

Memo

To: Centrally Assessed Property Unit & Property Assessment Division

From: Kory Hofland, PAD Division Administrator

Cc: Derek Bell, BIT Division Administrator

RE: Prevailing Wage Requirements from Wage & Hour Unit, Department of Labor & Industry

All Staff,

Please share these requirements with taxpayers that are seeking classifications or abatements that require the taxpayer to pay prevailing wages during the heavy construction phase of a project as defined in 18-2-414, MCA. The requirements apply to taxpayers seeking classification under 15-6-157, MCA; 15-6-158, MCA; and 15-6-159, MCA. The requirements apply to taxpayers seeking abatements under 15-24-3101, MCA through 15-24-3116, MCA.

Responsibilities of the Contracting Agent include:

- requesting the prevailing wage rate schedule from the Department of Labor and Industry
- providing prevailing wage rate schedules in public works contracts let out for bid
- including a provision requiring the contractor to give preference to the employment of bona fide Montana residents

Responsibilities of the Contractor and Subcontractor include:

- posting a prevailing wage rate schedule on the site of the project or work area
- classifying workers in accordance with the craft or trade to be performed and paying the established prevailing wage rate
- keeping a record of hours and wages paid to the workers
- providing payroll records for inspection to the Department of Labor and Industry or the contracting agent upon request
- ensuring that at least 50% of the workers, except where prohibited by federal law, performing labor on the project are Montana residents. (NOTE -the employer must demonstrate that they tried to hire MT workers and none were available for the positions- this requires proof that an effort was made to recruit MT workers!!!).

Responsibilities of the Department of Labor and Industry include:

- establishing prevailing wage rates for use on public works contracts
- conducting surveys to determine the prevailing wage rate schedules
- filing and issuing prevailing wage rates
- inspecting and auditing payroll records of contractors
- investigating complaints of nonpayment of prevailing wage rates

Responsibilities of the Department of Revenue include:

- determining the Market Value of the property
- classifying the property

- working with the Department of Labor & Industry, to verify the standard prevailing rate of wages for heavy construction was paid during construction

Taxpayers or Department staff may contact the Hour & Wage Unit of the Department of Labor & Industry the following ways:

Compliance Specialist Contact – Randy Siemers @ 406-444-4619

Bureau Chief – Bill Wheeler @ 406-444-6541

Or at their website:

<http://erd.dli.mt.gov/labor-standards/wage-and-hour-payment-act>