



Licensing Reform Task Force

CONSTRUCTION SUBCOMMITTEE - RECOMMENDATION

SUPPORT FOR LEGISLATION TRANSFERRING THE BOARD OF WATER WELL CONTRACTORS FROM DNRC TO DLI

Recommended Task Force Action

The Construction Subcommittee recommends that the full Licensing Reform Task Force support legislation to transfer the Board of Water Well Contractors from the Department of Natural Resources and Conservation (DNRC) to the Department of Labor and Industry (DLI) for consideration during the 2027 Montana Legislative Session.

The proposed legislation would move administration of the Board of Water Well Contractors into DLI's occupational licensing structure while preserving the board's public protection role and maintaining coordination with DNRC on technical matters relating to groundwater, well construction standards, and resource protection.

Executive Order No. 1-2026 Report Elements Addressed

This recommendation addresses the following elements required for the Task Force's initial report under Executive Order No. 1-2026:

- **Public health, safety, or welfare hazard.** Water well construction and pump installation affect drinking water supplies, groundwater protection, and well integrity. Transfer of the board would retain occupational oversight while placing licensing administration within DLI.
- **Public benefit provided by licensure.** The board would continue to regulate a specialized occupation affecting public health and safety, while DLI would provide a more standardized licensing framework.
- **Specialized skill or training with nationally recognized standards.** Water well contracting involves technical and safety-sensitive work requiring continued oversight and coordination with subject-matter expertise.
- **Justification for licensure qualifications.** The transfer would not eliminate licensure; rather, it would relocate administration to the state agency that generally houses occupational licensing boards.
- **Unnecessary barriers to entry.** Integration into DLI may reduce duplicative administrative structures and improve consistency in application, renewal, and licensing processes.
- **Workforce shortages or access constraints in rural and frontier communities.** A more standardized licensing structure may improve access to qualified licensees, particularly in rural areas where well services are critical.
- **Licensure portability, reciprocity, or endorsement pathways.** Administration within DLI may better align the board with broader occupational licensing reforms aimed at consistency and portability.

- **Public support for continued licensure.** This recommendation supports continued licensure of water well contractors as a public-safety measure while relocating board administration.
- **Proposed legislation for the 2027 Montana Legislative Session.** The transfer is an appropriate legislative recommendation for inclusion in the Task Force's 2027 package.

Policy Assessment

Benefits

The proposed transfer would align the Board of Water Well Contractors with Montana's broader occupational licensing structure by placing the board within DLI, the agency that administers occupational licensing boards. This may improve consistency in licensing administration, forms, timelines, and board support functions. It may also reduce duplicative administrative structures while preserving occupational regulation for work that affects public health, safety, and groundwater resources.

The proposal also allows for continued protection of the public through licensure while recognizing that technical expertise regarding groundwater and well-construction matters should remain available during and after the transfer. A DLI-administered framework may also better support licensing reform goals relating to standardization, administrative efficiency, and access to licensed professionals.

Limitations

Because water well construction and pump installation involve technical and safety-sensitive issues, any transfer of board administration should preserve access to DNRC expertise on groundwater, well standards, and environmental protection. The subcommittee may also wish to consider whether any statutory cross-references, staffing changes, fiscal impacts, or rulemaking responsibilities will need to be addressed in transition legislation.

Considerations for Final Bill Development

Staff and the relevant agencies should confirm that final bill language:

- clearly transfers board administration, licensing, and related functions from DNRC to DLI;
- preserves appropriate coordination with DNRC on technical and subject-matter issues;
- identifies any conforming statutory amendments needed to update agency references and board powers;
- addresses staffing, budget, records transfer, information-technology, and rulemaking needs;
- provides a clear transition process for pending applications, renewals, investigations, and board matters; and
- confirms that public health, safety, and groundwater protection responsibilities remain adequately protected during implementation.

Motion

The Construction Subcommittee moves that the Licensing Reform Task Force support legislation transferring the Board of Water Well Contractors from the Department of Natural Resources and Conservation to the Department of Labor and Industry for the 2027 Montana Legislative Session and direct staff to continue final bill development with the relevant agencies. Staff should present final legislative language, implementation considerations, and any necessary fiscal or rulemaking analysis for review through the agency legislative process.