



Montana Legislative Services Division

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TO: State Administration and Veterans' Affairs Interim Committee Members  
FROM: Andria Hardin, Staff Attorney  
DATE: July 18, 2025  
RE: Administrative Rule Review Summary Since Last Interim

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**Department of Administration and administratively attached entities, including public employee retirement plans\***

Proposal and Adoption Notices are available at: <https://doa.mt.gov/administrativerules>

\*SAVA reviews rules for the Department of Administration except for (1) the State Compensation Insurance Fund provided for in [39-71-2313, MCA](#); (2) the Office of the State Public Defender; (3) the Montana Tax Appeal Board; and (4) the Division of Banking and Financial Institutions. Oversight for those entities is statutorily delegated to other interim committees.

Notice of Proposed Rules

Updating ARM Title 2, chapter 44 to comply with state and federal law, bring clarity, and remove duplicative language, [MAR 2025-107.1](#): The Teachers' Retirement System (TRS) seeks to amend and repeal various rules to bring them in alignment with Montana and federal laws and to remove unnecessary language that is already provided for under statute. No hearing is contemplated. Comments must be received by July 25, 2025 at 5:00 p.m.

Amendment of ARM 2.21.3105 pertaining to decedent's warrant, [MAR 2025-161.1](#): DOA's Central Payroll is updating the Decedent Warrant form in SABHRS to an electronic form which necessitates changes to the rule regarding decedent warrants. No public hearing is contemplated. Comments must be received by August 8, 2025 at 5:00 p.m.

Amendment of ARM 2.4.402 Report Filing Fee, [MAR 2025-220.1](#): Section 2-7-514, MCA requires audits of political subdivisions and a fee paid to DOA at time of filing. Federal law requires a single audit for Montana local governments when the total revenue or financial assistance in the period covered by the annual financial report exceeds a specific threshold dollar amount established by the Office of Management and Budget (OMB). By statute and current rule, when the threshold is met, local governments are required to pay a filing fee to DOA. The amendment to ARM 2.4.402 seeks to eliminate the bottom threshold amount between \$750,000 and \$1,000,000 to align with the OMB's threshold amounts in effect as of October 1, 2024 and to avoid having two sets of rules and two fee schedule tables, one based on federal law and one based on the current rule. Bringing this rule in line with the federal threshold would exempt between 21 and 23 Montana local governments from needing a state audit and paying the \$550 fee. No public hearing is contemplated. Comments must be received by August 8, 2025 at 5:00 p.m.

Amending the Public Employees' Retirement Board rules for the adoption by reference of the Defined Contribution and Deferred Compensation plan documents, and to bring clarity and consistency with current administrative practices, [MAR 2025-212.1](#): ARM 2.43.2104 is being

amended to reflect the electronic systems used currently and that initial membership forms exist primarily to collect a new member's beneficiary designation. ARM 2.43.2301 is being amended so that service purchases will be prorated when any monthly payment is missed, not just payments expected by cash or check since there are other methods of payment available. ARM 2.43.2311 adds that retired members may not purchase service, in alignment with existing federal law. The amendment to ARM 2.43.2324 seeks to provide members guidance on the longstanding general principle that purchases of service for periods of time prior to retirement system membership do not confer the guaranteed annual benefit adjustment coverage of statutory provisions that were in effect during the periods of pre-membership service being purchased. The current rule states such pertaining to redeposits or purchases of refunded service, but does not reflect the other scenarios in which pre-membership service may be purchased, so this amendment will provide clarity. ARM 2.43.2610 will be amended to remove the outdated requirement that beneficiary designations include a witness signature, as it does not conform with the modern practice of electronic forms. ARM 2.43.3501 and 2.43.5101 update the adoption by reference of the plan documents for the Defined Contribution Plan and the Deferred Compensation Plan, as these documents were approved by the board on June 12, 2025. And finally, ARM 2.43.4617 will replace "termination of employment" with "termination of service" to align with statutory definitions. No hearing is contemplated. Comments must be received by August 8, 2025 at 5:00 p.m.

#### Adopted Rules – Reviewed by Committee Prior to Adoption

Distribution to Participant and Distribution Upon Death of Participant, [MAR 2-43-649](#): The Board amended rules regarding required distributions of retirement benefits. Federal laws passed in 2022 extended required minimum distribution ages depending on when a participant was born and the amendments to ARM 2.43.3545 and ARM 2.43.3546 seek to comply with these new laws. The amendments incorporate the extended, phased-in increases to the age at which a retired plan participant must begin receiving payments from a retirement plan. No public hearing was held and no comments or testimony were received. The amendments were adopted August 13, 2024.

#### Adopted Rules – Not Reviewed by Committee Prior to Adoption

Amendment of ARM 2.43.2101 pertaining to membership, [MAR 2025-1.1](#): The Public Employees' Retirement Board proposed to amend ARM 2.43.2101 Membership to include "A voluntary election to transfer service credit from another system by a member hired into PERS or HPORS on or after July 1, 2013, will not affect that member's hire date in PERS or HPORS for GABA eligibility purposes." The amendment was necessary to codify MPERA's existing administrative practices and to provide better notice to members in these systems who are considering service credit transfers. No public hearing was held and no comments were received. The amendment was adopted effective June 7, 2025.

### **Department of Military Affairs**

Department of Military Affairs notices can be found on the Secretary of State's website at <https://rules.mt.gov/>. Clicking on the Montana Administrative Register button brings you to the

years of MAR publications. In the top right of the page is a search box, where you can type in "military affairs" to bring up applicable MAR notices.

#### No Proposed Rules or Amended Rules

#### **Office of the Secretary of State and administratively attached entities, including Commissioner of Political Practices**

Secretary of State notices can be found on the Secretary of State's website at <https://sosmt.gov/arm/secretary-of-state-administrative-rules/>.

Notice of Proposed Rules: None

Adopted Rules – Reviewed by Committee Prior to Adoption: None

#### Adopted Rules – Not Reviewed by Committee Prior to Adoption

Adoption of new rule and repeal of ARM 44.14.106 pertaining to records and information management, [MAR 44-2-278](#): The Secretary of State proposed the replacement of ARM 44.14.106 Delegation of Authority for Disposal of Public Records with New Rule I Executive Branch Agency Authority for Disposal of Public Records removing duplicative processes for disposal requests by agencies and streamlining the request and approval process, providing more effective management of agency records. The change also provides better consistency across state and local government entities based on statutory changes to the local government records committee disposition processes that passed in 2023. A public hearing was held December 13, 2024. No comments were received. The new rule was adopted and ARM 44.14.106 was repealed effective January 11, 2025.

Continuing service accounts and the payment threshold – inflation adjustment for lobbyists, [MAR 44-2-277](#): The Commissioner of Political Practices amended ARM 44.11.701 through 44.11.711 to reflect the changes made by the 2023 Montana Legislature pertaining to the name of continuing service accounts (HB 493), allowing elected officials to make expenditures from an established account when the official has an open campaign account (HB 387), and to reflect a change in the amount of time candidates must preserve continuing service account records from four years to two years (HB 947). The Commissioner also amended ARM 44.12.204, as required under 5-7-112, MCA, to adjust the payment threshold amount for reporting of lobbying-related expenses based on application of an inflation factor specified in the statute. No public hearing was held and no comments or testimony were received. The amendments were adopted January 25, 2025.

Extension of waiver for state agency filing fees related to publication in the MAR, [MAR 2025-24.1](#): The Secretary of State will continue to waive fees for state agencies to publish their administrative rulemaking packages in fiscal year 2026. The Secretary has implemented a new platform in 2025, and this waiver will allow evaluation of the usage of the system and efficiencies gained by the system to ensure any future fees are commensurate with cost, as required by statute. A public hearing was held March 17, 2025. No comments were received. The amendment was adopted effective May 10, 2025.

Waiver of the 2026 and 2027 Annual Report Fees for all businesses registered in Montana, [MAR 2025-33.1](#): The Secretary of State proposes to extend the fee waiver provided in 2024 and 2025 for required annual report filing by Montana Businesses. Statute requires the Secretary's fees be commensurate with costs to the office, and with Montana's continued record growth in new business filing and enhancements to the online business filing system providing efficiencies to the office, the fee waivers continue to be necessary. A public hearing was held March 17, 2025 and comments and testimony received were considered. The amendment was adopted effective June 7, 2025.