



MONTANA
ADMINISTRATIVE
REGISTER



DEPARTMENT OF LABOR AND INDUSTRY

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2025-177.1

Summary

Implementing the LEGAL Act

Hearing Date and Time

Tuesday, August 19, 2025, at 9:00 a.m.

Virtual Hearing Information

A public hearing will be held via remote conferencing to consider the proposed adoption of the rule in this notice. There will be no in-person hearing. Interested parties may access the remote conferencing platform in the following ways:

Join Zoom Meeting: <https://mt-gov.zoom.us/j/85995597197>

Meeting ID: 859 9559 7197; Password: 213755

Dial by Telephone +1 646 558 8656

Meeting ID: 859 9559 7197; Password: 213755

Comments

Concerned persons may present their data, views, or arguments at the hearing. Written data, views, or arguments may also be submitted at dli.mt.gov/rules or P.O. Box 1728, Helena, Montana 59624. Comments must be received by Friday, August 22, 2025, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Tuesday, August 5, 2025, at 5:00 p.m.

Contact

Department of Labor and Industry
(406) 444-5466
laborlegal@mt.gov
Montana Relay: 711

Rulemaking Actions

ADOPT

The rule proposed to be adopted is as follows:

NEW RULE 1 MEDIATION AND HEARING REQUESTS

- (1) A party receiving an adverse decision may request a contested case hearing within 15 days from the date the decision is sent.
- (2) A request for a contested case hearing must include a statement whether the requesting party wishes to engage in mediation prior to the contested case hearing. If so, mediation will be conducted in accordance with the procedures set forth in ARM 24.16.4025. If mediation does not fully resolve the dispute, any unresolved issues will be resolved through contested case proceedings in accordance with Title 2, chapter 4, part 6, MCA.

Authorizing statute(s): [HB 226, Section 4]

Implementing statute(s): [HB 226, Sections 5 and 6]

Reasonable Necessity Statement

There is reasonable necessity to adopt this rule to provide clarity for penalized parties as to the appeal path. Fifteen days from the date of issuance for the decision to request an appeal aligns this program's implementation with others within the department, such as wage and hour and

independent contractor disputes. This alignment of program appeal rights will assist the public in filing contests when they are the subject of audit under multiple programs, without an accidental waiver of rights. The department further proposes to include an option of mediation for parties contesting decisions. While much of the LEGAL Act concerns the fact of whether employment status verification occurred and is thus not mediatable, there may be appropriate circumstances for mediation regarding issued penalties. These mediations will occur within the mediation office of the department.

Small Business Impact

It is expected that this rulemaking will impact all employers within the state of Montana. However, the impact is expected to be *de minimis*. The requirements imposed by the LEGAL Act have been required under federal law for many years. The bill provides enhanced mechanisms for enforcement to ensure federal I-9 requirements are being met. While businesses subject to audit will be required to produce additional information beyond what was previously required, the audit solely reviews what is required by federal law. Moreover, this rulemaking in particular solely sets forth applicable appeal deadlines and provides an opportunity for mediation. The rules provide no financial burden beyond what is required by the legislation. Documentation of the small business impact analysis is available upon request.

Bill Sponsor Notification

The primary sponsor was contacted by e-mail on May 9, 2025.

Interested Persons

The agency maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by the agency. Persons wishing to have their name added to the list may sign up at dli.mt.gov/rules or by sending a letter to P.O. Box 1728, Helena, Montana 59624 and indicating the program or programs about which they wish to receive notices.

Rule Reviewer

Quinlan L. O'Connor

Approval

Sarah Swanson, Commissioner