

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

January 20, 1987

The ninth meeting of the State Administration Committee was called to order by Vice-Chairman William Farrell on January 20, 1987 at 10 a.m. in Room 331 of the State Capitol.

ROLL CALL: All committee members were present except for Senator Haffey and Senator Harding who were excused.

The hearing was opened on Senate Bill 93.

CONSIDERATION OF SENATE BILL 93: Senator Mike Walker, Senate District 20, Great Falls, is the chief sponsor of SB 93 which is "AN ACT CLARIFYING AN ALLOWANCE ADJUSTMENT PROVISION UNDER THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM TO INCLUDE ALL POLICE OFFICERS WHO RETIRED ON OR AFTER JULY 1, 1975, BUT BEFORE JULY 1, 1985; AMENDING SECTION 19-9-1011, MCA; AND PROVIDING AN APPLICABILITY DATE AND AN IMMEDIATE EFFECTIVE DATE." The bill was requested by the Public Employees' Retirement Board to correct a problem created when the bill was passed in 1985. It deals with the cost of living increase given to police officers in 1985. There were two provisions for retirement; 20 years of service or age 65 mandatory retirement. The age 65 mandatory retirement was later declared unconstitutional and in the process two people were overlooked. This just restores them to their full status to be able to receive their cost of living increase.

PROPOSERS: Linda King, Assistant Administrator from the Public Employee's Retirement Division, stated it just clarifies that the 1985 police cost-of-living adjustment intended to include all police retired between July 1, 1975 and July 1, 1985. (See exhibit 1) Senator Lynch rose in support of the bill.

OPPOSERS: There were none.

QUESTIONS ON SENATE BILL 93: There were none.

Senator Walker CLOSED on SB 93.

EXECUTIVE ACTION ON SENATE BILL 93: Senator Lynch MOVED that SENATE BILL 93 DO PASS. Senator Abrams seconded the motion. The motion passed unanimously.

EXECUTIVE ACTION ON SENATE BILL 82: Senator Rasmussen noted there had been some discussion of a later effective date to this measure. Senator Lynch felt compensation was justified but in view of the present budget situation that perhaps this was not timely legislation. Senator Lynch MOVED that SENATE

Senate State Administration
January 20, 1987
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BILL 82 DO NOT PASS. Senator Hofman seconded the motion. Senator Abrams then made a SUBSTITUTE MOTION TO TABLE SENATE BILL 82. The motion carried with Senator Hofman and Senator Anderson voting no.

EXECUTIVE ACTION ON SENATE BILL 98: Earlier action by the committee on January 19, 1987 amended the bill to include Certificates of Appointment and Election to Office. Senator Lynch MOVED SENATE BILL 98 DO PASS AS AMENDED. Senator Anderson seconded the motion. Senator Lynch noted the fiscal impact would be very minimal and would perhaps help an in state businessman get a bid. The motion passed unanimously.

The meeting was adjourned at 10:20 a.m.

cd



SENATOR JACK HAFFEY, Chairman

ROLL CALL

SENATE STATE ADMINISTRATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1/20/87

| NAME | PRESENT | ABSENT | EXCUSED |
|-------------------------|---------|--------|---------|
| SENATOR JACK HAFHEY | | | X |
| SENATOR WILLIAM FARRELL | X | | |
| SENATOR LES HIRSCH | X | | |
| SENATOR JOHN ANDERSON | X | | |
| SENATOR J. D. LYNCH | X | | |
| SENATOR ETHEL HARDING | | | X |
| SENATOR ELEANOR VAUGHN | X | | |
| SENATOR SAM HOFMAN | X | | |
| SENATOR HUBERT ABRAMS | X | | |
| SENATOR TOM RASMUSSEN | X | | |
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Each day attach to minutes.

TESTIMONY ON SB 93

HOUSE COMMITTEE ON GOVERNMENT
SENATE NO. 1
DATE 1-20-87
BILL NO. SB 93

Presented by:
Linda King
Assistant Administrator
Public Employees' Retirement Division

SB 93 is being proposed on behalf of the Public Employees' Retirement Board in order to clarify that the 1985 Police cost-of-living adjustment was intended to include all police retired between July 1, 1975 and July 1, 1985.

In March, 1985, the Legislature approved a bill which removed the mandatory retirement provisions of many of Montana's public retirement systems. In this particular bill, 19-9-804 was amended to eliminate reference to mandatory retirement. A later bill (May, 1985) granting cost-of-living adjustments to retired police officers cited the current retirement provisions of state law (which, by then, did not include those persons retiring under the mandatory retirement provisions).

When the cost of granting the Police COLA was calculated by the retirement system's actuary, he counted two people who had been forced to retire under the previous mandatory retirement provisions of state law and the COLA was approved and funded by the Legislature. Upon later review, however, the Public Employees' Retirement Board found there was no legal authority to pay those 2 persons a COLA since they had not retired under provisions referenced in the current codes.

It seems that two people have been eliminated from the 1985 Police COLA by the "process" of the 1985 Legislature, not by "act" of the 1985 Legislature.

The passage of this bill will result in a \$28.32/month increase in the retirement benefits of one retiree and a \$7.38/month increase in the retirement benefits of another retiree, at no additional cost to the retirement system.

STANDING COMMITTEE REPORT

JANUARY 20

87

..... 19.....

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

SENATE BILL

93

having had under consideration..... No.....

first

reading copy (**white**)
color

EXTEND 1985 BENEFIT ADJUSTMENT UNDER MUNICIPAL POLICE RETIREMENT SYSTEM

SENATE BILL

93

Respectfully report as follows: That..... No.....

DO PASS

~~XXXXXX~~
DO NOT PASS

SENATOR JACK HAFPEY.....

Chairman.

STANDING COMMITTEE REPORT

JANUARY 20

87

19.....

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on.....

SENATE BILL

98

having had under consideration..... No.....

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MCA SUBJECT TO RESIDENT BIDDER PREFERENCE

Respectfully report as follows: That.....

SENATE BILL

98

No.....

be amended as follows:

1. Title, line 6
Following: "ANNOTATED"
Strike: "IS"
Insert: "AND CERTIFICATES OF APPOINTMENT AND ELECTION TO OFFICE ARE"
2. Page 1, line 15
Following: "Montana"
Strike: ", except"
3. Page 1, line 16 through 17
Following: "and"
Strike: "certificates of appointment and election to office,"

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

SENATOR JACK HAPPEY.....

Chairman.