



**Office of Human Resources  
Standard Operating Procedure  
HR SOP #905**

**Subject:** Department Owned Housing

**Effective Date:** April 16, 2015

**Policy Statement:**

The Department will ensure that all housing provided to employees/interns is done so in accordance with all applicable laws and regulations.

**Definitions:**

**Appointing Authority/Designee:** For the purpose of this Standard Operating Procedure, the Commissioner, as Appointing Authority, delegates the responsibility of designating those residences filled as a condition of employment, to the Division Directors of the Wildlife Resources Division and Parks, Recreation and Historic Sites Division for properties under the control of their respective Divisions.

**Condition of Employment:** An item that is required as part of an employee's job. Condition of employment is determined by the Appointing Authority/Designee.

**Department Owned House:** Residential structure designed and approved for habitation. Normally, this structure is on land owned or used by the Department.

**Department Owned Residential Facility:** Structure owned by or under the custody and control of the Department that can be used for temporary living accommodations. Examples are dormitories used to house camp counselors or group living accommodations on remote areas.

**Fair Market Rental Value:** Approximate rental value of a residence. The Appointing Authority/Designee is responsible for setting the fair market rental value for each residence. The fair market rental value may be determined by asking local realtors for a range of values for similar property in the area and by reviewing advertised rentals. The Appointing Authority/Designee should set a reasonable a fair market rental value based on market research and the condition of the property.

**Utilities:** Commonly provided services at a residence. Includes, but is not limited to, electrical service, natural or propane gas, telephone and cable.

**Procedure:**

The Department owns or has access to a number of residences/residential facilities throughout the state. The Department, as landlord, may use these residences/facilities as it deems

necessary in the best business interest of the State. There are three main uses for these residences/facilities:

1. Assigned to an employee as a condition of employment.
2. Use by an employee permitted for the benefit of both the employee and the Department.
3. Temporary use of a residential facility by an intern or seasonal employee.

Other uses may be designated as appropriate by the Commissioner.

#### Assigned to an Employee as a Condition of Employment:

When it is determined by the Appointing Authority/Designee that a Department owned residence is to be occupied by an employee for whom the occupation is a condition of employment, the employee agrees to work and to be available to work those hours deemed necessary by the Department. The employee agrees to provide necessary security and maintenance at the assigned facility and to keep and perform each and every term, condition and provision required by the Department which will constitute rental for the premises.

See *Rental Agreement* (Attachment 1) for additional and further information including responsibility for utility payment.

#### Use by an Employee for the Benefit of the Employee and the Department:

The Appointing Authority/Designee may designate certain residences, not required for use by employees as a condition of employment, as available for occupation by other employees. The Appointing Authority/Designee will be responsible for the determination and selection of the employee for occupancy. This occupancy will be both for the benefit of the employee but also for the Department in that the occupied residence will not deteriorate as fast as an unoccupied one, as well as security benefits of occupied structures on Department property.

Under these conditions, the employee/occupant is responsible for all utilities as well as the tax obligation on the difference between the fair market rental value of the residence and the value of the occupation to the Department. The value to the Department for employee occupancy of a residence is normally 25% of the fair market rental value. However, individual properties may differ in this amount. (See individual Rental Agreements.) Therefore, the employee would be responsible for the taxable value of 75% of the fair market rental. See *Rental Agreement* (Attachment 2) for properties not occupied as a condition of employment.

#### Temporary Use of a Department Owned Residential Facility by an Intern/Seasonal Employee:

To foster additional knowledge and training of interns in officially sponsored programs of study and to allow for the convenience of having seasonal employees located near remote work sites, the Appointing Authority/Designee may make Department owned residential facilities available on a temporary basis. Such access is for the benefit of the Department in the case of interns, or for the convenience of the Department in the case of seasonal employees working in remote

locations. As a result, no charge will be set for its use. (See *Use Agreement for Housing for Students/Interns/Certain Seasonal Employees* [Attachment 3].)

### Completion of Rental Agreements:

To ensure that taxable income is reported accurately the Appointing Authority/Designee must verify that a rental agreement is completed within 30 days of an employee/intern occupying a Department owned house or residential facility. Movement of an employee from one Department owned house or residential facility to another Department owned house or residential facility requires completion of a new rental agreement. A change in an employee's job/job title as a result of promotion, demotion, etc. will require a review of the current rental agreement. This review is necessary because a change in job duties may be the factor that determines whether the employee's occupancy of the housing is a condition of employment or is not a condition of employment. If the condition changes as a result of the job change, then a new rental agreement is necessary.

**NOTE:** A completed copy of Attachments 1 – 3 should be retained locally. Appointing Authority/Designee must ensure that a completed copy of Attachments 1 – 2 should be forwarded to the Office of Human Resources to be retained in the personnel file.

### State Housing Taxable Income Form:

A *State Housing Taxable Income Form* (Attachment 4) must be completed by those employees who occupy State owned housing for the benefit of the employee and the Department. Attachment 4 must be completed upon initiating the *Rental Agreement*. At that time, the employee must indicate the authorization and provide a discontinuation date applicable to the taxable income credit. Appointing Authority/Designee must ensure that Attachment 4 is forwarded to the Accounting, Accounts Payable - Payroll unit for processing.

### **Attachments:**

Attachment 1 – *Rental Agreement* (for Housing as a Condition of Employment)

Attachment 2 – *Rental Agreement* (for Housing not as a Condition of Employment)

Attachment 3 – *Use Agreement for Housing for Students/Interns/Certain Seasonal Employees*

Attachment 4 – *State Housing Taxable Income Form*