination, redetermination, hearing, or appeal of each issue adjudicated by the department. Only an interested party has standing to request a redetermination, hearing, or appeal.

NEW RULE III (24.40.XXX) EMPLOYER LOSS OF INTERESTED PARTY STATUS (1) An employer gives up the right to participate as an interested party in the adjudication of a claimant's claim when the employer fails to respond to a request for information or adequately answer questions from the department within eight days of the department's request or questions.

(2) The department shall provide written notice to the employer of the determination of loss of rights. The employer may then only participate as an informational witness in the claim adjudication.

(3) The department may restore the employer's interested party status if the employer shows good cause for the lack of, inadequate, or untimely responses to the department's request for information or questions.

(4) The employer and the department are the only interested parties to the adjudication of an employer's loss of interested party status.

NEW RULE IV (24.40.XXX) APPEAL OF DEPARTMENT REDETERMINATIONS - REQUEST FOR HEARING (1) An interested party may appeal a benefit redetermination or tax redetermination by filing a request for hearing. A request for hearing must contain the reasons for the appeal, including any information or argument not considered by the department which could affect the outcome of the appealed redetermination.

(2) A request for hearing of a benefit redetermination or tax redetermination must be in writing. An interested party may file the request for hearing in person, by mail, or using the online portal as specified by the department.

NEW RULE V (24.40.XXX) HEARING PROCEDURE (1) The conduct, timing, and means of conducting hearings are in the sound discretion of the appeals referee. The appeals referee may issue orders to govern the proceedings before and during a hearing.

(2) Unemployment insurance hearings are informal, but hearings are conducted to determine the substantial rights of all parties. The rules of evidence do not apply. However, the rules of evidence may be used as guidelines to determine the relevance, prejudice, or weight of evidence. All interested parties have the right to call and cross-examine witnesses.

(3) The Montana Rules of Civil Procedure do not apply; however, the rules may be guidelines for the appeals referee.

(4) Documents may be served electronically on any party who agrees in writing during the hearing process to electronic service. Written agreement to electronic service during claims processing does not mean the party agreed to electronic service under this rule.

NEW RULE VI (24.40.XXX) TAX HEARINGS NOTICE – SCHEDULING CONFERENCE – BURDEN OF PROOF (1) The appeals referee shall send notice of the scheduling conference to all interested parties at least 14 days before the conference is scheduled.

(2) The appeals referee and interested parties shall address the following during the scheduling conference:

(a) determine the issues that must be decided by the appeals referee, noting that the appellant has the burden of proving the department erred in determining the application, duration, or amount of the tax;

(b) identify possible remedies;

(c) exchange copies of all proposed exhibits and names, addresses, and telephone numbers of all proposed witnesses;

(d) determine whether discovery is necessary and how it shall occur;

(e) set deadlines for motions;

(f) discuss hearing scheduling, logistics, and procedures; and

(g) perform any other acts or duties to facilitate the hearing and adjudication of the appeal.

(3) After the scheduling conference, the appeals referee shall issue a written scheduling order and send it to all interested parties. The scheduling order controls over prior pleadings in the matter.

(4) If a party fails to participate in the scheduling conference, or fails to comply with any prehearing order, the appeals referee may impose sanctions upon that party including, but not limited to:

(a) dismissal of the case;

(b) default judgment for the opposing party; or

(c) limitation of evidence or witnesses at the hearing.

NEW RULE VII (24.40.XXX) WAGES (1) In addition to the definition of "wages" in [39-51-201](#), MCA, wages include, but are not limited to, the following types of remuneration for services:

(a) payments made from an employee's gross remuneration into deferred compensation or cafeteria plans and other similar plans. Such payments are wages reportable for the period in which the compensation was earned;

- (b) advances or draws against future earnings, when paid. Payments designated as loans in the employer's records are considered wages unless the loan is to be repaid under a written schedule agreed upon by the employee and the employer;
 - (c) payments distributed to corporate officers or shareholders in lieu of reasonable compensation for services performed, even though designated as profits or dividends pursuant to [ARM [24.11.2506](#) (24.40.XXX) REASONABLE WAGES];
 - (d) payments for sick leave and accident disability, including payments made by a third-party insurance company to the employee. For example, if the employer pays premiums to a third party to cover sick leave or accident disability costs, the payments paid by the third party to the employee are wages. If the employee pays the premiums for such coverage, the sick leave or accident disability payments are not wages.
- (2) This chapter includes wages that are actually and constructively paid. Wages are constructively paid if they are credited to the individual employee's account or set apart for an individual so that they may be drawn upon by the individual at any time, although not actually in the individual's possession.

NEW RULE VIII (24.40.XXX) CASH VALUE FOR WAGE CALCULATION

- (1) For the purposes of this chapter, the department must estimate the reasonable cash value of all remuneration paid in any medium other than cash. The reasonable cash value must be reported as wages by both employers and claimants for purposes of this chapter.
- (2) The department determines the cash value of room and board, unless the employment contract sets the value at an amount equal to or greater than the amounts established in this rule. Room and board has at least the following cash value:
 - (a) full room and board, weekly \$130
 - (b) meals, per week 60
 - (c) meals, per meal 3
 - (d) room, per week 70
- (3) The cash value of all other types of non-cash payments is the market value of the item or service received.

NEW RULE IX (24.40.XXX) PAYMENTS THAT ARE NOT WAGES – EMPLOYEE EXPENSES, JUROR FEES, DIRECTOR'S FEES, AND MILITARY DIFFERENTIAL PAY

- (1) Employer payments to reimburse an employee for business expenses incurred during the course and scope of employment are not wages if the reimbursement amount:
 - (a) is entered separately in the employer's records;
 - (b) is not deducted from or based on a percentage of the employee's wage; and
 - (c) does not replace the customary wage for the occupation.
- (2) Employer reimbursement of employee expenses must be based on:
 - (a) actual cost for lodging, goods, or services, supported by receipts;
 - (b) a flat rate for meals not exceeding the per diem allowed by the Internal Revenue Service for the year, unless the employer has a documented higher rate of reimbursement; or
 - (c) when an employee-furnished vehicle is used, a mileage rate no greater than that allowed by the Internal Revenue Service for that year.
- (3) Expense reimbursements, fees, meals, or other payments provided to a juror by a court are not wages.
- (4) Customary and reasonable director's fees for attending meetings of the board of directors of a corporation are not wages, if the fees are not paid in lieu of reasonable compensation for services performed.
- (5) Payments made by an employer to an employee who is called to active duty in the military services for more than 30 days, when the payments represent a replacement of part or all the wages the employee would have received for performing services for the employer, to be military differential pay and not wages for purposes of Title 39, chapter 51, MCA.

NEW RULE X (24.40.XXX) LEAVING WORK (1) Following a claimant's notice of intent to leave work, the department shall determine the reason for the separation in the following manner.

- (a) If a claimant's notice of intent to leave work is valid, the department shall consider the claimant to have left employment voluntarily as of the date identified by the valid notice.

(b) If a claimant attempts to retract a valid notice of intent to leave work and the employer does not accept the retraction, the department shall consider the claimant to have voluntarily left employment.

(2) If a claimant's notice of intent to leave work was not valid, the department shall consider the claimant to have been discharged by the employer.

NEW RULE XI (24.40.XXX) DISCHARGE BY EMPLOYER (1) Following an employer's notice of intent to discharge a claimant, the department shall determine the reason for the separation in the following manner:

(a) when an employer's notice of discharge is valid, the department shall consider the claimant to have been discharged, regardless of whether the claimant left employment voluntarily prior to the intended date of termination; or

(b) when an employer attempts to retract a valid notice of termination and the claimant does not accept the retraction, the department shall consider the claimant to have been discharged.

(2) When an employer's notice of discharge is not valid and the claimant left solely in response to the invalid notice, the department shall consider the claimant to have left employment voluntarily.

NEW RULE XII (24.40.XXX) CONSTRUCTIVE QUIT – LEAVING WORK

(1) A claimant is considered to have constructively quit employment:

(a) when an employer discharges a claimant for an act or omission that made it impracticable for the employer to utilize the claimant's services and the claimant knew or should have known that the act or omission would jeopardize the claimant's job and likely result in discharge; or

(b) when the claimant fails to meet specified conditions of employment, which may include but are not limited to:

(i) failure to meet license or permit requirements for employment; or

(ii) failure to maintain insurability.

(2) An employee who constructively quit employment initiated the separation and left work.

NEW RULE XIII (24.40.XXX) LAYOFF OF TEMPORARY EMPLOYMENT – VOLUNTARY LAYOFF

(1) When a claimant and an employer agree to temporary employment, the department shall consider the claimant to have been laid off due to lack of work when:

(a) the claimant completes the assigned work;

(b) a previously agreed upon verbal or written contract ends;

(c) the employer no longer has the same hours, wages, terms of employment, and working conditions available to the claimant; or

(d) the claimant has been hired by a client company of the employer as a result of a verbal or written employment agreement.

(2) When a claimant volunteers to be laid off from employment, the claimant is considered to be laid off for lack of work when:

(a) the employer has a written workforce reduction plan or policy that allows an employee to volunteer to be laid off due to a lack of work;

(b) the layoff is due to a lack of work; and

(c) the employer identifies the claimant as a claimant subject to the layoff.

NEW RULE XIV (24.40.XXX) DISCHARGE FOR MISCONDUCT (1) The employer has the burden of proving that an employee was discharged for misconduct, as defined in [39-51-201](#) and [39-51-2303](#), MCA.

(2) A determination of misconduct must be supported by substantial evidence in the record. Substantial evidence is admissible, reliable evidence that a reasonable person would take as true in the normal course of events.

NEW RULE XV (24.40.XXX) EFFECTIVE DATE OF SEPARATION FROM EMPLOYMENT

(1) Except as provided in (2), an eligibility determination for a claimant leaving employment or a claimant's discharge is effective on the Sunday of the week of the last date of employment.

(2) If the separating action occurs after the last date of employment but before the next regularly scheduled shift, the separation is effective the latest of the following dates:

(a) the week of the separating act;

- (b) the week the claim was filed or reactivated; or
- (c) the week the payment request is filed.

NEW RULE XVI (24.40.XXX) CLAIMS FOR BENEFITS (1) A claimant must file an initial claim by using the online portal, or by calling the department to request filing assistance. The claimant shall provide all information requested by the department for proper claim administration. The information required from the claimant includes, but is not limited to:

- (a) the claimant's name, physical address, mailing address, and demographic data;
- (b) the claimant's social security number;
- (c) whether the claimant is a United States citizen and, if not, the claimant's alien registration permit number;
- (d) whether the claimant has an existing claim in the current benefit year under any state or federal unemployment insurance or unemployment compensation law;
- (e) whether the claimant is totally unemployed;
- (f) whether the claimant is able to work, available for work, and seeking work; and
- (g) the names and addresses of all employers the claimant worked for in the most recent 18 months, the beginning and ending dates of the employment for each employer, and the reasons for the claimant's separation from employment with each employer.

(2) The department may require the claimant to provide verification, written or otherwise, of any information the claimant provided or that was requested from the claimant in connection to the claim.

NEW RULE XVII (24.40.XXX) EFFECTIVE DATE, BACKDATING, AND CANCELLATION OF CLAIM (1) A claim is effective on the Sunday of the week in which the claim is filed and remains in effect until:

- (a) the end of the benefit year; or
 - (b) the claim is cancelled.
- (2) A claimant may request cancellation of a claim within ten days after the date of an initial or revised monetary determination. A cancellation request may be done through the online portal or by mail.
- (3) The department may backdate a claim or grant a late request to cancel a claim if the claimant shows good cause for the delay in filing the claim or requesting cancellation.

NEW RULE XVIII (24.40.XXX) CLAIMANT AGENT DESIGNATION (1) A claimant may designate another person to serve as the claimant's agent and handle the claim on the claimant's behalf. To designate an agent, a claimant must complete an agent designation form either through the online portal or by contacting the department by mail or phone to request a form. The agent designation form specifies the limits of the agent's authority and the time period covered by the designation.

- (2) Unless the claimant indicates otherwise on the agent designation form, the agent may do the following on behalf of the claimant:
- (a) file a new claim, reactivate an inactive claim, or file a continued claim;
 - (b) provide information to the department and respond to department requests for information; and
 - (c) request a redetermination or appeal of a determination of benefit eligibility.
- (3) Claimant may change, revoke, or renew the agent's designation at any time by notifying the department in writing either through the online portal or through the mail.
- (4) An agent designation expires after one year from the date of the designation or when a new claim is filed, whichever occurs first.

NEW RULE XIX (24.40.XXX) INITIAL MONETARY DETERMINATION

(1) After filing an initial claim, a claimant will receive an initial monetary determination stating whether the claimant has sufficient wages to qualify for benefits.

(2) The initial monetary determination informs the claimant of the department's records from base period employers used to calculate the claimant's benefit amount, and the effective date of the claim.

(3) If a claimant's wage records have not been received, and the claimant was employed by an insured employer, the claimant may support their claimed wages by providing an affidavit and documentation establishing the amount of base period wages as follows:

- (a) unpaid wages may be considered if the claimant completes a signed, dated, and notarized affidavit stating the following:
 - (i) the name and address of any employer from whom wages are due;

- (ii) the amount of unpaid wages; and
- (iii) the reasons why the wages have not been paid; and
- (b) the claimant provides at least one of the following documents to show unpaid wages:
 - (i) a W-2 or 1099 form as required by the Internal Revenue Service;
 - (ii) a signed statement from the employer affirming the truth of the claimant's affidavit;
 - (iii) a copy of the employer's schedule of assets and liabilities filed in a bankruptcy proceeding showing the unpaid wage claim;
 - (iv) a copy of the claimant's wage claim filed with the department, if the department has not dismissed the wage claim; or
 - (v) a copy of a decision of the department or a court of competent jurisdiction stating that the wages are owed the claimant.

NEW RULE XX (24.40.XXX) BASE PERIOD WAGE CALCULATION (1) A claimant's base period wages are the wages earned from a base period employer prior to the claimant's period of unemployment. A claimant's base period wages are used to calculate the claimant's benefit amount.

(a) For the purposes of this rule, base period wages are deemed to be "used" when the base period wages are:

- (i) part of the calculation that establishes the monetary amount of benefits payable on the claim;
- (ii) the basis for establishing the claim's benefit year; and
- (iii) a sufficient amount to qualify the claimant for benefits, if the claimant is otherwise eligible to receive benefits with respect to that claim.

(b) Base period wages used to establish a monetary determination and a benefit year in any state, including Montana, may not be:

- (i) used by this state to establish a second or subsequent monetary determination and benefit year;
- or

(ii) transferred by this state to another state for the purpose of combining wages and employers as provided by [39-51-504](#), MCA.

(2) The department shall consider the following payments as wages and assign the following payments to the following periods:

(a) Payments made for termination of insured employment generally known or described as severance pay, separation pay, termination pay, wages in lieu of notice, continuation of wages for a designated period of time following cessation of employment, or other similar payment, and payments made under an incentive, employee buy-out, or similar plan designed to produce a general or specific reduction in force by inducing employees to leave voluntarily or in lieu of involuntary termination, whether paid in a lump sum or incrementally over any period of time, are attributable to the quarter in which the separation from employment occurred.

(b) Accrued vacation and sick leave paid at or after separation, other than a temporary layoff, are attributable to the quarter in which the separation from employment occurred.

(c) Bonuses, awards, incentives, rewards, profit sharing, and stocks are attributable to the quarter the payment was issued.

(d) Holiday pay is attributable to the quarter the payment was issued.

(e) Payments received for accrued unused vacation, sick leave, compensatory time, or other similar leave when separation has not occurred or during periods of temporary layoff are attributable to the quarter in which the payment was issued. These payments are sometimes also known as a "cash-out" of leave benefits.

(f) Backpay and settlements, in all cases, will be prorated back over the time the payment represents. Only the portion of the payment that is wages which would have been earned, or wages earned and not paid, will be applied to weeks claimed and quarterly wages.

(g) Use of vacation or sick leave, compensatory time, or other similar leave paid during the course of insured employment, including periods of temporary layoff, for time off from employment for vacation, whether voluntary or mandated, sick leave, or other leave with pay is attributable to the quarter the payment was issued.

(h) Royalties, residual payments, and commissions are attributable to the quarter in which the payment was issued.

NEW RULE XXI (24.40.XXX) WEEKLY PAYMENT REQUESTS (1) In order to receive benefit payments, a claimant must file weekly payment requests using the online portal. If the claimant is unable to file online, the claimant may contact the department to request and file weekly payment requests by mail.

(2) Weekly payment requests are timely if the request is filed after the week claimed, and before midnight of the Saturday seven calendar days later.

(3) A claimant must file timely weekly payment requests during the claim adjudication and appeal process to receive benefits or waiting period credit for the intervening week or weeks.

(4) A claimant must completely answer each question on the weekly payment request form and certify that the claimant's responses are true and accurate to the best of the claimant's knowledge.

(5) A claimant must report all hours worked for wages from all work for each week the claimant requests benefit payments. Hours shall be reported for the week the work was performed. A claimant must also report any hours claimed for pay in lieu of work such as holiday pay, or use of vacation, sick, or other paid leave, regardless of whether the use of leave was voluntary or mandatory.

(6) A claimant must report all gross wages earned from all work for each week the claimant requests benefit payments. Gross wages include payment or hours worked or pay in lieu of work such as holiday pay, or use of vacation, sick, or other paid leave, regardless of whether that use was voluntary or mandatory.

(a) Termination pay must be reported as wages for the week in which the termination occurred.

(b) The following payments from an employer must be reported as wages for the week in which the payment was issued:

(i) A bonus, award, incentive, reward, or profit sharing, whether in cash or in the form of securities;

(ii) Accrued unused vacation, sick leave, or other leave without a termination from employment, commonly referred to as a "cash-out" of accrued leave;

(iii) A royalty or residual payment, or payment for a commission;

(c) Payment is issued on the date printed on a physical check, the date of release of electronic funds transfer, or the date cash was tendered. The department may allow up to 14 calendar days for reporting discrepancies.

(7) The department may allow a late payment request if the claimant shows good cause for the late failing. If the department determines that the claimant did not have good cause for the delay in filing, benefits or waiting week credit must be denied, and the claimant may be required to reactivate the claim as provided in [NEW RULE XXVI].

NEW RULE XXII (24.40.XXX) WORK SEARCH CONTACTS (1) A valid work search contact requires a claimant to directly contact an employer, or an authorized agent of an employer, and complete a job application or submit a resume that enables the employer to contact the claimant to arrange an interview or to commence employment. The claimant must possess the prior work experience, knowledge, skills, and abilities to qualify for the specific job opening.

(2) A valid work search contact includes a claimant's registration for work at a temporary employment agency.

(3) A valid work search does not include seeking self-employment, working as an independent contractor, reporting part-time work, or registering with the department's workforce services program.

(4) A claimant shall report at least one valid work search contact with a different employer, or for a different position with the same employer, for each consecutive week that the claimant requests benefit payments.

(5) The claimant shall retain all work search contact information necessary for verification by the department. The department may request all information relevant to the work search contact.

NEW RULE XXIII (24.40.XXX) DETERMINATIONS OF BENEFIT ELIGIBILITY AND QUALIFICATION

(1) In addition to the determination issued under [NEW RULE XIX], the department shall adjudicate each issue affecting a claimant's eligibility and qualification for benefits. Issues subject to adjudication include initial eligibility issues and any issues that arise during the period of benefit payments. The department shall issue a written decision for each individual issue affecting the claimant's benefits.

(2) When the department identifies an issue that requires adjudication, including when the information provided by the claimant and employer differs substantially regarding claimant's eligibility for benefits, the department shall investigate and adjudicate the claim as follows:

- (a) The department shall promptly request information from the claimant, the employer, and any other sources of relevant information within eight days pursuant to [NEW RULE I].
- (b) The department shall allow the claimant to review and respond to the information obtained by the department and to submit any rebuttal evidence.
- (c) If the claimant fails to provide the requested information within the time period designated by the department, the department may make an adverse ruling against the claimant, including a determination that the claimant is unavailable for work as provided in [39-51-2104](#), MCA.
- (d) If the employer fails to provide information within the time period, the employer may be subject to [NEW RULE III].
- (3) If a claimant is determined ineligible or disqualified for benefits due to an act or circumstance that occurred prior to the effective date of an initial, additional, or reopened claim, the claimant is deemed ineligible or disqualified for benefits as of the date of the act or circumstances that caused the ineligibility or disqualification.
- (4) If a claimant is determined to have failed the requirements of benefit eligibility due to an act or circumstance that occurred during the benefit period of a prior or current claim, the claimant is deemed ineligible or disqualified for benefits as of the Sunday of the week the act or circumstance resulting in ineligibility or disqualification occurred.
- (5) A claimant who is determined to be ineligible or disqualified for benefits may be required to pay back any benefits received after the date the claimant was determined to be ineligible or disqualified for benefits.
- (6) The department shall provide written notice of a determination to all interested parties.

NEW RULE XXIV (24.40.XXX) REDETERMINATION (1) An interested party may request a redetermination by submitting a request to the department, by the online portal or mail, together with any additional information the party wishes the department to consider within ten days of the service of the determination.

(2) The department shall provide any additional relevant information to all interested parties and allow the interested parties to review, respond, and submit rebuttal evidence, if any, within eight days of the department's request for rebuttal.

(3) The department shall provide notice of the redetermination to all interested parties.

NEW RULE XXV (24.40.XXX) DEPARTMENT REDETERMINATION OF BENEFIT REQUALIFICATION OR RESTORED ELIGIBILITY – TIME LIMIT (1) The department may, in its sole discretion, make a redetermination of a claimant's disqualification for benefits under [39-51-2302](#), [39-51-2303](#), or [39-51-2304](#), MCA, or ineligibility under [39-51-2104](#), MCA, for up to two years after the date of the original determination.

(2) The department shall consider all new or discovered information to make the redetermination.

NEW RULE XXVI (24.40.XXX) INACTIVE CLAIMS--REACTIVATING A CLAIM (1) A claim for benefits becomes inactive if a claimant does not request benefit payments for four consecutive weeks. If a claim remains inactive after the end of the claim's benefit year, the claimant must file a new claim for benefits.

(2) A claimant may reactivate a claim during the claim's benefit year by:

(a) calling the department and requesting that the claim be reactivated; or

(b) accessing the department's online portal and following the instructions to reactivate the claim.

(3) To reactivate a claim, a claimant must provide any information relevant to claim qualifications or eligibility, including any separation from insured employment.

(4) A reactivated claim is effective on the Sunday of the calendar week in which the claimant reactivates the claim.

(5) The department may backdate a reactivated claim if the claimant shows good cause for the delay in reactivating the claim.

NEW RULE XXVII (24.40.XXX) CLAIMANT'S FAILURE TO UPDATE MAILING ADDRESS (1) The department may determine a claimant to be ineligible for benefits when a claimant fails to provide the department with an updated mailing address within three days of a change to the claimant's mailing address.

(2) The department shall reinstate the claimant's benefit eligibility upon a receipt of an updated mailing address if the claimant is otherwise eligible for benefits.

(3) The benefit eligibility may be backdated if the claimant shows good cause for the delay in updating the mailing address.

NEW RULE XXVIII (24.40.XXX) FOREIGN TRAVEL (1) The department may deny benefits if the claimant is residing in or is traveling to or in a foreign country.

(2) The department may allow benefits to be paid to a claimant who resides in or travels to a country that has executed a reciprocal agreement with the United States government regarding unemployment insurance.

NEW RULE XXIX (24.40.XXX) SERVICES IN EDUCATIONAL INSTITUTIONS (1) Individuals who perform services for an academic institution in an instructional, research, or principal administrative capacity include the following:

(a) Individuals in an instructional capacity include teachers in formal classrooms and seminars, tutors, and those who direct or assist students in research and learning.

(b) Individuals in a research capacity include those who direct a research project and those staff directly engaged in gathering, correlating, and evaluating information and making findings.

(c) Individuals in a principal administrative capacity include school principals, school superintendents, officers of the institution, the board of directors, business managers, deans, associate deans, university public relations directors, comptrollers, development officers, chief librarians, registrars, and any individuals who, although they may lack official titles, actually serve in a principal administrative capacity.

(2) "Reasonable assurance" means that there is a written, oral, or implied agreement that the individual will perform services in the same capacity in the next academic year or term.

(3) An individual who performed services in the first academic year or term has reasonable assurance if the educational institution gave the individual a bona fide offer of the same job in the same capacity for the next academic year or term, whether or not the individual accepts the bona fide offer.

(4) An individual who performed services in the first of any two academic years or terms for an educational institution has reasonable assurance of performing services in the same capacity in the second academic year or term, regardless of the following:

(a) the individual is required to reapply for a position;

(b) the individual has advised the institution of the individual's intention not to return to employment in the subsequent academic year or term; or

(c) the educational institution has advised the individual or the department that employment in the next academic year or term is contingent upon adequate funding or enrollment.

(5) An individual does not have reasonable assurances in the following circumstances:

(a) if the economic terms and conditions are substantially less than the economic terms and conditions of the job in the previous academic year or term; or

(b) if an educational institution advised the individual or the department that employment in the next academic year or term is contingent upon adequate funding or enrollment; and

(i) the individual has been given unequivocal notice that the individual will not be rehired for the subsequent academic year or term;

(ii) the department determines that there is not a pattern, either as to the particular individual or as to the class of employees to which the individual belongs, of such notice being followed by subsequent reemployment by the educational institution; and

(iii) the department determines that there is not substantial evidence of a continuing employment relationship between the individual and the educational institution during the period between the first and next academic years or terms, including but not limited to, the continuance of employee benefits during the period.

(6) If the department determined that an individual did not have reasonable assurances, and the individual was later given reasonable assurances, any benefits that were paid to the individual based on the initial determination of no reasonable assurances shall cease starting on the date the individual received reasonable assurances.

(7) If the department determined that an individual had reasonable assurances, but the individual continues to be unemployed when the academic year or term begins, the individual may be allowed benefits:

(a) from the date the offer of employment was withdrawn; or

(b) from the date the claimant was given reasonable assurance if it is determined that the original offer of employment was not a bona fide offer.

(8) Individuals at educational institutions or educational service agencies who are customarily employed for the educational institution or educational service agency during the period between academic years or terms or during customary vacation periods or holiday recesses within terms are not subject to the provisions of [39-51-2108](#), MCA.

NEW RULE XXX (24.40.XXX) DISQUALIFICATION DUE TO STRIKE

(1) For the purposes of [39-51-2305](#), MCA, and of this rule, the following definitions and interpretations apply:

(a) "Grade or class of workers" means:

(i) workers who are members of a particular bargaining unit; or

(ii) workers whose jobs are similar or integrated or who have substantial mutual interests or similarities in wages, hours, and other conditions of work.

(b) "Labor dispute" means any controversy concerning terms, tenure, or conditions of work or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of work, regardless of whether the disputants stand in the proximate relation of employer and employee.

(c) "Strike" means a concerted cessation of work by workers in an effort to obtain or to resist some change in conditions of work.

(2) A worker is participating in the labor dispute if the worker:

(a) is picketing, refusing to cross a picket line, or refusing to report for work; or

(b) is a member of a bargaining unit that voted to authorize the strike.

(3) A worker is financing the labor dispute if the worker, or the worker's union, has contributed time or money, directly or through a special assessment:

(a) to affect the outcome of the labor dispute;

(b) to further the objectives of the strike; or

(c) to provide aid or support to the union or workers participating in the strike.

(4) A worker is directly interested in the labor dispute if, immediately before the strike began, the worker:

(a) is of the same grade or class of workers as the workers participating in or financing the strike; and

(b) is employed at the same factory, establishment, or premises as the workers who are participating in or financing the strike.

(5) The factors enumerated in (2), (3), and (4) are not exhaustive. The department may consider factors not listed here to determine a worker's participation, financing, or direct interest in a labor dispute. The department's determination must be supported by a preponderance of the evidence and as a matter of law.

(6) If a state or federal agency, or court with jurisdiction, determines that the strike was based on the employer's unfair labor practice or other violation of law pertaining to hours, wages, or other conditions of work, a worker who was disqualified from benefits under this rule will become qualified on the Sunday of the week the determination of the employer's unlawful conduct is made.

(7) If no violation of law is found under (6), a worker who is disqualified from benefits under this rule will remain disqualified until the end of the week in which:

(a) the strike is abandoned, and the worker, or the worker's union, makes an unconditional offer to return to work; or

(b) there has been a complete and bona fide termination of the work relationship between the worker and the employer. The permanent replacement of a striking worker will be considered to constitute a complete and bona fide severance of the work relationship between the worker and the employer only upon a final determination by a state or federal agency or court with jurisdiction to make such a determination that the worker has no rights of reinstatement.

NEW RULE XXXI (24.40.XXX) WORK NO LONGER SUITABLE

(1) Suitable work for an individual may become unsuitable due to circumstances beyond the individual's or employer's control. When adjudicating a work refusal or separation from work, the department shall consider previously suitable work as not suitable when:

(a) an individual has made a good faith effort to comply with licensing requirements or governing regulations but has failed to pass the required course(s) or licensing exam; or

(b) an individual has submitted to the department an individualized determination of work unsuitability due to the individual's physical or mental disability, certified and signed by a health care provider.

(2) The individual bears the burden of proof that work is not suitable.

NEW RULE XXXII (24.40.XXX) SUITABLE WORK FOR EXTENDED BENEFITS (1) If the department determines that a claimant who has exhausted regular benefits has a reasonable chance of securing employment during the four weeks after regular benefits are exhausted, "suitable work" is defined by the requirements in [39-51-2304](#), MCA.

(2) If the department determines that a claimant who has exhausted regular benefits does not have a reasonable chance of securing employment in the four weeks after regular benefits are exhausted, "suitable work" for purposes of extended benefits is defined as the requirements in [39-51-2304](#), MCA, and the following criteria:

(a) the gross average weekly wages for the work exceeds the claimant's extended weekly benefit amount, plus the amount of any supplemental unemployment benefits (as defined in 26 U.S.C. 501(c)(17)(D), as amended);

(b) the position does not pay less than the higher of:

(i) the federal minimum wage (29 U.S.C. 206, as amended); or

(ii) any applicable state or local minimum wage; and,

(c) the position was offered to the claimant in writing or was listed with an employment office.

(3) The department shall presume that a claimant does not have a reasonable chance of securing employment during the four weeks after regular benefits are exhausted. The department may change this presumption upon evidence of improved opportunities for employment.

(4) The department shall notify the claimant in writing of the determination of the claimant's reasonable chances of securing employment, and the department may change the determination if the department is provided with evidence of changed circumstances.

NEW RULE XXXIII (24.40.XXX) FRAUD DETERMINATION - FALSE STATEMENT OR FAILURE TO DISCLOSE

(1) If the department identifies information indicating possible fraud, meaning the department has reason to believe a claimant may have made a false statement or representation or failed to disclose a material fact in order to obtain or increase benefits, the department shall investigate and adjudicate the issue pursuant to the procedures in [NEW RULE XXIII]. The department shall apply the specific analysis below in (2) or (3) and (4) and (5) to any determination of fraud.

(2) The department may, in its sole discretion, make a redetermination of fraud for up to three years after the date of the claimant's original determination.

(3) A claimant will be determined to have made a false statement or representation knowing it to be false to obtain or increase benefits upon a finding that:

(a) the claimant, or the claimant's agent, personally made the statement or representation in question;

(b) the claimant, or the claimant's agent, knew that the statement or representation was false; and

(c) the statement or representation was made in connection with the claimant's claim for benefits and was material to a determination of the claimant's benefit entitlement.

(4) A claimant will be determined to have knowingly failed to disclose a material fact to obtain or increase benefits upon a finding that:

(a) the claimant, or the claimant's agent, had knowledge of the fact in question;

(b) the fact in question was material to a determination of the claimant's benefit entitlement;

(c) the claimant, or the claimant's agent, failed to disclose the fact in question; and,

(d) the claimant, or the claimant's agent, knew that the fact in question was required to be disclosed to the department for the proper administration of the claim.

(5) A determination or decision finding fraud under (3) or (4) must be supported by a preponderance of the evidence and specifically cite the evidence in support of each subsection.

(6) A determination or decision finding fraud under (3) or (4) shall impose the appropriate administrative penalty pursuant to [NEW RULE XXXIV].

NEW RULE XXXIV (24.40.XXX) CALCULATION OF ADMINISTRATIVE PENALTY (1) The number of weeks of disqualification imposed pursuant to a determination of fraud under [NEW RULE XXXIII], is determined as follows:

(a) for each week the department determined a claimant made a false statement or representation or failed to disclose a material fact not involving a separation from employment, two weeks of disqualification are imposed;

(b) for each week the department determined a claimant made a false statement or representation or failed to disclose a material fact, involving a separation from employment, six weeks of disqualification are imposed;

(c) an additional eight weeks of disqualification are imposed for each determination or decision, dated within three years of the date of the department's determination under (a) or (b), that imposed a disqualification for any number of weeks; and

(d) any weeks of disqualification imposed as provided in (a) and/or (b) must be imposed for each determination and served consecutively, not concurrently.

(2) A week is counted as a week of disqualification only if:

(a) the claimant has filed a weekly payment request for the week;

(b) the claimant is otherwise eligible for and qualified to receive benefits for the week;

(c) the week has not been used to satisfy the waiting week requirement; and

(d) the maximum benefit amount for the benefit year in which the week begins has not been exhausted.

NEW RULE XXXV (24.40.XXX) NOTICE OF BENEFIT OVERPAYMENT

(1) If any decision results in a benefit overpayment, the department shall provide the claimant with separate notice of the amount of benefit overpayment.

(2) When the department determines a benefit overpayment occurred pursuant to a determination of fraud under [NEW RULE XXXIII], the department shall add a penalty to the benefit overpayment.

(3) The separate benefit overpayment notice may be appealed only to challenge the accuracy of the amount of the benefit overpayment.

(4) Any benefit overpayment must be repaid to the department, regardless of the cause of the benefit overpayment, unless the department waives recovery of the benefit overpayment under [NEW RULE XXXVI] or [NEW RULE XXXVII].

(5) A benefit overpayment created when an interested party exercises their right to appeal a department determination or decision pursuant to these rules and Title 39, chapter 51, MCA, is a normal part of claim administration and is not eligible for a waiver.

NEW RULE XXXVI (24.40.XXX) WAIVER OF OVERPAYMENT RECOVERY

(1) Once a decision that resulted in a benefit overpayment becomes final, a claimant may request that the department waive recovery of the benefit overpayment by writing or calling the department to request assistance.

(2) The department must deny waiver of benefit overpayment recovery that resulted from fraud pursuant to [NEW RULE XXXIII], or if a claimant is at fault by concealing or misrepresenting material facts. A claimant concealed or misrepresented material facts for purposes of this rule, even if unintentionally, in circumstances including, but not limited to, the following:

(a) before benefits were paid, the claimant failed to report or misrepresented a fact or circumstance regarding benefit eligibility or qualification;

(b) the claimant failed to read or respond to the department's requests for information, questions, or other communications that were necessary to determine the claimant's eligibility and qualification for benefits;

(c) the claimant failed to report or incorrectly reported a separation from employment while requesting benefits; or

(d) the claimant failed to report or incorrectly reported all hours and earnings from any insured employer during any week the claimant worked and requested benefits.

(3) The department may waive recovery of all or a portion of a benefit overpayment when a claimant meets the requirements of (1) and (2) and one or more of the following circumstances exist:

(a) benefit overpayment was the result of an incorrect monetary determination by the department due to minor errors in employer reporting;

(b) benefit overpayment resulted from department failure to consider relevant written documentation provided in a timely manner by a claimant, employer, or third party prior to the department's determination or redetermination;

(c) benefit overpayment resulted from claimant's reliance upon erroneous written information provided by department; or

(d) recovery of the benefit overpayment would cause a long-term financial hardship on the claimant pursuant to [NEW RULE XXXVII].

(4) Benefit overpayment does not constitute department error when the implementation of new state or federal law requires the department to revise a claimant's state benefit claim or monetary determination and to reduce or deny benefits retroactively.

(5) After consideration of a claimant's request for waiver, including a financial hardship waiver, the department shall notify the claimant of the waiver determination to grant or deny the request.

(6) Repayment of a benefit overpayment by offset of benefits shall continue until the department's waiver determination becomes final. If the waiver determination approves claimant's request for waiver, the department shall reimburse claimant for repayments collected after the date the claimant's written request for waiver was received by the department.

NEW RULE XXXVII (24.40.XXX) FINANCIAL HARDSHIP WAIVER OF OVERPAYMENT

RECOVERY (1) In addition to the requirements for waiver in [NEW RULE XXXVI], a claimant may request the department waive recovery of the benefit overpayment based on the claimant's long-term financial hardship. The claimant may make the request using the online portal, or by calling the department to request a paper form.

(2) The claimant shall provide documentation of monthly household income, assets, and expenses as requested by the department. The department may request additional documentation or verification of any amounts or documents provided. The department may also disallow or adjust any claimed expenses that the department deems unreasonable.

(3) The department shall determine recovery of the benefit overpayment will cause a claimant long-term financial hardship when:

(a) the sum of the claimant's average monthly household cash flow and the net value of the claimant's household assets equals an amount less than the identified amount of the benefit overpayment; and

(b) no evidence demonstrates that the sum of claimant's average household monthly cash flow and net value of the claimant's household assets are likely to exceed the amount of the benefit overpayment within 12 months of the date of the claimant's request for waiver.

(4) If a claimant's request for waiver is denied, a claimant may submit a new request for waiver if the claimant's financial situation has significantly changed since the prior request was denied.

NEW RULE XXXVIII (24.40.XXX) ADOPTION OF NASWA INTERSTATE CLAIM PROCESSING

PROCEDURES (1) Interstate claims are governed by the National Association of State Workforce Agencies (NASWA)'s Interstate Benefit Payment Plan of 1938, to which the department is a signatory, and the Interstate Arrangement for the Combining of Employment and Wages of 1971, 20 CFR § 616.

(2) NASWA maintains the Unemployment Insurance Interstate Connection Network (UI ICON) website so every state UI agency, including the department, can request and receive data for use in the filing and processing of combined wage claims, military, and federal claims. Each jurisdiction, including this state, is required to keep their jurisdiction's UI claim processing information current on the UI ICON website.

(3) Information for processing interstate claims is available on the NASWA website, or by contacting the department.

NEW RULE XXXIX (24.40.XXX) ADOPTION OF 2013 INTERSTATE RECIPROCAL OVERPAYMENT RECOVERY ARRANGEMENT

(1) The department adopts by reference the National Association of State Workforce Agencies (NASWA) 2013 Interstate Reciprocal Overpayment Recovery Arrangement (IRORA), to which the department is a signatory, to govern the recovery of improper payments of state and federal unemployment insurance benefits. The department may recover improper benefit payments from individuals filing for benefits under the Interstate Benefit Payment Plan, the Interstate Arrangement for the Combining of Employment and Wages, or intrastate under any state's law.

NEW RULE XL (24.40.XXX) EMPLOYER REPORTING - SICK LEAVE OR ACCIDENT DISABILITY PAYMENTS AS WAGES

(1) If the employer paid the premium for sick leave or accident disability insurance, any payments made to an employee under that insurance coverage are reportable as wages by the employer. The payments are reportable as wages for six months after the last calendar month in which the employee worked for such employer.

(2) The insurance company, or other third party, that made sick leave or accident disability payments to the employee assumes responsibility for reporting the wages to the department if the third party fails to give the following information to the employer within 15 days of the end of the calendar quarter in which the sick leave or accident disability payments were made to the employee:

- (a) name and social security number of the employee who received the payments; and
- (b) total amount of the payments.

The department proposes to repeal 24.11.101, 24.11.201, 24.11.203, 24.11.206, 24.11.207, 24.11.208, 24.11.210, 24.11.315, 24.11.316, 24.11.318, 24.11.319, 24.11.320, 24.11.325, 24.11.326, 24.11.327, 24.11.328, 24.11.329, 24.11.331, 24.11.336, 24.11.337, 24.11.441, 24.11.442, 24.11.443, 24.11.445, 24.11.450A, 24.11.452A, 24.11.453A, 24.11.454A, 24.11.455, 24.11.456, 24.11.459, 24.11.464, 24.11.465A, 24.11.470, 24.11.471, 24.11.476, 24.11.481, 24.11.485, 24.11.487, 24.11.490, 24.11.491, 24.11.511, 24.11.515, 24.11.516, 24.11.517, 24.11.518, 24.11.521, 24.11.523, 24.11.525, 24.11.531, 24.11.534, 24.11.616, 24.11.617, 24.11.911, 24.11.1205, 24.11.1207, 24.11.1209, 24.11.1213, 24.11.1221, 24.11.1225, 24.11.1228, 24.11.1229, 24.11.2011, 24.11.2225, 24.11.2401, 24.11.2403, 24.11.2411, 24.11.2501, 24.11.2511, 24.11.2515, and 24.11.2801.

Notes/Hearing: The department held a public hearing on April 11, 2024, to consider the notice.

MAR Notice Number: 24-141-39

Subject: Amendment, adoption, and repeal of rules pertaining to the State Electrical Board.

Summary: The board proposes to amend ARM 24.141.301, 24.141.405, 24.141.502, 24.141.503, 24.141.504, 24.141.505, 24.141.509, 24.141.2102, and 24.141.2301. The rule amendments propose to amend the fee schedules, revise the temporary practice permit requirements, examinations, reciprocity requirements, contractor licensing, nonroutine applications, continuing education, and unprofessional conduct.

The board proposes to adopt NEW RULES I through III:

NEW RULE I JOURNEYMAN AND MASTER ELECTRICIAN EXPERIENCE

REQUIREMENTS (1) For applicants seeking a journeyman electrician license, a maximum of 50 percent of the practical experience may be residential in nature. The balance must be either commercial, industrial, institutional, or a combination thereof.

(2) For all applicants seeking a master electrician license, the practical and journeyman level experience must be either commercial, residential, industrial, institutional, or a combination thereof. No more than 50 percent of the practical or journeyman level experience may be obtained by residential work.

NEW RULE II ADMINISTRATIVE SUSPENSION (1) The board authorizes the department to:

(a) administratively suspend licenses for deficiencies set forth in [37-1-321](#)(1)(a) through (e), MCA; or

(b) file a complaint pertaining to the deficiencies in (1) that are based on repeated or egregious conduct, or that have co-occurring misconduct allegations that directly implicate public safety and may warrant formal disciplinary action.

(2) An administrative suspension is not a negative, adverse, or disciplinary action under Title 37, MCA, and is not reportable under federal law or the department's licensee lookup and license verification databank.

NEW RULE III PANEL MEMBERS (1) The board chair shall assign board members to the screening panel and the adjudication panel. The board chair may replace or reassign panel members, but the panels must be divided as follows:

(a) The screening panel shall consist of two board members, including one journeyman or master electrician member of the board and one public member of the board.

(b) The adjudication panel shall consist of three board members, including one journeyman or master electrician member of the board and one public member of the board.

(2) The screening panel will not consider anonymous complaints.

The department proposes to repeal ARM 24.141.403, 24.141.501, 24.141.507, 24.141.511, and 24.141.2401.

Notes/Hearing: The board held a public hearing on April 16, 2024, to consider the notice.

MAR Notice Number: 24-33-416

Subject: Amendment and repeal of rules pertaining to the home inspector program.

Summary: The department proposes to amend ARM 24.33.401, 24.33.406, 24.33.411, 24.33.416, 24.33.421, 24.33.431, 24.33.441, 24.33.461, 24.33.471, and 24.33.475. The rule amendments seek to clarify existing rules, remove unnecessary definitions, remove photocopy fees, remove rule requirements that are duplicative of statute. The department proposes to repeal ARM 24.33.445 and 24.33.486.

Notes/Hearing: The department will hold a public hearing on May 7, 2024, to consider the notice.

MAR Notice Number: 24-126-39

Subject: Amendment, adoption, and repeal of rules pertaining to the Board of Chiropractors.

Summary: The board proposes to amend ARM 24.126.301, 24.126.401, 24.126.412, 24.126.504, 24.126.511, 24.126.515, 24.126.701, 24.126.704, 24.126.2103, and 24.126.2301. The board proposes the adoption of NEW RULES I and II:

NEW RULE I ADMINISTRATIVE SUSPENSIONS (1) The board authorizes the department to:

(a) administratively suspend licenses for deficiencies set forth in [37-1-321](#)(1)(a) through (e), MCA; or
(b) file a complaint regarding repeated or egregious deficiencies in (1)(a), or deficiencies with co-occurring misconduct allegations that directly implicate public safety and may warrant formal disciplinary action.

(2) An administrative suspension is not a negative, adverse, or disciplinary action under Title 37, MCA, and is not reportable under federal law and regulations implementing the Healthcare Practitioner Databank or the department's licensee lookup and license verification databank.

NEW RULE II DELEGATION OF TASKS (1) A chiropractor may delegate chiropractic physiotherapy to an auxiliary assistant employed by the chiropractor whom the chiropractor deems to be competent and safe in the context of an individual patient's circumstances.

(2) The chiropractor must:

(a) remain on the premises and supervise the auxiliary assistant; and

(b) assume full legal and ethical responsibility for tasks performed by the auxiliary assistant.

The board proposes to repeal ARM 24.126.502, 24.126.507, 24.126.510, 24.126.2105, and 24.126.2304. Generally, the rule notice clarifies existing rules, implements House Bill 583, and removes unnecessary or duplicative language.

Notes/Hearing: The board will hold a public hearing on May 7, 2024, to consider the notice.

MAR Notice Number: 24-147-41

Subject: Amendment and repeal of rules pertaining to the Board of Funeral Service.

Summary: The Board proposes to amend ARM 24.147.504 and 24.147.507. The board proposes to repeal ARM 24.147.509. The board provided the following general statement of reasonable necessity:

It is necessary that these rules reflect the passage of Senate Bill (SB) 244, Ch. 355, L. 2023, amending the one-year mortician internship that was required after graduation from mortuary school to provide the option to begin the internship simultaneously with enrollment in either the first or second year of mortuary school. This will allow for a person to become licensed one year earlier than in the past, immediately after graduation from mortuary school. The amendments also reflect the statutory change that licensing and jurisprudence examinations are only required before licensure as a mortician and not before starting the mortician internship.

While proposing the changes resulting from SB 244, board staff reviewed internship regulations in other jurisdictions and those recommended by the International Conference of Funeral Service Examining Boards. These requirements include a minimum number of hours of training, training content, recordkeeping, and minimum supervisor requirements (e.g., holding a license in good standing). In comparison, the Montana regulation only sets forth the requirement for the intern to assist in or arrange the funeral and embalming of 25 bodies during the internship.

The board is considering that it is not necessary to adopt training content standards as recommended by the International Conference of Funeral Service Examining Boards, Model Internship Guidelines. However, as discussed in more detail in the reasons below, it is necessary to bring Montana standards closer to national standards for legal and practical reasons related to the public health, safety, and welfare, particularly with the possibility that an intern will have had no mortuary schooling. Further, having similar standards to other states will broaden reciprocity for Montana interns and morticians transferring their licenses to another state.

Other changes strike unnecessary, repetitive, or unclear language, and reorganize the rules for ease of use.

Notes/Hearing: The board will hold a public hearing on May 7, 2024, to consider the notice.

MAR Notice Number: 24-213-23

Subject: Amendment and repeal of rules pertaining to Board of Respiratory Care Practitioners.

Summary: The board proposes to amend ARM 24.213.301, 24.213.401, 24.213.408, and 24.213.504. The board proposes to adopt NEW RULES I through III:

NEW RULE I CONTINUING EDUCATION (1) Each respiratory care practitioner must obtain 12 continuing education (CE) units in the preceding 12 months, by the renewal deadline in ARM [24.101.413](#). One CE unit is equal to 50 minutes of instruction or coursework or as designated by the CE provider.

(2) Licensees affirm an understanding of their duty to comply with CE requirements as a part of license renewal.

(3) The CE requirements do not apply until a licensee's first full year of licensure.

(4) The board/staff does not preapprove CE programs or sponsors. Licensees must select quality programs that focus on protecting the health, safety, and welfare of the public and contribute to licensees' professional knowledge and competence. Acceptable CE activities:

- (a) contribute to the licensee's knowledge and professional competence;
- (b) contain significant intellectual or practical content; and
- (c) are germane to the profession of a respiratory care practitioner.
- (5) Acceptable CE activities include:
 - (a) seminars;
 - (b) workshops;
 - (c) conferences;
 - (d) college course work:
 - (i) one semester credit equals 15 CE units; and
 - (ii) one quarter credit equals ten CE units;
 - (e) teaching:
 - (i) eight credits maximum; and
 - (ii) two credits for each hour of presentation;
 - (f) papers, publications, journals, exhibits, videos, and independent study (eight credits maximum);
 - (g) in-service programs; and
 - (h) online courses, webinars, and correspondence courses.
- (6) The department may randomly audit up to 50 percent of renewed licensees.
- (7) Licensees must maintain CE records for one year following the reporting period and make the records available upon request. Documentation must include:
 - (a) licensee name;
 - (b) course title and description of content;
 - (c) presenter or sponsor;
 - (d) course completion date(s); and
 - (e) number of CE hours earned.
- (8) Licensees found noncompliant with CE requirements may be subject to administrative suspension.
- (9) Licensees may request exemption from CE requirements.
- (10) The department, with respect to any CE audit it performs, shall determine the percentage to audit based on a statistically relevant sampling of the total number of licensees and the compliance rate of past audits.

NEW RULE II UNPROFESSIONAL CONDUCT (1) In addition to the provisions of [37-1-316](#), MCA, it is unprofessional conduct for respiratory care practitioners to:

- (a) violate a federal, state, or local law or rule relating to the conduct of the profession;
- (b) fail to cooperate with or respond to a department request or investigation;
- (c) fail to adequately supervise according to generally accepted standards of practice;
- (d) engage in abusive billing practices;
- (e) fail to report an incident of unsafe practice or unethical conduct of another licensee to the licensing authority;
- (f) fail to maintain and secure appropriate patient records as required by state and federal regulations;
- (g) fail to provide records when requested to do so by the patient or legal representative;
- (h) practice under unsanitary or unsafe conditions;
- (i) discontinue professional services, unless:
 - (i) services are completed;
 - (ii) the person requests the discontinuation;
 - (iii) alternative or replacement services are arranged; or
 - (iv) the person is given reasonable opportunity to arrange alternative or replacement services; and
- (j) commit any act of sexual abuse, misconduct, or exploitation whether or not it is related to the licensee's practice.

NEW RULE III ADMINISTRATIVE SUSPENSION (1) The board authorizes the department to:

- (a) administratively suspend licenses for deficiencies set forth in [37-1-321](#)(1)(a) though (e), MCA;
- or

(b) file a complaint pertaining to the deficiencies in (1) that are based on repeated or egregious conduct, or that have co-occurring misconduct allegations that directly implicate public safety and may warrant formal disciplinary action.

(2) An administrative suspension is not a negative, adverse, or disciplinary action under Title 37, MCA, and is not reportable under federal law and regulations implementing the Healthcare Practitioner Databank or the department's licensee lookup and license verification databank.

The board proposes to repeal ARM 24.213.402, 24.213.410, 24.213.415, 24.213.502, 24.213.2101, 24.213.2104, 24.213.2121, and 24.213.2301. The board provided the following statement of reasonable necessity:

In support of the Governor's Red Tape Relief Initiative, the Department of Labor and Industry (department) is conducting comprehensive reviews of the administrative rules of the professional licensing boards administratively attached to the department. This review focuses on updating rules to current standards and procedures, and eliminating unnecessary, redundant, and overburdensome regulations and those duplicated in statute. Other changes replace out-of-date terminology for current language and processes, and amend rules and catchphrases for accuracy, consistency, simplicity, better organization, and ease of use for customers and staff.

Authority and implementation citations are amended when necessary to accurately reflect all statutes implemented through the rules and provide the complete sources of the board's rulemaking authority.

Following consideration of the department's suggested changes, the Board of Respiratory Care Practitioners (board) determined it is reasonably necessary to amend four rules, repeal eight rules, and adopt three new rules to align with the Red Tape Relief Initiative. The streamlined rules will increase department efficiencies by further standardizing procedures used among all licensing boards and programs. Where additional specific bases for a proposed action exist, the board will identify those reasons immediately following the specific rule.

Notes/Hearing: The board will hold a public hearing on May 3, 2024, to consider the notice.

Department of Livestock and administratively attached entities

There are no new rules.

State Auditor's Office

MAR Notice Number: 6-287

Subject: Amendment of rules pertaining to required disclosure provisions in Medicare supplements.

Summary: The department proposes to amend 6.6.509, to update a reference to the National Association of Insurance Commissioners' model regulations.

Notes/Hearing: The department does not anticipate the need to conduct a public hearing.

Division of Banking and Financial Institutions

MAR Notice Number: 2-59-642

Subject: Adoption and repeal of rules pertaining to fiduciary foreign trust companies.

Summary: The Department proposes to adopt New Rules I through III:

NEW RULE I DEFINITIONS For purposes of this subchapter, the following definitions apply:

(1) "Good standing" means the entity is not subject to a supervisory directive, corrective action order, conservatorship, or the equivalent, from a state or federal regulator, and has not had its authority to do business in its home state, any other state, or a foreign jurisdiction suspended or revoked.

(2) "Home state" means the state where a bank or nonbank trust company is chartered.

- (3) "Home state regulator" means the supervisory agency of the home state of a bank or nonbank trust company.
- (4) "Nonbank trust company" means a foreign non-depository trust company.
- (5) "Primary regulator" means the state or federal regulatory agency tasked with being the main supervisory authority of a financial institution.
- (6) "Principal office" means an office of a fiduciary foreign trust company that is located in Montana and undertakes activities set forth in [32-1-1002](#), MCA.
- (7) "Trust representative office" means an office of a fiduciary foreign trust company, other than a principal office, located in Montana at which the fiduciary foreign trust company performs activities ancillary to its fiduciary business, but does not engage in any of the activities specified in [32-1-1002](#), MCA. Examples of ancillary activities include advertising, marketing, and soliciting for fiduciary business; contacting existing or potential customers, answering questions, and providing information about matters related to their accounts; acting as a liaison between the trust office and the customer (such as forwarding requests for distribution or changes in investment objectives, or forwarding forms and funds received from the customer); and inspecting or maintaining custody of fiduciary assets or holding title to real property. A trust representative office is not a "branch" for purposes of [32-1-372](#), MCA, unless it is also an office at which deposits are received, checks paid, or money lent.
- (8) "Well capitalized" means the fiduciary foreign trust company is well capitalized under the existing standards in the home state.

NEW RULE II OUT-OF-STATE STATE-CHARTERED BANK OR NATIONAL BANK SEEKING TO EXERCISE FIDUCIARY POWERS IN MONTANA

- (1) An out-of-state state-chartered or national bank that seeks to act as a fiduciary foreign trust company in Montana must provide:
- (a) the Fiduciary Foreign Trust Company Application, October 30, 2023, version, which is available on the department's website at banking.mt.gov;
 - (b) certification from the primary regulator stating:
 - (i) that the bank is lawfully chartered;
 - (ii) that the bank is operating in good standing;
 - (iii) that banking or trust corporations or corporations organized under the laws of Montana or national banking associations that maintain their principal offices in Montana are permitted to act as trustees, guardians, or conservators in the state in which the applicant maintains its principal office; and
 - (c) the physical location of any principal or trust representative office located in Montana.

NEW RULE III OUT-OF-STATE NONBANK TRUST COMPANIES SEEKING TO EXERCISE FIDUCIARY POWERS IN MONTANA

- (1) A nonbank trust company that seeks to act as a fiduciary foreign trust company in Montana must provide:
- (a) the Fiduciary Foreign Trust Company Application, October 30, 2023, version, which is available on the department's website at banking.mt.gov;
 - (b) certification from the primary regulator stating:
 - (i) that the nonbank trust company is lawfully chartered or licensed;
 - (ii) that the nonbank trust company is in good standing in the chartering or licensing state;
 - (iii) that the nonbank trust company is well capitalized under the standards that exist in the home state; and
 - (iv) that banking or trust associations or corporations organized under the laws of Montana or national banking associations that maintain their principal offices in Montana are permitted to act as trustees, guardians, or conservators in the state in which the fiduciary foreign trust company maintains its principal office; and
 - (c) the physical location of any principal or trust representative office located in Montana.

Generally, the department stated that the rules are necessary "to regulate the conduct of business in Montana by foreign (out-of-state) trust companies. In Montana, trust companies are banks. Pursuant to Title 32, chapter 1, part 10, MCA, a number of out-of-state state-chartered banks operate as fiduciary foreign trust companies in Montana. Prior to 2022, the department did not allow out-of-state nondepository (nonbank) trust companies to do business in Montana. In 2022, a Montana district court ruled that nonbank trust companies are allowed to conduct business in

Montana as fiduciary foreign trust companies under Title 32, chapter 1, part 10, MCA. First Trust Company, LLC v. Montana Department of Administration, Division of Banking and Financial Institutions, Mont. First Jud. Dist. Ct. Cause No. DDV-2021-1256 (Order). As no authority exists under Montana law to charter or regulate a nonbank trust company, the department is unable to require chartering or licensing of a nonbank trust company. The department has no statutory authority to examine or supervise any nonbank trust company doing business in Montana. Montana's sole authority over foreign trust companies doing business in Montana is found in Title 32, chapter 1, part 10, MCA. These provisions allow foreign trust companies to do business in Montana under rules adopted by the department. Since the Order applied the fiduciary foreign trust company statutes to cover nonbank trust companies, the department must implement 32-1-1007, MCA, by rule in order to create a process for both bank and nonbank trust companies to apply to conduct business in Montana as a fiduciary foreign trust company, as well as a process to establish trust representative offices in Montana.”

Notes/Hearing: The department does not anticipate the need to conduct a public hearing relating to the rule notice.

Department of Revenue, Alcoholic Beverage Control Division and Cannabis Control Division
There are no new rules.

Governor’s Office of Economic Development
There are no new rules.