

Economic Affairs Interim Committee

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69th Montana Legislature

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September 30, 2025

TO: Economic Affairs Interim Committee FROM: Jameson Walker, Staff Attorney

RE: Administrative Rulemaking and Rule Review, September 2025

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

<u>Department of Agriculture and administratively attached entities</u> There are no new rules.

Department of Commerce and administratively attached entities

MAR Notice Number: 2025-345.1

Subject: Amendment of rules pertaining to the Montana Housing Trust.

Summary: The department proposes to amend ARM 8.111.501, 8.111.502, 8.111.503, 8.111.504, 8.111.505, 8.111.506, and 8.111.507 pertaining to the Housing Montana Fund and Montana Housing Trust - Housing Montana Fund; ARM 8.111.701, 8.111.702, 8.111.703, 8.111.704, 8.111.705, 8.111.706, and 8.111.707 pertaining to the GO Housing: Montana Veterans' Home Loan Act; and ARM 8.111.801, 8.111.802, 8.111.803, 8.111.804, 8.111.805, 8.111.806, and 8.111.807 pertaining to the Montana Housing Trust - Multifamily Homes Program. The department provided the following explanation relating to the rule notice:

The Board of Housing is proposing to update administrative rules for its Housing Montana Fund (HMF), Veterans' Home Loan Program (VHLP), and the Coal Trust Multifamily Homes Program (CTMH). These rule amendments are necessary to implement House Bill 924 passed by the 2025 Legislature and signed into law by Governor Gianforte. HB 924 moves the VHLP and CTMH program from the Coal Trust Tax Fund, administered by the Board of Investments, to a new Montana Housing Trust within the Montana Growth and Opportunity Trust at the Department of Revenue. The administrative rule subchapters for these

two programs must be amended to remove obsolete terms, such as the CTMH interest rate tied to the Coal Trust Tax Fund average performance yield. Finally, HB 924 references the board's existing Housing Montana Fund, which was established by the state legislature in 1999 and is maintained at and administered by the board using the board's resources. The bill does not direct any transfer of the existing HMF program funds or loans to the Department of Revenue but rather establishes a new HMF going forward. To implement HB 924, the board is proposing to leverage and amend existing administrative rules for the HMF and to make those same rules applicable to the new Montana Housing Trust – Housing Montana Fund.

Notes: The department will hold a public hearing on October 22, 2025, to consider the notice.

MAR Notice Number: 2025-359.1

<u>Subject:</u> Amendment of a rule pertaining to the Community Development Block Grant Program. <u>Summary:</u> The board proposes to amend 8.94.3729 pertaining to the Public and Community Facilities Projects Application and Guidelines for the Community Development Block Grant Program. Generally, the proposal notice updates references to the October 2025 application guidelines.

Notes: The department will hold a public hearing on October 2, 2025, to consider the notice.

MAR Notice Number: 2025-310.1

<u>Subject:</u> Amendment of rules pertaining to the Reverse Annuity Mortgage Program.

<u>Summary:</u> The department proposes to amend 8.111.401, 8.111.402, 8.111.403, 8.111.404, 8.111.406, 8.111.407 and 8.111.409. The department provided the following statement related to the rule:

The Board of Housing (board) is proposing to update the administrative rules for its Reverse Annuity Mortgage (RAM) Program. RAM Program administrative rules have not undergone a comprehensive review in many years. The board recently increased its marketing of the RAM Program resulting in an increased number of applications. The proposed updates to the rules reflect current market conditions such as increased construction costs for home repairs and accessibility modifications. Additionally, the updates provide clarity, more specificity, and expand eligible properties. The proposed rules were discussed at multiple board meetings and all proposed modifications have been approved by the board.

Notes: The department held a public hearing on September 11, 2025, to consider the rule notice.

MAR Notice Number: 2025-311.1

Subject: Amendment of a rule pertaining to the Montana Coal Endowment Program.

<u>Summary:</u> The department proposes to amend 8.94.3817 to update informational references in the rule.

Notes: The department held a public hearing on September 11, 2025, to consider the rule notice.

Department of Labor and Industry and administratively attached entities

MAR Notice Number: 2025-267.1

Subject: Adoption of a rule pertaining to the Board of Funeral Service.

Summary: The board proposes to adopt new Rule 1, pertaining to substantial equivalency:

NEW RULE 1 SUBSTANTIAL EQUIVALENCY (1) The board adopts and incorporates by reference the 2025 substantial equivalency list for the Board of Funeral Service publication. The publication is available on the board's website. (2) The board intends to review the publication annually. However, failure to review or adopt a new list does not change the effectiveness of the adoption in this rule. (3) License

applications from individuals licensed in substantially equivalent states are routine applications as to the education, examination, and experience requirements for licensure. Applications may be nonroutine on other bases.

The department states that the new rule will implement House Bill 246 (2025), which standardizes substantial equivalency determinations in professional licensing. Notes: The department will hold a public hearing on October 20, 2025, to consider the notice.

MAR Notice Number: 2025-120.1

<u>Subject:</u> Adopting rules related to variance procedures for building codes.

<u>Summary:</u> The department proposes to adopt New Rules 1 through 7. The department states that the rule notice is reasonably necessary to clarify and standardize the department's process for processing and approving building permits under the state building code. Additionally, proposed new rules seek to clarify the deadlines for approval and review of building permits and the right to a hearing.

Notes: The department will hold a public hearing on October 2, 2025, to consider the notice.

MAR Notice Number: 2025-221.1

Subject: Amending rules pertaining to the Board of Barbers and Cosmetologists.

<u>Summary:</u> The board states that the notice implements House Bills 246 (substantial equivalency) and 336 (apprenticeship pathway to licensure) in addition to updating school curricula, premises operation, and renewal fees.

Notes: The department held a public hearing on September 11, 2025, to consider the notice.

MAR Notice Number: 2025-257.1

Subject: Adoption of a rule pertaining to the Board of Nursing.

<u>Summary:</u> The proposes to adopt New Rule I relating to substantial equivalency. The board provided the following statement relating to the rule notice:

The 2025 Montana Legislature passed House Bill 246 which was signed by the Governor April 3, 2025, and will become effective October 1, 2025. The bill standardizes substantial equivalency determinations in professional licensing and eliminates duplicative statutory sections regarding equivalency and reciprocity.

While historically available to applicants licensed in other states or jurisdictions, licensure by substantial equivalency has never been consistent among the professional licensing boards and programs. House Bill 246 creates a standard definition for determining substantial equivalency to be uniformly utilized by all the boards and programs when processing endorsement applications. This will create overall efficiencies in processing endorsement applications and reduce licensing wait times for applicants and employers.

To implement the legislation and further the endorsement licensing process, the board is proposing to adopt NEW RULE 1. The board has compared current licensure standards of the fifty United States for board licensees and determined those that are substantially equivalent per the definition in 37-1-302, MCA. This new rule will adopt and incorporate by reference the board's initial approved list of states having substantially equivalent licensing standards. The list will be published on the board's website. The board will analyze other states' licensing standards annually, and update the published list as needed.

Notes: The department held a public hearing on September 11, 2025, to consider the notice.

MAR Notice Number: 2025-263.1

Subject: Adoption of rules pertaining to the Board of Medical Examiners.

<u>Summary:</u> The board proposes to adopt New Rule I, pertaining to substantial equivalency. The board provided the following statement relating to the rule:

The 2025 Montana Legislature passed House Bill 246 which was signed by the Governor April 3, 2025, and will become effective October 1, 2025. The bill standardizes substantial equivalency determinations in professional licensing and eliminates duplicative statutory sections regarding equivalency and reciprocity.

While historically available to applicants licensed in other states or jurisdictions, licensure by substantial equivalency has never been consistent among the professional licensing boards and programs. House Bill 246 creates a standard definition for determining substantial equivalency to be uniformly utilized by all the boards and programs when processing endorsement applications. This will create overall efficiencies in processing endorsement applications and reduce licensing wait times for applicants and employers.

To implement the legislation and further the endorsement licensing process, the board is proposing to adopt NEW RULE 1 (24.156.402). The board has compared current licensure standards of the fifty United States for board licensees and determined those that are substantially equivalent per the definition in 37-1-302, MCA. This new rule will adopt and incorporate by reference the board initial approved list of states having substantially equivalent licensing standards. The list will be published on the board website. The board will analyze other states' licensing standards annually, and update the published list as needed.

Notes: The department held a public hearing on September 11, 2025, to consider the notice.

Department of Livestock and administratively attached entities

MAR Notice Number: 2025-330.1

<u>Subject:</u> Amendment of rules pertaining to veterinary diagnostic laboratory fees. <u>Summary:</u> The department proposes to amend 32.2.403, by altering various fees charged in the rule. The department provided the following explanation for the rule notice:

The department proposes to increase the test fees charged by its Montana Veterinary Diagnostic Laboratory (MVDL) by applying a 3% inflationary increase. This increase will help cover the cost of testing supplies, consumables, and other provided services related to testing. Additionally, certain fee increases are proposed to increase based on cost/market analysis (fecal flotation, cytology, select pathology, chronic wasting disease ELISA, ground shipping, and blood tube mailers) to bring MVDL's fees more in line with market prices. The department also proposes to add new approved tests—fecal flotation (quantitative) and three equine herpesvirus PCRs—to better serve its customers and the Montana veterinary community. African swine fever is proposed to be added to the rule because MVDL is contractually obligated by the United States Department of Agriculture to provide this test if requested. Carcass incineration costs are being amended to reflect a minimum and maximum charge in addition to the by-weight charge to ensure that MVDL does not lose money on disposal of small carcasses and to ensure that owners of abnormally large carcasses do not pay more than necessary upon disposal. Finally, the department proposes stylistic changes to the rule to make it easier for readers to find the desired test. These stylistic changes include alphabetizing the tests, amending test names to better match the names listed on MVDL's submission guide, italicizing scientific names, capitalizing first letters and genus names, and adjusting table margins for cleaner lines and consistency.

Notes: The department does not anticipate the need to hold a public hearing.

State Auditor's Office

There are no new rules.

Division of Banking and Financial Institutions

MAR Notice Number: 2025-450.1

Subject: Amendment of rules pertaining to credit unions.

<u>Summary:</u> The department proposes to amend 2.59.405, to update informational references in the rule.

Notes: The department does not anticipate the need to hold a public hearing.

<u>Department of Revenue, Alcoholic Beverage Control Division and Cannabis Control Division</u>

MAR Notice Number: 2025-244.1

<u>Subject</u>: Adoption of a rule pertaining to out-of-state brewer or beer importer registrations. Summary: The department proposes to adopt New Rule I, pertaining to the importation of beer:

NEW RULE 1 IMPORTATION OF BEER

- (1) An out-of-state brewery or beer importer not otherwise licensed in Montana that desires to ship beer to Montana must submit an application for registration pursuant to 16-4-101, MCA, pay the department a registration fee of \$500, and receive department approval for the registration.
- (2) The registration and fee described in (1) must be renewed annually by July 1.
- (3) Each product that an out-of-state brewery or beer importer ships into Montana must conform to the requirements of ARM 42.13.201, 42.13.202, and 42.13.203.
- (4) An out-of-state brewery or beer importer that fails to renew its registration or pay the fee provided in (2) is subject to cancellation or suspension of the registration, as authorized under 16-4-101, MCA.

The department states that the new rule implements Senate Bill 75 (2025), which converted out-of-state brewer or beer importer licenses to that of a registration which is administered by the department. As a result, approximately 135 current out-of-state brewers and beer importers converted from a license to a registration.

Notes: The department does not anticipate the need to hold a public hearing.

MAR Notice Number: 2025-249.1

<u>Subject:</u> Amendment of a rule relating to beer collaborations and label approvals.

<u>Summary:</u> The department proposes to amend 42.13.203 to reorganize content, remove certain redundancies in content, and to clarify circumstances when distinct beer collaborations require label approvals.

Notes: The department held a public hearing on September 16, 2025.

Governor's Office of Economic Development

There are no new rules.