



HB-449 – Change to the Definition of Wages

Bill Wheeler, Deputy Administrator
Employment Relations Division



2017 Legislative Change

39-71-123. Wages defined.

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

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

(f) board if it constitutes a part of the employee's remuneration and is based on its actual value; and

(g) lodging, rent, or housing if it constitutes part of the employee's remuneration and is based on a value as set by administrative rule. The values set by administrative rule must address the general geographic proximity to available housing and may consider other reasonable factors that affect value.



HB-449 Sponsor Contact

Wylie Galt, House District 30, Primary Sponsor

Department Staff established contact beginning in July

Rep. Galt voiced two primary concerns:

- Rates set by department accurately reflect housing value for rural areas
- Some way for discounted premium if employer agrees to keep injured worker in the provided housing during periods of total disability.

Rep. Galt requested staff to work a constituent who encouraged introduction of HB-449





Rule Idea & Informal Input

During HB-449 hearings, Two written comments were submitted. Staff meet with both parties to share rule ideas and collect input. Staff also met with legal at MSF.

Lanie White, encouraged the sponsor to introduce the bill, provided written testimony during hearings. July 28, 2017 meeting.

Kevin Braun, Chief Legal MSF, July 31, 2017 meeting.

Al Smith, Montana Trial Lawyers Association, provided written testimony during hearings. August 8, 2017 meeting



HB-449 Rule Idea

Develop a rule idea that:

- Identify starting values for lodging, rent or housing by geographic location
- Develop modifiers to adjust values for lodging, rent and housing to reflect geographic proximity to other available housing





Adopt Rent Values by County

The Department will adopt housing values based on the U.S Department of Housing and Urban Development's Fair Market Rent standards. The Fair Market Rent standards (FMRs) are determined for each Montana County and represent rent values allowed for persons receiving housing assistance.

The FMRs are adjusted based on number of bedrooms provided and the county where housing is located. For employees living in a flophouse, bunkhouse, group home or shared housing the value is the zero bedroom FMRs.

The FMRs used as the base value must be the FMRs adopted for the county in which the lodging, rent, or housing is provided.



Modifiers Based on Population

The closest city of more than 1000 population is the closest city to the location of the lodging, rent, or housing provided to the worker. The closest city may be in another county, but must be in Montana. Population rates are based on the most recent ten year census.

No modifier is applied to cities having a population greater than 10,000.

A modifier reducing the FMRs by 15 percent is applied to every city having a population of less than 10,000 and more than 5,000.

A modifier reducing the FMRs by 30 percent is applied to every city having a population more than 1,000 and less than 5,000.



Modifiers based on Distance

A 5 percent modifier for every 10 miles distance from the closest city.
Miles are by automobile via public routes.

Regardless of the distance from the closest city, the distance modifier will not be greater than 30%.



Beaverhead County, example

Housing, a 2-bedroom house, provided in Lima, MT. Dillon, MT is the closest city at 49 Miles away.

The population modifier is 30 percent and the distance modifier is 20 percent.

The FMRs for Beaverhead Co. for a 2-bedroom house is \$681, apply the modifiers to reduce the FMRs by 50 percent. The housing value for workers' compensation \$340.50.



Yellowstone County, example

Housing, a 2-bedroom house, provided in Lavina, MT. Billings, MT is the closest city at 45 miles away.

The population modifier is zero (0) and the distance modifier is 20 percent.

The FMRs for Yellowstone Co. for a 2-bedroom house is \$859 apply the modifiers to reduce the FMRs by 20 percent. The housing value for workers' compensation is 687.20.



Garfield County, example

Housing, a 4-bedroom house, provided in 36 miles from Jordan, MT. Miles City, MT is the closest city at 83 miles away.

The population modifier is 15 percent and the distance modifier is 55 percent.

The FMRs for Garfield Co. for a 4-bedroom house is \$1134. Adding the modifiers equals 70 percent however, the rule allows FMRs to only be modified by up to 60 percent. The housing value for workers' compensation is \$453.60.



Meagher County, example

Housing, 4-bedroom house, 14 miles from Harlowton, MT. Big Timber, MT. is the closest city at 26 miles away.

A 30 percent modifier for population and the distance modifier is 10 percent.

The FMRs for Meagher County for a 4-bedroom is \$1167. apply the modifiers to reduce the FMRs by 40 percent. The housing value for workers' compensation is \$700.