

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE
January 31, 1983

Chairman Joe Brand called the meeting to order at 9 a.m. in Room 129 of the Capitol. All members were present.

SENATE BILL 58

SENATOR PETE STORY called for the passage of Senate Bill 58, saying it would grant the Attorney General, State Auditor, Superintendent of Public Instruction, and Secretary of State the same powers granted to executive branch department heads; however, those same officials would be exempt from the permission for approval requirements from the Governor and the duties required of department heads unless otherwise directed by statute. Senator Story said it would put these elected officials on the same power basis as the appointed department heads.

Bob McCue, representing the Secretary of State's office, stated Secretary of State James Waltermire's support of the measure.

REPRESENTATIVE KATHLEEN McBRIDE noted that there was no immediate effective date on the bill. She questioned why. Senator Story said there was no sense of urgency in the matter.

Chairman Joe Brand agreed with Senator Story that an effective date could be added to the bill in Executive Session.

THERE BEING NO FURTHER QUESTIONS FROM COMMITTEE MEMBERS, OR TESTIMONY BY PROPONENTS OR OPPONENTS, CHAIRMAN BRAND ENDED THE HEARING ON SENATE BILL 58.

HOUSE BILL 493

REPRESENTATIVE DAN YARDLEY said House Bill 493 was requested by the Department of Administration. He said it would amount to a comprehensive act governing the acquisition of supplies and services by the state. It would also grant the department rule-making authority in implementing the law. Representative Yardley passed out a statement of intent proposed for the measure. He said a statement of intent was required because the statute would grant the rule-making authority to the department. Representative Yardley said the bill was drafted from the model American Bar Association Procurement Act. He said it would repeal present laws and substitute for existing laws and expand others. He said present laws are quite old.

Morris Brusett, Director of the Department of Administration, said the department has an automated system for purchasing and has sifted out from the legislation portions of the model ABA code that were irrelevant or unnecessary. He said the bill has 55 sections and he would talk about the sections in groups of sections:

Sections 1 through 5, Brusett said, deal with the purpose and rationale and the philosophical framework for purchasing. Sections 6 through 11 deal with the organization and duties of the purchasing structure within state government. Sections 12 through 20 deal with the selection of vendors and the formation of contracts. He said the legislation emphasizes the competitive mode of purchasing. He said it also defines when the state must go to a request for proposal in purchasing. Sections 21 through 26 grant the state authority to contract in purchasing matters. Section 23, Brusett said, is a change from existing practice. He said Section 23 deals with performance bonds. At present, he said, the law requires 100 percent bonds to be posted, but in some cases, the services do not justify a full 100 percent bond. He said Section 23 also provides for the issuance for other collateral rather than full, 100 percent bonds. Section 24, Brusett said, is a limit on purchasing. It puts a maximum limit of three years on purchase time. But it also allows five years for capital equipment and some equipment can go for as long as ten years. This is because a three-year period for more expensive equipment would make proration over a short time inefficient. Sections 27 through 29 deal with the accounting systems in place. Sections 36 and 37 deal with surplus property management. Section 38 deals with the inter-government relations, relations between the state and local governments. Section 46 incorporates into law, certain necessary retroactive applications of parts of the code to deal with prior agreements and existing contracts. The provision would require, however, that signers agree to the incorporation to the new statutory scheme. Section 47 deals with printing, Brusett said. He called it "a big issue." He said 25 percent of printing dollars stay within the state government structure because the state does that much printing on its own. Another 40 percent of the printing dollars go to Montana printers, while out-of-state printers take 35 percent of the Montana state government printing dollar. He said this is true even though Montana printers get a 2 percent preference, except for District Court or Supreme Court printing needs. He said this bill provides for all printing to be done in-state unless the capability is not there or prices are too high. He said it does not set a preference, but allows the establishment of a preference by administrative rule. Sections

48 through 55, Brusett said, need amendments and an effective date. He said some sections would be effective on approval, others would become effective in 1984. He said sections 24 and 46 would be effective immediately because of certain needs within the state telephone system.

PROPONENTS

Rick Hill, representing Montana International Insurance, testified in favor of the measure, specifically about the bonding provisions. Hill said he favors a lesser bonding requirement (and collateral). He said the state can be secured just as well by "irrevocable letters of credit." He said that such letters are just as good as bonding in many cases.

Ray Koontz, a Helena merchant, said the only bonds he can get are SBA bonds. He said at present the statutory requirements for full bonding create problems for him and make it impossible for him to bid on state jobs. He said he supports Section 23 of the proposed legislation. He said it is easy to get letters of credit from financial institutions and such letters cover the jobs. With the bill, he said, "we could compete equally with our competitors."

Steve Winter, representing the Montana Power Company, called the bill a step of the package recommended by the Governor's Council on Management.

Stan Burgard, representing Color World of Montana, a Bozeman printing firm, supported the measure. He said the dollar volume in state printing is huge and the state printers would benefit by the bill.

Jack Noble, representing the Montana University System, also endorsed the measure.

OPPONENTS

Loren Gunderson, representing Synergy Services, of Helena, said he supported some sections of the bill, especially the bonding provisions. But he suggested the Department of Administration reproduce and make available microfiche recordings of bid openings to be distributed to prospective bidders. He said problems he foresees with the bills included the following: Section 25, regarding the right to inspect vendors plant, he said should be

made stronger. Section 22, regarding the Department of Administration's duty to provide accounting data, he described as "questionable." Gunderson also said there was no guarantee that vendors who are on the vendors list will actually get an opportunity to make a bid. He said that the public would, under the legislation, lose the right to examine bids at bid openings. He suggested the committee should clarify the language in the bill to maintain that right. He said he would also like to see clarity in the "bid security" arrangements required by the legislation; specifically, would bid security be required or would it be permissive on the part of the department?

THERE BEING NO FURTHER COMMENTS BY PROPONENTS OR OPPONENTS OF THE MEASURE, CHAIRMAN JOE BRAND CALLED FOR CLOSE BY ITS SPONSOR, REPRESENTATIVE YARDLEY.

Representative Yardley called the bill one of the most important bills this session. He said it would make for more efficient operation of purchasing, a better purchasing system, and make the state more competitive.

COMMITTEE QUESTIONS

Representative Kathleen McBride asked Brusett if Section 5, regarding public access, is in current law. Brusett said all the purchasing documents are public documents. Representative McBride referred to page 24 of the measure and specifications regarding automobiles. She asked if the department expected to have more input into the automobile purchasing process by state government. Brusett said he did, and that issue was an important one. Representative McBride asked why the section in the model ABA bill, to allow local governments authorization to adopt similar regulations, was omitted from this legislation. Brusett said the department felt it was not its role to suggest how local governments should be regulated. Brusett said, however, he did not object to inclusion of such a provision.

REPRESENTATIVE JERRY DRISCOLL asked that if this legislation was law, how the phone system selection might have been different. Brusett said the state could then have gone to the tax exempt market to seek funding for the system, but the award of the system contract still would have gone to the lowest qualified bidder, whether or not that bidder was in-state or out-of-state.

REPRESENTATIVE GLENN MUELLER asked for Brusett's reaction to Gunderson's remarks. Brusett said that, regarding Section 25, and the department's authority to inspect vendor's plants, the agency left it in because of a frequent problem of bidders winning bids even though they are not capable of fulfilling the contract. He said inspections enable the department to determine if a bidder can do the job. Regarding Section 22, when bids are made on a cost-plus basis, there is the need to determine a valid cost setting system. Representative Mueller asked if that was in the present law, and Brusett said it was not. Regarding the concerns about the bid openings, Brusett said everyone can be present at bid openings and all documents are public after the bids are opened. Brusett said the department uses the same practice at present.

Chairman Brand asked if the measure would make any change in 18-4-203, MCA. Brand said that section is being repealed at present. Brusett said the bill provides for the presence of the public end bidders and would amount to no change.

Chairman Brand asked Gunderson for his remarks. Gunderson said the change in the legislation is that with the present bidding process, examinations can be made before the actual award of the bids. Gunderson said the bill would restrict public examination of the bids until after the bid is awarded.

Brusett said all the bid award process is done in public.

Chairman Brand asked about bid security. Morris Brusett said the legislation would provide for bidder security.

REPRESENTATIVE FRANCIS BARDANOUVE asked if the legislation would allow for the cancellation of contracts if no money is appropriated. He asked why have contracts if no money was appropriated. Brusett said many contracts now have cancellation clauses to anticipate such difficulties. Representative Bardanouve asked why many contracts were let before money is appropriated. Brusett said that often leases are signed that go beyond biennia. "We have to pay for services already done," Brusett said. Representative Bardanouve said that could often result in long-term carrying charges. He asked if it were possible to have a provision to give the Legislature the opportunity to review major purchases before contracts are let. Brusett asked if Representative Bardanouve was suggesting a legislative purchasing oversight committee.

REPRESENTATIVE BRENT BLISS questioned Brusett, who said that the printing provision in the legislation is intended to bring back to Montana printers 1/3 of the printing that goes out of state.

Representative Driscoll questioned why that concern was just for printing, why not for all bids that go out of state. Brusett said that was possible, and it was within the power of the committee to make such changes in the legislation.

Representative Bliss asked if the 10 percent preference in the bill would be taken advantage of by Montana printers. Don Berry, of the department, said the 10 percent preference figure applies only to District and Supreme Court matters.

REPRESENTATIVE JOHN PHILLIPS asked how this printing provision would tie to the Montana State Prison printing shop. Brusett said the department is at present directing some work to the prison shop.

REPRESENTATIVE WALTER SALES asked if the measure would repeal 18-7-104 and 105, the provisions requiring union labels on state printing. Brusett said the legislation would not.

Representative Phillips asked if the measure would cover consultants. Brusett said it would not.

Chairman Brand asked how many other states have similar legislation. Brusett said about a dozen use the model code, in whole or part.

Chairman Brand asked about the contract for the telephone system going to a Texas firm, and how many Montana firms were affected by that. John Neraas, an assistant to Brusett for telecommunications, said that the bidding process for the telephone system resulted in bids being taken from nine out-of-state firms for the phone system. He said the number of jobs in Montana because of the bid would stay about the same regardless of who won the award.

Chairman Brand asked if the Texas firm would "piggy back" on the services offered by Mountain Bell, and if Chairman Brand's phone rates would increase.

Representative Driscoll noted that "these people from Texas are not paying Montana taxes." Brusett said six to ten people were affected by the award to the Texas company, and only some of those will come into Montana because of the award.

Chairman Brand asked about the three percent preference for Montana bidders. He asked that some critics claim it results in higher costs to the state, but Chairman Brand disagreed. He said problems arise with out-of-state bidders; it is expensive to make out-of-state inspections. Brusett said inspections are needed to watch "new people." He said the department also needs to do a better job of pre-qualification of bidders.

Responding to a question by REPRESENTATIVE CLYDE SMITH, an assistant to Brusett said that the department proposes to establish a pre-qualification process by way of this measure.

Chairman Brand asked about sub-contractors. The same assistant to Brusett said the bill would allow the state to deal with problem contractors.

THERE BEING NO MORE QUESTIONS FROM COMMITTEE MEMBERS, CHAIRMAN BRAND CLOSED DISCUSSION ON HOUSE BILL 493.

SENATE BILL 66

Representative Mueller stated that he would speak for Senate Bill 66 on behalf of SENATOR THOMAS KEATING, who was unable to make it to today's hearing. Representative Mueller said Senate Bill 66 would abolish the requirement that the appointment of clerks and subordinants of public officers be in writing and that the appointees take and file oaths of office. He said the measure was requested by the Secretary of State, and would save time and money for the taxpayers.

PROPONENTS

Bob McCue, representing Secretary of State James Waltermire, spoke in support of the measure as "simply a housekeeping bill." He said the present requirement in the law is duplicative and therefore not necessary.

THERE BEING NO MORE TESTIMONY BY PROPONENTS, AND NO STATEMENTS BY OPPONENTS OF SENATE BILL 66, CHAIRMAN BRAND CALLED FOR QUESTIONS BY COMMITTEE MEMBERS.

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Chairman Brand asked McCue if the bill would cause more paper-work in other offices. McCue said it would not.

THERE BEING NO FURTHER QUESTIONS FROM COMMITTEE MEMBERS, CHAIRMAN BRAND CLOSED THE HEARING ON SENATE BILL 66.

HOUSE BILL 487

REPRESENTATIVE HELEN O'CONNELL said she introduced the measure at the request of the Public Employees' Retirement Board. She said it would clarify the language by adding a definition of "dependent child" to the Municipal Police Officers' Retirement Act and it would also add a definition of "surviving spouse" to the Municipal Police Officers' and the Firefighters' Unified Retirement Acts. She said the bill would also clarify the payment of death benefits under both pension plans.

Mike Walker, representing firefighters, said the bill would clarify that surviving children of members of the systems would be taken care of through years of post-secondary education.

Representative O'Connell said the measure would clarify who the beneficiary is.

Representative Phillips asked about the present definition. Walker said the existing definition is that of a "minor." Phillips asked why the definition includes children up to 24 years of age. Walker said it was to contemplate cases in which surviving children go for graduate degrees.

Representative Mueller asked if the bill would increase benefits. Walker said it would not, but would merely clear up the questions of who can take advantage of benefits.

Representative McBride asked about language regarding surviving spouses. She asked if it was clarifying the existing law or changing it. Walker said the legislation would clarify existing law. Representative McBride observed that women should get credit when they contribute to the pension plan of their spouses, in whatever way, and regardless of their marital status after the termination of the marital relationship.

Walker said the legislation was not meant to enhance anyone's position. Representative McBride said the language in the bill was not right, and the committee should not perpetuate it.

Michael Hunt, representing the State Fireman's Association, said that when widows remarry, they get a refund of the amount paid into the system.

THERE BEING NO MORE QUESTIONS FROM COMMITTEE MEMBERS, CHAIRMAN BRAND CLOSED THE HEARING ON HOUSE BILL 487.

EXECUTIVE SESSION

HOUSE BILL 487

Representative Sales MOVED House Bill 487 DO PASS, Representative Mueller seconded.

Representative McBride asked where in the bill did it say that widows get cashed out.

The questions being called, the motion carried by unanimous voice vote. House Bill 487 was reported out DO PASS.

HOUSE BILL 493

Chairman Brand asked if the committee felt that House Bill 493 needed to go to subcommittee. He noted concerns that Representative Bardanouve had about the measure. Representatives O'Connell and Bardanouve voiced support for sending it to a subcommittee. Chairman Brand voiced concern about the rule-making authority to be granted by the measure. Representative McBride said she was concerned about the costs of terminating contracts. Chairman Brand agreed, saying the state should consider the predicament of contractors whose services are terminated.

Chairman Brand appointed a subcommittee of REPRESENTATIVE FRANCIS KOEHNKE as chairman, with Representatives Bardanouve and Smith to serve also.

SENATE BILL 58

Representative O'Connell MOVED that Senate Bill 58 be concurred in, Representative Mueller seconded. The question being called, the motion carried by unanimous voice vote. Senate Bill 58 was reported out to be concurred in.

SENATE BILL 66

Representative Mueller MOVED that Senate Bill 66 be concurred in, Representative Smith seconded. The question being called, the motion carried by unanimous voice vote. Senate Bill 66 was reported out to be concurred in.

HOUSE BILL 79

Representative McBride noted that the measure is a controversial one. Representative Sales, a co-sponsor of the measure, noted that the committee did not have the necessary fiscal note.

Representative Sales MOVED the amendments to House Bill 79, Representative Mueller and Representative Hand seconded.

Representative Sales suggested the amendments would put the bill into the shape the sponsor wanted. Representative McBride asked to hear from Lois about the effect of the amendments. Legislative Council Researcher, Lois Menzies, said the amendments would make major revisions in the bill by striking everything in the bill after the enacting clause and replacing it.

The question being called, the motion carried by unanimous voice vote. House Bill 79 was amended.

Chairman Brand noted that the measure would be held for final action until the next day, when more committee members were present.

HOUSE BILL 52

Representative McBride, the subcommittee chairman, noted her subcommittee would meet this afternoon. She said she was not sure she could make the changes that have been proposed for the measure.

HOUSE BILL 23

REPRESENTATIVE LLOYD McCORMICK said his subcommittee would meet tomorrow with Larry Nachtsheim, Administrator of the Public Employees' Retirement Division.

HOUSE BILL 149

Representative Mueller MOVED House Bill 149 DO NOT PASS, Representative Smith seconded.

Representative McBride made a substitute motion that House Bill 149 be TABLED, Representative Driscoll seconded. Representative Mueller withdrew his motion.

Chairman Brand suggested that the Senate be notified that House Bill 149 was being tabled.

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The question being called, the motion carried by unanimous voice vote. House Bill 149 was tabled.

HOUSE BILL 268

Representative McBride presented amendments to the measure.

Representative McBride MOVED the amendments, Representative Driscoll seconded. The question being called, the motion carried by voice vote. Representative Bliss voted "no."

Representative McBride MOVED House Bill 268 DO PASS AS AMENDED, Representative Driscoll seconded. The question being called, the motion carried by voice vote. Representative Bliss voted "no."

HOUSE BILL 411

REPRESENTATIVE BILL HAND said his subcommittee report on House Bill 411 would be ready for the next day's session.

Representative Mueller MOVED adjournment, which was approved by voice vote.

Respectfully submitted,



REPRESENTATIVE JOE BRAND, CHAIRMAN

EXCUSE

Date: Jan 31, 1983

Representative Wesley is excused from the
committee hearing to be conducted Feb 1, 1983.

Joe Brand
REP. JOE BRAND, Chairman

o-o-o

PROXY

In view of the above absence, I give my proxy to

Representative _____ for bill(s) _____

to follow these instructions _____

signature

STANDING COMMITTEE REPORT

JANUARY 31

19 **83**

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on

HOUSE

having had under consideration Bill No. **487**

first

reading copy (**white**)
color

"AN ACT CLARIFYING THE PAYMENT OF DEATH BENEFITS UNDER THE MUNICIPAL POLICE OFFICERS' AND THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT ACTS; DEFINING SURVIVING SPOUSE AND DEPENDENT CHILD; AMENDING SECTIONS 19-9-104, 19-9-911, 19-9-1007, 19-13-104, AND 19-13-903, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HOUSE

487

Respectfully report as follows: That Bill No.

~~DO PASS~~

STANDING COMMITTEE REPORT

JANUARY 31,

19 **83**

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **58**

first reading copy (**white**)
color

"AN ACT GIVING THE ATTORNEY GENERAL, STATE AUDITOR, SUPERINTENDENT OF PUBLIC INSTRUCTION, AND SECRETARY OF STATE THE POWERS ACCORDED APPOINTED DEPARTMENT HEADS AND EXEMPTING SUCH ELECTED OFFICIALS FROM THE GUBERNATORIAL PERMISSION OR APPROVAL REQUIREMENTS AND DUTIES REQUIRED OF DEPARTMENT HEADS."

Respectfully report as follows: That **SENATE** Bill No. **58**

BE CONCURRED IN

XXXXXX
DO PASS

STANDING COMMITTEE REPORT

JANUARY 31,

19 83

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on

SENATE

having had under consideration Bill No. 66

first

reading copy (**white**)
color

**"AN ACT AMENDING SECTIONS 2-16-301 AND 2-16-302, MCA, TO ABOLISH
THE REQUIREMENTS THAT CLERKS AND SUBORDINATES OF PUBLIC OFFICERS
BE APPOINTED IN WRITING AND TAKE AN OATH OF OFFICE."**

SENATE

66

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

BE CONCURRED IN

XXXXXX
DO PASS

STANDING COMMITTEE REPORT

JANUARY 31, 19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 268

first reading copy (white)
color

"AN ACT PROHIBITING AN EMPLOYEE FROM RECEIVING A MEAL ALLOWANCE WHEN IN TRAVEL STATUS IF HE IS LESS THAN 15 MILES FROM HIS HEADQUARTERS OR HOME; PERMITTING AN APPOINTED MEMBER OF A STATE BOARD, COMMISSION, OR COUNCIL OR A MEMBER OF A LEGISLATIVE SUBCOMMITTEE OR A SELECT OR INTERIM COMMITTEE TO RECEIVE A MIDDAY ALLOWANCE ON A DAY HE IS ATTENDING A MEETING REGARDLESS OF THE PROXIMITY OF THE MEETING PLACE TO HIS RESIDENCE OR HEADQUARTERS; AMENDING SECTIONS 2-18-502 AND 37-1-133, MCA; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 268

be amended as follows:

1. Title, lines 5 through 7.
Following: "ACT" on line 5
Strike: "PROHIBITING" through ";" on line 7
2. Page 1, line 18.
Strike: "To"
Insert: "Except as provided in subsection (3), to"
3. Page 1, lines 21 through 23.
Following: "hours" on line 21
Strike: "and" through "closer" on line 23

AND AS AMENDED

DO PASS

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

14, 13 493

DATE _____

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

NAME

Richard A. Lee

BILL No.

493

ADDRESS

1725 5th Ave Helena

DATE

11/31/83

WHOM DO YOU REPRESENT

Self

SUPPORT

☒

OPPOSE

AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The bill provides for changes in bonding
requirements that would better serve
the State and the public

WITNESS STATEMENT

Name Ray Kurtz Committee On _____
Address 224 Greenwood Dr. Helena Date 1/31/82
Representing The Floor Show Support ✓
Bill No. 493 Oppose _____
section 23 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Hard for small firms to get Bonds
2. Letters of credit are easy to get
many more firms will be able to compete
3. State will save alot of money by having
more competitive Bids
4. New small Business deserve the right to
Bid on state jobs

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

130

WITNESS STATEMENT

Name Stephen Winter Committee On State Admin
Address 430 ROBINSON DRIVE Date 1/31
Representing BATE, MA Support X
Bill No. 493 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. This bill effectively ~~is~~ begins to implement the Governor's Council recommendation on Purchasing. As the team leader
2. responsible for the recommendations, I ask for support for the bill. The ~~bill~~ ^{recommendations} provides for decentralized
3. control of purchasing and ~~represents~~ and represents progress. This bill is one step to provide a better purchasing function.
4. Steve Winter

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name JACK NOBLE Committee On _____
Address HELENA Date JAN 31, 1983
Representing MONTANA UNIVERSITY SYSTEM Support X
Bill No. HB 493 Oppose _____
Amend X

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

ENDORSE THE TESTIMONY OF THE DEPARTMENT OF ADMINISTRATION

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name John newaes Committee On _____
Address rm. 222 Date 1/30
Representing Dept of Admin Support ✓
Bill No. 493 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Michael A. Walker Committee On State ad.
Address 226 Wallace, Helena Date Jan. 31, 1983
Representing Mt. St. Council Fire Fighters Support X
Bill No. HB. 487 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. This bill is mainly for language clarification, and will do this section of law justice.
- 2.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.



*Lois
Pyfer Brown
Dore Stephens*

The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

REPRESENTATIVE DANIEL KEMMIS
SPEAKER OF THE HOUSE

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620
(406) 449-4815

January 18, 1983

HOME ADDRESS:
P. O. BOX 8687
MISSOULA, MONTANA 59807
(406) 721-1835

MEMORANDUM

TO: Diana Dowling, Executive Director
Legislative Council

FROM: Daniel Kemmis, Speaker

RE: Election Dates for Referenda

*Lois, I said you or
Bob Brown should go
ahead & put together
bill for committee.
Should allow exception for
referenda that provide
therein for different
time.*

B

After checking the sources you cite, I agree that we have a problem. I suggest a committee bill to define "general election" for ballot issue purposes. Could your researcher bring the matter to the attention of the State Administration Committee?

A handwritten signature of Daniel Kemmis in cursive script.

Daniel Kemmis
Speaker of the House

DK:wf

HOUSE BILL 487- CLARIFICATION OF DEATH BENEFITS FOR POLICE OFFICERS AND FIREFIGHTERS -

O'Connell

Police System

Section 1 (beginning page 1, line 24). The definition of dependent children in the police system is the same as the definition enacted by the previous legislature in the firefighters' system.

(Page 4, line 22). This provides a legal definition of surviving spouse for retirement purposes.

Section 2 (beginning page 5, line 4). Provides police officers who do not have a surviving spouse who dependent child, the opportunity to elect a beneficiary to receive any residual left in the officers' retirement account at his/her death or have it paid to their estate.

Section 3 (pages 4, 5, and 6). These sections are amended to reflect the terms previously undefined in this act.

Had these amendments been in effect in 1975 when the system was consolidated, there would not have been an increase in any benefit payments. Had there been a situation similar to the case in the Unified Firefighters' System in 1981, it would have cost the system \$70,000 dollars.

Firefighters

Section 5 (page 13, line 6). This provides a legal definition of surviving spouse for retirement purposes.

Section 6 (page 13, beginning on line 13). This section is amended to reflect changes in definition has been revised only for clarity. There is no overall change in the intention of the original section. There are no benefit changes.

This bill originated from a claim against the Unified Firefighters' System, by a lady who was a widow of a deceased firefighter and had her benefits terminated when she remarried. However, 10 years after her second marriage was terminated by divorce, she had her second marriage annulled in Court and by the annulment was made unmarried as of the date her benefits were terminated. She currently received \$674 dollars a month as a surviving spouse. Had the Board honored her original claim, she would have received about \$70,000 dollars in retroactive benefits, back to the date of the annulment.

In the bill we have tried to recognize a parity between the two systems in this area by using the same definition for dependent children of police officers that was enacted in 1981 as part of the Unified Firefighters' System. Currently, there are 340 recipients of monthly benefits in the police system of which 22 are surviving spouses.

In the Firefighters' System, there are currently 319 recipients of monthly benefits 34 of which are survivors.

STATEMENT OF INTENT

Bill No. _____ [LC 979]

A statement of intent is required for this bill because it grants rulemaking authority to the Department of Administration for the purpose of implementing the procurement procedures established by the bill. The bill is based upon the American Bar Association Model Procurement Code for State and Local Governments. The Model Code was drafted on the concept that it should be a short statute providing the fundamentals of sound procurement that should be implemented by rules consistent with the statutory framework.

It is intended that the Department look to the Recommended Regulations for the Model Procurement Code for State and Local Governments adopted by the American Bar Association for guidance in adopting rules implementing the provisions of this bill.