

MINUTES OF THE MEETING
SENATE STATE ADMINISTRATION COMMITTEE
FEBRUARY 25, 1977

The meeting was called to order by Senator Towe, Chairman, at 11:00 a.m. in Room 410 of the Capitol Building. Committee members present were Senators Towe, Brown, Rasmussen, Roskie, Jergeson, Blaylock and Devine. Senator Story was excused.

The following bills were discussed: HB 24
HB 12
HB 33
HB 37

HOUSE BILL 24

Representative Bardanouve, District 6, sponsor of the bill, had previously asked the committee counsels from Legislative Council to present the bills to the committee as they are recodification bills and prepared by the Council.

John Hollow, Legislative Council, reviewed the attached explanatory material for the committee.

PROPOSERS

Bill McEnaney, Board of Examiners, stated his support of the bill.

Luther Glenn, Purchasing Director, stated his support of the bill.

There were no further proposers or opponents to the bill.

Senator Rasmussen moved HB 24 Be Concurred In. THE MOTION CARRIED WITH SENATORS TOWE, DEVINE, JERGESON, BROWN AND RASMUSSEN PRESENT AND VOTING AYE.

HOUSE BILL 12

Joan Mayer, Legislative Council, presented the bill for the sponsor, Representative Bardanouve, at his request as it is a recodification measure. She reviewed the attached material for the committee.

There were no opponents and no proposers to the bill.

Senator Jergeson moved HB 12 Be Concurred In. THE MOTION CARRIED WITH SENATORS TOWE, JERGESON, DEVINE, RASMUSSEN, AND BROWN PRESENT AND VOTING AYE.

HOUSE BILL 33

Joan Mayer, Legislative Council, presented the bill for the sponsor, Representative Bardanouve, at his request as it is a recodification measure. She reviewed the attached material for the committee.

There were no opponents and no proposers to the bill.

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Senator Devine moved House Bill 33 Be Concurred In. THE MOTION CARRIED
WITH SENATORS TOWE, JERGESON, BROWN, ROSKIE, RASMUSSEN, AND DEVINE PRESENT
AND VOTING AYE.

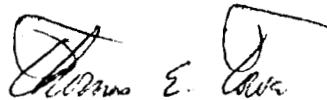
HOUSE BILL 37

Joan Mayer, Legislative Council, presented the bil for the sponsor,
Representative Bardanouve, at his request as it is a recodification measure.
She reviewed the attached material for the committee.

There were no opponents or proponents to the bill.

Senator Brown moved House Bill 37 Be Concurred In. THE MOTION CARRIED
WITH SENATORS TOWE, JERGESON, BROWN, DEVINE, RASMUSSEN, AND ROSKIE PRESENT
AND VOTING AYE.

There being no further business, the meeting was adjourned to reconvene
March 4, 1977.



Thomas E. Towe, Chairman

SENATE

COMMITTEE

BILL

VISITORS'

REGISTER

DATE _____

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

ROLL CALL

STATE ADMINISTRATIVE COMMITTEE

45th LEGISLATIVE SESSION - - 1977

Date 2/25/77

[illegible]

HOUSE MEMBERS

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CODE COMMISSIONER

ROBERT PERSON
DIRECTOR RESEARCH

LC 0057

1977 Legislature
Code Commissioner Bill - Summary

House Bill No. 24

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO PUBLIC CONTRACTS.

(This summary does not include discussion of routine form or grammatical changes.)

Section 1. 82-1131. Change the words "one thousand dollars (\$1,000)" to "\$10,000" to conform to provisions of 82-3317, a more recent legislative enactment, which sets \$10,000 as minimum construction contract to which formal bid advertising requirements apply. Informal requirements are set for \$3,000 to \$10,000 contracts.

Section 2. 82-1133. Change the words "two thousand dollars (\$2,000)" to "\$3,000". Provisions relating to advertising or bidding are not required to be applied where proposed construction costs are less than \$3,000. See 82-3317. Change word "two (2)" to "three" to conform to requirement of 82-3317 that three bids need be solicited.

Section 3. 82-1147. Delete the words "the provisions of the National Industrial Recovery Act, or". Act has been repealed.

Section 4. 82-1150. Rearranged and reworded to clarify.

Section 5. 82-1917. Delete subsection (7) which prohibits purchases other than those made with department of administration approval. Subsection (7) is merged with 82-1902, 82-1906, and 82-1909 in section 9 of this bill.

Section 6. 82-1922. Replace the word "act" with the words "59-501 or this section or both". Penalty provision originally applied only to this section. The word section was amended to act as part of a two-section act, Chapter 43,

Laws, 1973, sections 59-501 and 82-1922. Chapter 326, Laws, 1974, reenacted section as part of act injecting department of administration where appropriate. The penalty application was therefore inadvertently enlarged by the 1974 reenactment.

Section 7. 82-1926. Insert the word "procured" after the word "equipment" in middle of first paragraph so as to read "for use in all projects and in all materials, supplies, and equipment procured, if...".

Section 8. 82-1932. Change the word "purpose" to "purchase" in second sentence of second paragraph to read "The purchase, contract, or expenditure of funds...".

Section 9. Composite of sections 82-1902, 82-1906, 82-1909, and 82-1917(7) insofar as those sections deal with the general purchasing duties of the department. Sections are redundant as now composed.

Section 10. Repealers.

82-1104. Substantive provisions of "Act" referred to in this section have been repealed by section 101, Chapter 199, Laws, 1965, the effect of which has been to repeal substance of section.

82-1139. 82-1917(6) leaves to the discretion of the department of administration whether to require a performance bond or labor or materials bond or both. 82-1139 requires bid security of 200% and performance bond of an equal amount, the former being retained as a performance bond after serving as bid security. 82-1917(6) is the more recent legislative enactment. 82-1139 is recommended for repeal due to the noted conflicts.

82-1904.1. Coal burning furnaces are not now installed in any state building. Preference therefore is not applicable.

82-1904.2. Conversion from coal to other heat producing agents is complete.

82-1913. 82-1917(2) and (3) set forth the department's duties as regards soliciting bids for state purchases. 82-1924 requires the department to let contracts to lowest responsible bidder. 82-1913 is redundant.

82-1915. The power of the department to contract for supplies, etc., is provided for in 82-1906. The duty to contract with lowest bidder is contained in 82-1924. Advertising, such as is required, is provided for in 82-1917(2) and (3). 82-1915 is redundant.

that an architect had been hired and land had been located if not purchased. Neither obligation remains. These sections can therefore be repealed. Remainder of Title 78, chapter 12 still appears in code though repealed by Sec. 8, H.B. 2, Extraordinary Session Laws 1971.

79-110. State auditor named ex officio investment commissioner in 15-2001.

79-802. 79-2314 gives legislative auditor authority to examine treasurer's books. Office of state examiner no longer exists. Sec. 176, Ch. 431, L. 1975. Board of Examiners' duties are limited by 82A-203, which duties do not include inspection of treasurer's books. Governor has access to records of treasurer via department of administration. 82-110(6).

79-811, 79-812. 79-2314 gives legislative auditor authority to examine treasurer's books. Board of examiners' duties are limited by 82A-203, which duties do not include those enumerated in 79-811, 79-812.

79-1102, 79-1103, 79-1104. Requirement of notice to board of investments of bond sales of political subdivisions is obsolete. Board of investments would not invest in tax-free bond issues due to low yield. Their appeal on bond market is tax-free nature. Thus, the notice is not useful and becomes an unnecessary burden to political subdivisions.

79-1603. Approval of applications for federal assistance program funds has been provided for most recently by 79-2706 as part of the Federal Assistance Management Act, therefore, in that 79-1603 duplicates portions of that act, repeal is recommended.

Title 79, Ch. 17. Title 79, chapter 17 contains provisions generally relating to a preference for amortization over serial bonds, matters to be considered on bids for bonds and a maximum interest rate, the delegation of fiscal agents by the governor, the notice and manner of sale and redemption of bond issues of state, county, city, town, school district, or other taxing unit. In perusing grants of bond issuing authority to airport authorities (1-917), municipalities (Title 11, Ch. 23 and Ch. 24), parking commissions (Title 11, Ch. 37), school district and county school bonds (Title 75, Ch. 71), water conservation districts (89-109), and irrigation districts (89-1705, etc.), it was found that form of payment and manner of execution and sale (including designation of fiscal agents) were left to the discretion of the authority issuing the bonds; where preference between amortization and serial bonds was noted, the preference was weaker than that contained in 79-1702; and rates of interest were set by the statute authorizing the bonds.

In addition, 79-2603 establishes 7% as the maximum rate of interest for most bonds of political subdivisions.

Research shows that no amortization bonds have been issued by the state, nor has the governor designated a fiscal agent. More recent legislation dealing with designation of fiscal agents and the form and manner of sale of state bonds has left such matters to the discretion of the board of examiners. For these reasons the chapter is both obsolete and redundant and nothing is lost by its repeal.

79-2701. Portions of act are intermingled with other sections, thus title is no longer applicable to sections as recodified.

82-1104. Substantive provisions of act referred to in this section have been repealed. Sec. 101, Ch. 199, L. 1965, thus section has no effect.

82A-209. Depository banks are currently designated by the state treasurer and approved by the board of investments. Previously, depository banks were approved by the depository board. This change was made pursuant to 82A-209(3). The depository board has no functions remaining since that change, therefore repeal is recommended.

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LC 0031

1977 Legislature
Code Commissioner Bill - Summary

HOUSE Bill No. 13

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO SHERIFFS' RETIREMENT AND DEATH AND DISABILITY BENEFITS.

(This summary does not include discussion of routine form or grammatical changes.)

Section 1. 68-2602. Definitions. In subsection (3) [now (2)], deleted reference to "insurable interest" because the department of administration considers that such an interest is created by the member's designation - deleted as inaccurate and meaningless. In subsection (13) [now (12)], deleted "contributions made by" to correct an apparent error. Deleted subsection (15) as unnecessary, confusing, and inaccurate - the term does not appear anywhere else in the chapter.

Section 2. 68-2604. Functions of the board. In the last sentence deleted "to" to correct an apparent error. Reworded the second sentence to clarify.

Section 3. 68-2607. Membership. In the last sentence, added the word "members" to correct an apparent error.

Section 4. 68-2610. Eligibility and application for service retirement. Grammar and clarification only.

Section 5. 68-2614. Involuntary retirement allowance. "Standing to his credit" deleted as redundant with the definition of "accumulated deductions". Wording of subsection (2) clarified.

Section 6. 68-2616. Reinstatement after withdrawal of contributions. "Not to exceed" changed to "no more than" to improve grammar.

Section 7. 68-2618. Payments in case of death before retirement. Grammar and clarification only.

Section 8. 68-2621. Designation of beneficiary. "Contributor" changed to "member" for consistency; "contributor" is not defined. "Must" changed to "may" to correct apparent error.

Section 9. 68-2622. Military service. The proviso at the end has been made subsection (2) and reworded to clarify that credit for military service is given only if payments are made under subsection (1).

Section 10. 68-2626. Optional retirement allowance. References to "insurable interest" deleted as inaccurate and meaningless - the department of administration considers that such an interest is created by the member's designation. Rewritten for clarity and to make language uniform with 31-228 and 68-1427. Note: this section provides that "a member or a beneficiary may elect". The inclusion of a beneficiary is inaccurate and confusing. The legislature may want to delete the reference.

Section 11. 68-2627. Transfer of dormant accumulated deductions. "Accumulated deduction" changed to "Accumulated deductions" to correct terminology.

Section 12. 68-2628. Ineligibility for membership in PERS. Reworded subsection (1) to clarify and avoid an apparent conflict with 68-2607. Corrected terminology and clarified "said law".

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LC 0027

1977 Legislature Code Commissioner Bill - Summary

House Bill No. 33

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

(This summary does not include discussion of routine form
or grammatical changes.)

Section 1. 68-1602. Exclusions. This section, especially
in subsections (6) and (8), has been rewritten for clari-
fication and to aid recodification. In subsection (8),
"section" changed in two places to "subsection" for greater
accuracy.

Section 2. 68-1604. Absence not included in time of
service. Added "68-1605.1" after "68-1605" to correct
apparent error -- 68-1605.1 provides for credit for time spent
in military service and is therefore necessarily an exception
to 68-1604.

Section 3. 68-1605. Absence in military service. In
subsection (3), "department of war or defense" has been changed
to "dept. of defense" to correct an apparent error.

Section 4. 68-1608. Qualification of prior service
not previously credited. The last clause of the first
sentence has been moved to the beginning and "If" has been
added to clarify an ambiguity.

Section 5. 68-1901. Management of fund. In sub-
section (5), "deposit" has been changed to "deposited" to
clarify.

Section 6. 68-1904. Employer contribution to administrative
expense. In subsection (1), "from each employer" has been added
after "fee" to clarify who pays the fee.

Section 7. 68-2103. Allowance for duty-related disability. "Or not" after "whether" deleted to correct grammar.

Section 8. 68-2201. Medical examination of disability retiree - cancellation and reinstatement. In subsection (3), "the commencement of" has been added before "his retirement allowance" to clarify.

Section 9. 68-2203. Optional retirement allowance. In subsection (2), the last sentence has been deleted as meaningless because of the accepted view that an insurable interest is created by the member's designation.

Section 10. 68-2304. Survivorship allowance elected by beneficiary. In subsection (2), the phrase "with an insurable interest ..., death" has been deleted for the same reason as under 68-2203.

Section 11. 68-2505. Payment of state contributions -- budget and appropriations. In subsection (1), deleted "to" before "its employees" to clarify.

Section 12. 68-2506. Transfer between funds. Grammar and style only.

Section 13. 68-2511. Transfer to and from and concurrent membership in teachers' retirement system. In subsection (3), "and is" has been added before "based" to clarify.

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ROBERT PERSON
DIRECTOR, RESEARCH

LC 0030

1977 Legislature
Code Commissioner Bill - Summary

House Bill No. 37

TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO
HIGHWAY PATROL RETIREMENT AND DEATH AND DISABILITY
BENEFITS.

(This summary does not include discussion of routine form
or grammatical changes.)

Section 1. 31-201. Definitions. In subsection (2),
made the definition of "department" more accurate and specific.
For example, under 31-223, the division, not the department,
has the power to make payments. In subsection (3), reworded
for clarity and deleted reference to "insurable interest" as
inaccurate and meaningless. The department of administration
considers that an insurable interest is created by the member's
designation of a beneficiary. Subsection (9), which defines
"actuarial equivalent" has been replaced by the language of
68-1503(21) as simpler and more accurate.

Section 2. 31-201.4. Retirement system. New section
enacted to establish official name of retirement system and
to replace 31-202 which was repealed.

Section 3. 31-207. Membership. Last sentence deleted
as redundant - contained in first sentence of 31-208.

Section 4. 31-208. Computation of the service of a
contributor. "In time of war" deleted and reference to 31-
223 inserted to correct inconsistency and apparent error.

Section 5. 31-213. Service retirement allowance.
Changed "26 years and over" to "over 25 years" to correct
an apparent error. A member with 25-1/2 years was not covered
in the unamended version.

Section 6. 31-215. Involuntary retirement allowance. Rewritten for clarity. Specified how application made for clarity.

Section 7. 31-222. Nomination of beneficiary. "To" changed to "may" to correct apparent error. Last sentence deleted as redundant.

Section 8. 31-223. Military service. Created a new subsection (1)(b) and reworded to make clear that the payments must be made in order for service credit to be given and to delete the reference to a service allowance, which is not defined.

Section 9. 31-228. Optional retirement allowance. Rewritten for clarity. References to "insurable interest" deleted for same reason as under 31-201. Note: this section provides that "a member or a beneficiary may elect". The inclusion of a beneficiary is inaccurate and confusing. The legislature may want to delete the reference.

STANDING COMMITTEE REPORT

March 5 1917.....

MR. President

We, your committee on State Administration

having had under consideration House Bill No. 12

Respectfully report as follows: That House Bill No. 12

~~DO PASS~~ BE CONCURRED IN

Chairman.

STANDING COMMITTEE REPORT

March 5 1977

MR. President

We, your committee on State Administration

having had under consideration House Bill No. 33

Respectfully report as follows: That House Bill No. 33

~~DO PASS~~ BE CONCURRED IN

Chairman.

STANDING COMMITTEE REPORT

March 5 1977

MR. President

We, your committee on State Administration

having had under consideration House Bill No. 37

Respectfully report as follows: That House Bill No. 37

ADOPTED DE CONCURRED IN