

## 1 SENATE BILL NO. 364

2 INTRODUCED BY BARTLETT, SANDS

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE LIVEABLE WAGE FOR FAMILIES ACT;  
5 REQUIRING AN EMPLOYER WHO RECEIVES PUBLIC FINANCIAL ASSISTANCE TO PROVIDE TO AN  
6 EMPLOYEE A WAGE THAT IS, AT A MINIMUM, EQUAL TO 150 PERCENT OF THE POVERTY LEVEL FOR  
7 A FAMILY OF TWO; PROVIDING DEFINITIONS; REQUIRING THE DEPARTMENT OF LABOR AND INDUSTRY  
8 TO MONITOR APPROVED APPLICATIONS FOR COMPLIANCE WITH THE WAGE REQUIREMENTS;  
9 PROVIDING PENALTIES FOR THOSE EMPLOYERS WHO RECEIVE PUBLIC FINANCIAL ASSISTANCE AND  
10 FAIL TO PAY A LIVEABLE WAGE; AND PROVIDING AN APPLICABILITY DATE."  
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12 WHEREAS, the State of Montana provides grants, loans, tax incentives, and other forms of financial  
13 assistance to businesses, resulting in the creation, expansion, or maintenance of a wide variety of  
14 employment opportunities; and

15 WHEREAS, the State of Montana has limited taxpayer resources to devote to economic  
16 development; and

17 WHEREAS, the use of taxpayer dollars to promote the sustenance and creation of jobs paying  
18 liveable wages can increase consumer income, decrease levels of poverty, and reduce the need for  
19 taxpayer-funded public assistance for families; and

20 WHEREAS, it is in the interest of the State of Montana and its people to target the limited resources  
21 available for economic development to those businesses that enable families to remain off the state's  
22 welfare rolls by paying a liveable wage.

23

24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25

26 NEW SECTION. **Section 1. Short title.** [Sections 1 through 4] may be cited as the "Liveable Wage  
27 for Families Act".

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29 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 4], the following definitions  
30 apply:

1 (1) "Agency" means any legally constituted department, board, council, division, bureau, section,  
2 or commission of the state that provides financial assistance to businesses.

3 (2) "Department" means the department of labor and industry as provided for in 2-15-1701.

4 (3) "Employee" means a person employed by an employer who is receiving public financial  
5 assistance.

6 (4) "Employer" means the owner of a business that is receiving public financial assistance.

7 (5) "Liveable wage" means a rate equal to 150% of the federal poverty level for a family of two.  
8 The rate is released annually in the Federal Register under the title "Annual Update of the Health and Human  
9 Services Poverty Guidelines" and must be converted to an hourly rate based on a minimum of 2,080 hours  
10 a year. The rate must be posted electronically on the state bulletin board by the department and the  
11 department of public health and human services by April 1 annually.

12 (6) "Public financial assistance" means any grant, loan, tax incentive or abatement, bond financing,  
13 subsidy, or other form of assistance in excess of \$25,000 in a calendar year provided by an agency or by  
14 a commercial lending institution authorized to participate in a state program to an employer for the initiation  
15 or expansion of a business located in the state that results in a direct financial benefit to the employer.

16  
17 **NEW SECTION. Section 3. Payment of liveable wage required for financial assistance -- notice of**  
18 **liveable wage -- exemptions.** (1) Except as provided in subsection (7), an employer is not eligible to  
19 receive public financial assistance unless the employer pays each employee a wage that is, at a minimum,  
20 equal to a liveable wage. The employer shall continue to pay the liveable wage, revised annually,  
21 throughout the longer of:

22 (a) the period in which the employer receives public financial assistance;

23 (b) the period in which the employer is making payments under the terms set forth for receiving  
24 the public financial assistance; or

25 (c) a period of 10 years.

26 (2) Prior to providing public financial assistance, an agency or lending institution that does not have  
27 access to the state bulletin board shall:

28 (a) contact the employment relations division, wage and hour unit, of the department by April 1  
29 of each year to verify the liveable wage for the calendar year; and

30 (b) include in any application for public financial assistance a statement:

1 (i) advising an employer who applies for public financial assistance that the employer is required  
2 to pay a liveable wage as one of the conditions of receiving the assistance; and

3 (ii) informing the employer that failure to pay a liveable wage will result in termination of all public  
4 financial assistance and that the agency or lending institution will initiate collection proceedings against the  
5 employer for repayment of the principal of any public financial assistance received plus interest.

6 (3) Upon approval of an application for public financial assistance, an agency or lending institution  
7 shall forward a copy of the approved application to the employment relations division, wage and hour unit,  
8 of the department.

9 (4) If approved to receive public financial assistance pursuant to this section, an employer shall,  
10 prior to receiving the assistance, post in a conspicuous place at the business a notice informing all  
11 employees that the employer is receiving public financial assistance and stating the hourly wage rate that  
12 the employer, at a minimum, is required to pay as a condition of receiving the public financial assistance.

13 (5) The department shall monitor the approved applications for those employers who receive public  
14 financial assistance from an agency or lending institution for compliance with [sections 1 through 4].

15 (6) An employee who believes that an employer has failed to pay a liveable wage as required under  
16 this section may file a wage claim with the department pursuant to Title 39, chapter 3.

17 (7) This section does not apply to an employer who:

18 (a) receives public financial assistance from an agency or lending institution as a result of an  
19 emergency declared by the governor; or

20 (b) receives less than \$25,000 in public financial assistance in one calendar year.

21  
22 **NEW SECTION. Section 4. Enforcement -- penalties.** (1) If, as a result of the department's  
23 monitoring of approved applications or as a result of an employee wage claim, the department determines  
24 that an employer receiving public financial assistance is not paying a liveable wage as required under  
25 [section 3], the department, after notice and hearing, shall:

26 (a) notify in writing the appropriate agency or lending institution of its determination; and

27 (b) issue an order against the employer for the amount of wages due plus penalty for each affected  
28 employee.

29 (2) Upon receiving written notification by the department that an employer is not paying the  
30 required liveable wage, the agency or lending institution shall notify the employer in writing:

1 (a) that the public financial assistance is being terminated immediately; and

2 (b) that collection proceedings are being initiated pursuant to the collection procedures outlined  
3 in the approved application.

4 (3) An employer who violates the provisions of [sections 1 through 4] is ineligible to apply for or  
5 receive public financial assistance for a period of 5 years.

6

7 NEW SECTION. **Section 5. Codification instruction.** [Sections 1 through 4] are intended to be  
8 codified as an integral part of Title 39, chapter 3, and the provisions of Title 39, chapter 3, apply to  
9 [sections 1 through 4].

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11 NEW SECTION. **Section 6. Applicability.** [This act] applies to applications for public financial  
12 assistance approved on or after [the effective date of this act].

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-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0364, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

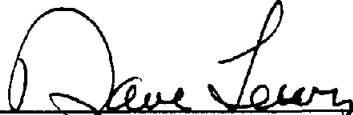
An act establishing the Liveable Wage for Families Act; requiring an employer who receives public financial assistance to provide to an employee a wage that is, at a minimum, equal to 150 percent of the poverty level for a family of two; providing definitions; requiring the Department of Labor and Industry to monitor approved applications for compliance with the wage requirements; providing penalties for those employers who receive public financial assistance and fail to pay a liveable wage.

ASSUMPTIONS:

1. This legislation obligates the granting agency or institution to determine the eligibility of the employers by accessing the bulletin board or by contacting the Department of Labor and Industry (DLI).
2. The DLI would receive the approved applications and monitor the wages that are paid. This workload can be covered by the department's base budget.

FISCAL IMPACT:

There is no fiscal impact to the DLI.

 2-18-97  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 2/20/97  
SUE BARTLETT, PRIMARY SPONSOR      DATE

Fiscal Note for SB0364, as introduced

**SB 364**