

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE
February 9, 1983

The House State Administration Committee met at 8 a.m., February 9, 1983, in Room 129 of the Capitol. CHAIRMAN JOE BRAND presided. All members were present.

Chairman Brand opened discussion of bills in committee with Senate Bill 216, introduced by SEN. LAWRENCE STIMATZ. Sen. Stimatz introduced LARRY NACHTSHEIM, Administrator of PERS, who explained that this bill changes various statutes so that commencement of retirement allowances is on the first day of the month following the member's last day of covered employment. Retirement dates would be statutory. Everybody has the same date. (Testimony attached)

NO OPPONENTS APPEARED TO TESTIFY ABOUT SENATE BILL 216.

There were no questions.

Senator Stimatz closed. Chairman Brand stated that someone would be assigned to carry the bill.

CHAIRMAN BRAND OPENED THE HEARING ON SENATE BILL 205, SPONSORED BY SENATOR DOROTHY ECK.

Sen. Eck explained that during the 1981 session a bill was passed creating a state employee incentive awards program. This program resulted in a \$180,000 savings at a cost of \$22,000, and it has been popular among the employees.

DENNIS TAYLOR, administrator of the Personnel Division explained that this program has actually only been in operation for ten months and that this bill extends the sunset provision for two years to July 1, 1983. (Testimony attached)

THERE WERE NO OPPONENTS WHO TESTIFIED ON SENATE BILL 205 AND CHAIRMAN BRAND CALLED FOR A CLOSING STATEMENT.

Sen. Eck closed. In response to a call for questions by Chairman Brand, REP. PHILLIPS said it seems that we are paying out quite a bit in contrast to what we are paying in awards.

Dennis Taylor explained the cost of the program included amount of time spent by various employees in evaluating the different proposals.

It was asked if these were employees who would be on staff anyway or if these were employees who were hired to administer the program.

Page 2

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE

February 9, 1983

It was explained that these were employees who would be on staff without the program.

The question was asked, "How many awards were given and what was the amount of the awards?"

Dennis Taylor said there were eight awards given and the dollar amounts varied according to the dollars saved.

Rep. Phillips asked Lois Menzies of the Legislative Council and as a member of the Incentive Awards Advisory what she thought of this idea.

Lois indicated that she felt it was a good program.

CHAIRMAN BRAND OPENED THE HEARING ON HOUSE BILL 626, SPONSORED BY REP. FRANCIS BARDANOUVE.

Rep. Bardanouve stated that unlike most bills this one will save us some money. "After a long battle, we have finally reached a compromise. Cities have fallen behind in their payments to the police officers' and firefighters' retirement systems. This bill addresses that problem." Each city found to have an unfunded liability must pay 25% of this liability with interest in ten annual installments. Except for a city joining the pension plan after June 30, 1982, each city will pay the same employer rate beginning July 1, 1993.

Testimony listing the indebtedness of individual cities is attached.

JEFF TOWER, Butte/Silver Bow, spoke in favor of the bill.

RAY BLEHM of the Montana State Fireman's Assoc. spoke, neither as a proponent or an opponent. He pointed out that they have other bills that they are supporting to get more state aid.

Chairman Brand asked if there were any opponents. There being none, Rep. Bardanouve closed.

Representative Mueller asked if the state is paying to bail out the pension funds.

Rep. Bardanouve explained they are funded through the general fund.

Ray Blehm explained that the amount of money from the premium

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE
February 9, 1983

insurance tax has increased and that some of this money is going into the general fund.

There were questions as to how those cities that are behind would be required to pay up.

Rep. Bardanouve explained that they would pay 25% of this with interest in ten annual installments ending May 1, 1992.

Rep. Sales asked, "How did Missoula get into such good shape so quickly in relation to Butte?"

Larry Nachtsheim explained that it depends on the percentage of retirees in relation to the active employees.

Rep. Sales asked if the cities are making any additional payments toward this liability now.

Larry Nachtsheim said "no."

Rep. Sales stated that "it sounds like you're taking the cities with the unfunded liabilities and making it so they won't be struck so hard."

Rep. Bardanouve: "Those who have unfunded liabilities have ten years to pay up."

Rep. Sales: "I can see your problems with the police, but the firemen we just took care of last session."

Larry Nachtsheim: "Maybe we won't put the firemen in the excess fund."

Rep. Brand asked how the money would be handled.

Larry Nachtsheim explained that the cities would send the money to the state and the state would pay the retirees.

Rep. Driscoll: "When they first passed this act, didn't they put all the money from the premium insurance tax into pensions?"

Ray Blehm: "It started out with a certain portion allocated to the different funds. Recently it has been paid on salaries and mileage."

Rep. Brand asked Ray Blehm if the other bills they were supporting would affect this bill. He was assured they would not.

Page 4

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE

February 9, 1983

CHAIRMAN BRAND OPENED THE HEARING ON SENATE BILL 100. Senator Graham was not present. LEE HEIMAN of the Legislative Council explained the bill.

This bill was requested by the Code Commissioner and amends several statutes relating to government to eliminate inconsistencies or other errors.

CHAIRMAN BRAND OPENED THE HEARING ON SENATE BILL 33. SENATOR SWEDE HAMMOND SPONSORED THE BILL.

This bill would give the Administrative Code Committee authority to poll the legislature if 20 or more legislators object to any rule by filing letters of objection with the Code Committee. This would extend the authority to a rule that has been adopted or amended within two years.

CHAD SMITH of the Montana Hospital Association testified that he was strongly in favor of procedures that will allow the legislature to be polled for their reaction to rules.

There were no opponents.

Senator Hammond closed.

Rep. McBride stated that she was not quite clear as to the intent where you allow a poll in regard to a rule that has been adopted in the last two years. "Is it your intent that we could go back two years?"

Senator Hammond: "Yes."

Rep. McBride: "Are you trying to make it retroactive?"

Senator Hammond: "Two years."

Rep. McBride: "The legislation doesn't say that. Must the Code Committee receive twenty letters of objection before you poll?"

Senator Hammond: "Yes."

Rep. McBride questioned the polling of the current legislature when the law might have been passed by a previous legislature.

DAVID NISS, attorney for the Legislative Council, stated that this bill would make it possible to poll the current legislature. Without this bill, a lawyer would have a good argument in court if a suit developed.

Page 5

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE

February 9, 1983

Rep. McBride stated concern that the new legislature might change the intent of the law.

Rep. Phillips stated that he doubted that polling would occur without the Code Committee being under duress.

Rep. Brand asked if there was some procedure to do this now.

David Niss: "Right now the statute limits the poll to proposed rules."

Rep. Brand asked how many rules are changed within a year.

David Niss said "hundreds."

Rep. Brand: "How many are implemented without the Administration Code Committee's approval."

David Niss: "The Administrative Code Committee does not have the authority to disapprove rules."

Rep. Brand: "Do you send Code Committee members letters about the proposed changes in rules?"

David Niss: "Yes, each member also has a subscription to the Montana Administrative Register."

Rep. McBride: "I would question what statutes would bind the court to accept this poll."

Rep. Pistoria: "I ask that we get going."

Rep. Hand recalled a poll regarding the purchase of Wild Horse Island.

THE COMMITTEE WENT INTO EXECUTIVE SESSION.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON SENATE BILL 33. Rep. Mueller moved and Rep. Sales seconded that the committee CONCUR. The Committee PASSED SB 33, with Reps. McBride and Brand voting no.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON SENATE BILL 205. Motion was made by Rep. O'Connell and seconded by Rep. Smith to CONCUR. SB 205 was PASSED UNANIMOUSLY.

Rep. Sales will carry SB 205.

Page 6

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE
February 9, 1983

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON SB 100. Rep. McBride moved and Rep. Compton seconded to CONCUR. SB 100 WAS PASSED UNANIMOUSLY.

Rep. McBride will carry SB 100.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON SB 216. Rep. Mueller moved and Rep. Solberg seconded to CONCUR. SB 216 WAS PASSED UNANIMOUSLY.

Rep. Mueller will carry SB 216.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON HB 626.

Rep. O'Connell moved and Rep. Hand seconded to DO PASS. HB 626 PASSED UNANIMOUSLY.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON THE AMENDMENTS TO HB 59.

Rep. Mueller moved to adopt the amendments. Rep. Sales seconded the motion. THE AMENDMENTS TO HB 59 WERE APPROVED BY A UNANIMOUS VOTE.

Rep. Mueller moved and Rep. Hand seconded a motion to Do Pass HB 59 as amended. HB 59 PASSED THE COMMITTEE BY A UNANIMOUS VOTE.

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO TAKE ON THE AMENDMENTS TO HB 547.

Lois Menzies of the Legislative Council explained that the amendments were made with the approval of Bill Romine, lobbyist for the Clerk and Records Association. It eliminates the three-day lapse before the registration is complete and the number is assigned.

Rep. Mueller moved and Rep. Koenke seconded the motion to adopt the amendments to HB 547. Rep. McBride questioned the amount of time a person has to register and asked if this bill affects this. Lois Menzies read statute 13-2-203 which affects dates of registration. It was decided that this bill will not affect registration dates. Question was called for. THE AMENDMENTS TO HB 547 WERE PASSED UNANIMOUSLY.

Rep. Koenke made the motion and Rep. Smith seconded to pass HB 547 as amended. HB 547 WAS PASSED AS AMENDED BY A UNANIMOUS VOTE.

Page 7

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION
COMMITTEE

February 9, 1983

CHAIRMAN BRAND ASKED WHAT ACTION THE COMMITTEE WISHED TO
TAKE ON THE AMENDMENTS TO SB 45.

Lois Menzies explained that these amendments were drafted
to address the concerns of Rep. McBride. The whole point
of the legislation is that the Administrative Code Com-
mittee wants to be able to get the documents concerning
reasonable necessity.

Rep. McBride moved and Rep. Hand seconded that the amend-
ments to SB 45 be approved. The AMENDMENTS WERE APPROVED
BY THE COMMITTEE UNANIMOUSLY.

Rep. Smith moved and Rep. Mueller seconded that SB 45 be
approved as amended. SB 45 AS AMENDED WAS PASSED UNANI-
MOUSLY BY THE COMMITTEE.

Rep. McBride moved that the meeting be adjourned.

The Committee adjourned at 10:15 a.m.


REP. JOE BRAND, Chairman

STANDING COMMITTEE REPORT

FEBRUARY 9,
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19 **83**

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **33**

first reading copy (**white**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE ADMINISTRATIVE CODE COMMITTEE TO POLL THE LEGISLATURE TO DETERMINE THE INTENTION OF THE LEGISLATURE WITH RESPECT TO ANY EXISTING ADMINISTRATIVE RULE; CLARIFYING HOW LEGISLATORS MAY OBJECT TO ANY RULE; ALLOWING A POLL TO BE TAKEN ONLY IF THE LEGISLATURE IS NOT IN REGULAR SESSION; AND CLARIFYING WHERE POLL RESULTS ARE TO BE PUBLISHED; AMENDING SECTIONS 2-4-306 AND 2-4-403, MCA."

Respectfully report as follows: That **SENATE** **SENATE** Bill No. **33**

DO PASS

STANDING COMMITTEE REPORT

FEBRUARY 9

19 83

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **205**

first reading copy (**white**)
color

"AN ACT EXTENDING FOR 2 YEARS THE TERMINATION DATE OF CHAPTER 552,
LAWS OF 1981, CONCERNING THE STATE EMPLOYEE INCENTIVE PROGRAM;
AMENDING CHAPTER 552, SECTION 7, LAWS OF 1981, AND PROVIDING AN
EFFECTIVE DATE."

Respectfully report as follows: That **SENATE** Bill No. **205**

DO PASS

STANDING COMMITTEE REPORT

FEBRUARY 9

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1983

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 100

first reading copy (white)
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A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE LAWS RELATING TO GOVERNMENT; AMENDING SECTIONS 2-15-401, 7-2-2709, 7-3-219, 7-3-314, 7-3-413, 7-3-513, 7-21-2114, 13-27-105, 15-17-305, 15-24-922, 15-31-114, 15-31-509, 15-31-526, 15-57-109, 19-6-203, 19-7-202, 22-1-218, 46-10-301, MCA; -AMENDING-SECTION-47-CHAPTER-520--7-LAWS-OF-1981-AND-PROVIDING-AN-IMMEDIATE-EFFECTIVE-DATE-FOR-SUCH-AMENDMENT, AND REPEALING SECTIONS 2-15-1627, 7-13-2249, AND 15-31-542, MCA."

Respectfully report as follows: That SENATE Bill No. 100

DO PASS

STANDING COMMITTEE REPORT

FEBRUARY 9

83

19.....

SPEAKER

MR.

STATE ADMINISTRATION

We, your committee on

HOUSE SENATE

216

having had under consideration Bill No.

first

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"AN ACT PROVIDING A CONSISTENT EFFECTIVE DATE FOR SERVICE RETIREMENT BENEFITS PAID TO MEMBERS OF THE PUBLIC EMPLOYEES', HIGHWAY PATROLMEN'S, SHERIFF'S, GAME WARDENS', MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; CLARIFYING PROVISIONS CONCERNING THE GAME WARDENS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-3-903, 19-6-501, 19-7-501, 19-8-601, 19-8-604, 19-9-891, AND 19-13-701, MCA; REPEALING SECTION 19-8-602, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SENATE

216

Respectfully report as follows: That Bill No.

DO PASS

STANDING COMMITTEE REPORT

FEBRUARY 9 , 19 83

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **HOUSE** Bill No. **626**

first reading copy (white)
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"AN ACT REVISING THE EXCESS UNFUNDED LIABILITY PROVISIONS OF THE
MUNICIPAL POLICE OFFICERS' RETIREMENT ACT AND THE FIREFIGHTERS'
UNIFIED RETIREMENT ACT; AMENDING SECTIONS 19-9-107, 19-9-503, AND
19-13-503, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That **STATE ADMINISTRATION** Bill No. **626**

DO PASS

~~XXXXXXXXXX~~ FEBRUARY 9, 1983MR. SPEAKERWe, your committee on STATE ADMINISTRATIONhaving had under consideration HOUSE Bill No. 59first reading copy (white)
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"AN ACT TO REQUIRE THE ADMINISTRATIVE CODE COMMITTEE TO REVIEW
ALL RULES ADOPTED PRIOR TO APRIL 14, 1975, FOR COMPLIANCE WITH
SECTION 2-4-305, MCA; PROVIDING AN IMMEDIATE EFFECTIVE DATE
AND A TERMINATION DATE."

Respectfully report as follows: That HOUSE Bill No. 59

be amended as follows:

1. Page 1.

Following: line 2.

Insert: "BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE"

2. Title, line 5.

Following: "ADOPTED"

Insert: "BY CERTAIN AGENCIES"

3. Page 1, lines 14 and 15.

Following: "adopted" on line 14

Strike: "under" on line 14. through "Act" on line 15.

Following: "1975" on line 15.

Insert: ", by agencies subject to the provisions of the Montana
Administrative Procedure Act"

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DUMASSX

FEBRUARY 9, 1933

4. Page 2, line 1.
Following: "by"
Strike: " " through "]"
Insert: "Senate Bill No. 33"

5. Page 2, line 2.
Following: "by"
Strike: " " through "]"
Insert: "Senate Bill No. 33"

AND AS AMENDED

DO PASS

FEBRUARY 9, 1953

MR. **SPEAKER**We, your committee on **STATE ADMINISTRATION**having had under consideration **HOUSE** Bill No. **547**first reading copy (white)
color

"AN ACT MAKING ASSIGNMENT OF A NUMBER A CONDITION OF VOTER REGISTRATION AND REQUIRING THE ELECTION ADMINISTRATOR TO ASSIGN A NUMBER WITHIN 3 WORKING DAYS OF RECEIPT OF A REGISTRATION CARD; AMENDING SECTION 13-2-114, MCA."

Respectfully report as follows: That **HOUSE** Bill No. **547**

be amended as follows:

1. Title, lines 4 and 5.
Strike: "MAKING" on line 4 through "THE" on line 5
Insert: "PROVIDING THAT THE REGISTRATION OF AN ELECTOR IS COMPLETE UPON RECEIPT BY THE"
2. Title, lines 6 and 7.
Strike: "TO" on line 6 through "RECEIPT" on line 7
Following: "A" on line 7
Insert: "PROPERLY COMPLETED"

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FEBRUARY 9,

19 33

3. Page 2, lines 2 and 3.
Strike: "Registration" on line 2
Insert: "Upon receipt by the election administrator of a
properly completed registration card, the registration"
Following: "is" on line 2
Strike: "not"
Following: "complete" on line 2
Strike: "until" through "The" on line 3
Insert: ", and the"
4. Page 2, lines 4 and 5.
Following: "a" on line 4
Insert: "registration"
Following: "number" on line 4
Strike: "within" through "card" on line 5

AND AS AMENDED

DO PASS

STANDING COMMITTEE REPORT

FEBRUARY 9,

~~DECEMBER 11~~ 19 ~~82~~ 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 45

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT THE
NECESSITY FOR ADMINISTRATIVE RULES BE DEMONSTRATED IN THE RULEMAKING
RECORD OF ADMINISTRATIVE AGENCIES AND TO ALLOW THE ADMINISTRATIVE CODE
COMMITTEE TO REVIEW THAT RECORD; AMENDING SECTIONS 2-4-305 AND 2-4-402,
MCA."

Respectfully report as follows: That SENATE Bill No. 45
be amended as follows:

1. Page 4, lines 5 through 9.

Following: "(a)" on line 5

Strike: "review" on line 5 through "statute" on line 9

Insert: "request and obtain an agency's rulemaking records for the
purpose of reviewing compliance with 2-4-305"

AND AS AMENDED

BE CONCURRED IN

XXXXXX
DO PASS

1983 Legislature
Code Commissioner Bill - Summary

Senate Bill No. 100

AN ACT TO GENERALLY REVISE THE LAWS RELATING TO GOVERNMENT; AMENDING SECTIONS 2-15-401, 7-2-2709, 7-3-219, 7-3-314, 7-3-413, 7-3-513, 7-21-2114, 13-27-105, 15-17-305, 15-24-922, 15-31-114, 15-31-509, 15-57-109, 19-6-203, 19-7-202, 22-1-218, 46-30-301, MCA; AMENDING SECTION 4, CHAPTER 520, LAWS OF 1981 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR SUCH AMENDMENT; AND REPEALING SECTIONS 2-15-1627, 7-13-2249, AND 15-31-542, MCA.

Section 1. 2-15-401. Deletes subsection (13) requiring the secretary of state to report changes of names to the legislative council for publication in the session laws. Under 27-31-205, by 1979 amendment, such name changes are reported to the legislative council directly by clerks of district courts. Senate Bill 46 proposes to repeal 27-31-205 so that this requirement will be totally obsolete.

Section 2. 7-2-2709. The section provides that the governor by election proclamation is to set a date for county consolidation or abandonment elections. The 1979 revision of election laws eliminated the governor's election proclamation. Amendment would delete reference to an election proclamation, replacing it with a joint resolution of the boards of county commissioners of all the counties affected by a consolidation or abandonment.

Section 3. 7-3-219. This section was enacted in 1975 with the idea that HB 122, 1977, would pass and provide, in Title 7, some election procedures. Delete "as provided in this title" twice in section -- there are no such provisions in Title 7. Only relevant election procedures are in Title 13.

Section 4. 7-3-314. See section 3.

Section 5. 7-3-413. See section 3.

Section 6. 7-3-513. See section 3.

Section 7. 7-21-2114. There is no state examiner -- his duties relating to local government are now a responsibility of the department of administration.

Section 8. 13-27-105. The effective date of constitutional amendments is July 1 following passage under Article XIV, sections 8 and 9, Montana constitution.

Section 9. 15-17-305. Inserted "of county commissioners" after "board" because 15-17-101(3) defines board as state tax

Section 17. 22-1-218. Section 2-15-401(13) at one time exempted the secretary of state from provisions regarding libraries in the publication of session laws. The legislative council now publishes the session laws.

Section 18. 46-30-301. Typographical error. Reads "his" in the Uniform Criminal Extradition Act.

Section 19. Section 4, Ch. 520, L. 1981. Chapter 520, L. 1981, accomplished two purposes: It revised and clarified provisions on small business investment and raised the small business investment credit from 20% to 30%. The revision and clarification provisions should be permanent law -- only the increase in the small business investment credit should be temporary. If sec. 4, Ch. 520, L. 1981, was to operate on the total bill needless confusion would arise from the termination of the clarification provisions. The amendment would keep the termination provisions applicable to the percentage increase but would make the general revisions part of permanent law. This section, under the coordination instruction in section 20, would not affect any 1983 amendments on the percentage rate. This section would become effective upon passage and approval and apply as of January 1, 1983 to ensure that there is no gap in the effectiveness and applicability of the clarification provisions.

Section 20. Coordination instruction. See explanation for section 19.

Section 21. Effective date. See explanation for section 19.

Section 22. Repealer.

A. 2-15-1627. The board of massage therapists was terminated under the sunset provisions of 2-8-103 in 1981. This section, establishing the board, was not repealed during the 1981 session.

B. 7-13-2249. Proclamation of elections for county water and/or sewer districts. There are no longer proclamations of elections.

C. 15-31-542. Repealed by a later enactment. See explanation for section 12.

appeal board and the reference in this section is to the board of county commissioners.

Section 10. 15-24-922. The "various boards herein named" were consolidated under the board of livestock during executive reorganization.

Section 11. 15-31-114. Subsection (2)(b)(ii)(C) was declared unconstitutional because of retroactive application against persons who had complied with the current law in computing losses in the year they occurred, but later being held accountable for taxes on those prior years because of recent changes in tax law. First Federal Savings and Loan Assoc. v. Department of Revenue, ___ M ___, ___ P2d. ___, 39 St. Rep. 1802 (1982). (Note: As of October 29, 1982, First Federal Savings and Loan Assoc. v. Department of Revenue, supra, may come up for rehearing before the Montana Supreme Court. This amendment may have to be changed if a different decision is made upon rehearing.)

Section 12. 15-31-509. Section 15-31-542 was held to have been repealed in St. v. King Colony Ranch, 137 M. 145, 350 P2d. 841 (1960), by a later enactment. Section 15-31-542 was also held not to have been reenacted by inclusion of the internal reference in this section after the date of the King Colony case because its inclusion was made without any legislative indication that reenactment was ever contemplated. Caterpillar Tractor Co. v. Department of Revenue, ___ M ___, ___ P2d. ___, 39 St. Rep. 1245 (1982).

Section 15-31-544 was added to this section because it is a general statute of limitation affecting the whole chapter. Section 15-31-544 was enacted in 1981 and should have been referenced in this section.

Section 13. 15-31-526. Caterpillar Tractor Co. v. Department of Revenue, ___ M ___, P2d. ___, 39 St. Rep. 1245 (1982) was involved with limitations dates for actions in the collections of corporate taxes. This section is amended to clarify that an action by the attorney general is governed by the same limitations that apply to the department of revenue.

Section 14. 15-57-109. Between 1977 and 1979 this section provided that \$5.00 of the license money was to go to funding administration of unfair trade practices laws contained in Title 30, chapter 14, part 2. The final sentence of the section was probably helpful during that time to specify departmental responsibilities.

Section 15. 19-6-203. The word "fund" amended into this section in 1981 was inaccurate and should have been "account", which is defined at 19-6-101(1).

Section 16. 19-7-202. The word "fund" amended into this section in 1981 was inaccurate and should have been "account", which is defined at 19-7-101(1).

VISITOR'S REGISTER

HOUSE St. Admin

COMMITTEE

BILL HB 626

DATE 2-3-53

SPONSOR Sandzineve

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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COMMITTEE

S B 33

DATE 2-9-83

SPONSOR

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE _____

SPONSOR

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

SB 265

DATE _____

SPONSOR

ACK

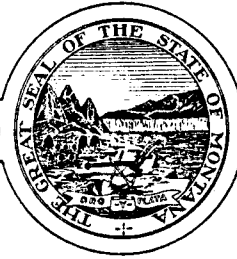
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DEPARTMENT OF ADMINISTRATION

PERSONNEL DIVISION



TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 449-3871

HELENA, MONTANA 59620

Testimony of Dennis M. Taylor, Administrator, Personnel Division, Department of Administration presented to the House State Administration Committee in support of SB205 on Wednesday, February 9, 1983.

Mr. Chairman, my name is Dennis Taylor and I am the administrator of the State Personnel Division in the Department of Administration and the Chair of the Employee Incentive Awards Advisory Council. I appear before you today in support of SB205 sponsored by Senator Dorothy Eck. This measure simply extends for two years the "sunset" provision in the original act. The measure was introduced by Representative Budd Gould of Missoula last legislative session. The act did not become law until October, 1981. It took time to get the administrative apparatus envisioned by the law into place. Administrative rules were reviewed and adopted. Agency level review committees were appointed and trained in the procedures for review. An extensive effort to inform state employees about the program was undertaken. The Advisory Council was appointed and organized. The program has been fully operational for only 10 months. As you can see from the preliminary information contained in our report to the Legislature, the initial results of the program have been encouraging. First-year savings have resulted in \$178,000 of actual "hard dollar" cost reduction to the state. Although few awards have been authorized to date, those that have been approved are significant. All we are asking for with SB205 is to be granted more time to properly evaluate the effectiveness of the program. By extending the sunset date from 1983 until 1985 you would allow this program ample opportunity to prove its worth. If value cannot be demonstrated then the program will cease to exist in 1985. There are several members of the Advisory Council here today with me. If you have any questions concerning the Incentive Award program, we will be happy to attempt to answer them for you. I hope you will give SB205 a "do pass" recommendation. Thank you for your consideration.

Approved by Committee
on State Administration

1
2 INTRODUCED BY Sen. Barber - 5065 LC
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING FOR 2 YEARS
6 THE TERMINATION DATE OF CHAPTER 552, LAWS OF 1981,
7 CONCERNING THE STATE EMPLOYEE INCENTIVE PROGRAM; AMENDING
8 CHAPTER 552, SECTION 7, LAWS OF 1981; AND PROVIDING AN
9 EFFECTIVE DATE."
10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Chapter 552, section 7, Laws of 1981, is
13 amended to read:

14 "Section 7. Termination date. All provisions of this
15 act shall terminate on July 1, 1983 1985."

16 NEW SECTION. Section 2. Effective date. This act is
17 effective July 1, 1983.

-End-

SECOND READING
SB 205

INTRODUCED BY Sen. Stoney
Sen. Bill No. 216
 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A CONSISTENT EFFECTIVE DATE FOR SERVICE RETIREMENT BENEFITS PAID TO MEMBERS OF THE PUBLIC EMPLOYEES', HIGHWAY PATROLMEN'S, SHERIFFS', GAME WARDENS', MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; CLARIFYING PROVISIONS CONCERNING THE GAME WARDENS' RETIREMENT SYSTEM; AMENDING SECTIONS 19-3-903, 19-6-501, 19-7-501, 19-8-601, 19-8-604, 19-9-801, AND 19-13-701, MCA; REPEALING SECTION 19-8-602, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-3-903, MCA, is amended to read:

"19-3-903. Time of commencement of allowance. The board shall grant a retirement allowance to any member who has fulfilled the eligibility requirements of 19-3-901 or 19-3-902 and filed the appropriate written application. The retirement allowance shall ~~must~~ commence on the first day of the month following the member's last day of membership service or ~~on the first day of the month in which his application is filed with the board, whichever is later.~~"

Section 2. Section 19-6-501, MCA, is amended to read:

"19-6-501. Eligibility and application for service retirement allowance ~~= commencement of allowance.~~ (1) A member in service who has completed at least 20 years of creditable service may retire on a service retirement allowance upon written application to the department setting forth at what time he desires to be retired, not less than 30 days or more than 90 days subsequent to the filing thereof.

(2) The retirement allowance ~~must commence on the first day of the month following the member's last day of covered employment.~~"

Section 3. Section 19-7-501, MCA, is amended to read:

"19-7-501. Eligibility and application for service retirement ~~= commencement of allowance.~~ (1) A sheriff in service who has completed at least 25 years of service and who has reached the age of 55 years may retire on a service retirement allowance upon written application to the board, submitted not less than 30 days or more than 90 days from the desired date of retirement. ~~The application must state the date he desires to be retired.~~

(2) Retirement is compulsory for any nonretired sheriff at age 65, except in the case of undersheriffs.

(3) The retirement allowance ~~must commence on the first day of the month following the member's last day of membership service.~~"

Section 4. Section 19-8-601, MCA, is amended to read:
 "19-8-601. Time of retirement -- commencement of allowance. (1) Any member in service who has completed at least 20 years of creditable service and who has reached the age of 55 years may retire on service retirement allowance upon written application to the board setting forth at what time, not less than 30 days or more than 90 days subsequent to the filing thereof, he desires to be retired.

(2) Retirement shall be compulsory at age 60.

(3) The retirement allowance must commence on the first day of the month following the member's last day of covered employment.

Section 5. Section 19-8-604, MCA, is amended to read:
 "19-8-604. Involuntary retirement allowance. If a contributor is involuntarily discontinued from service after having completed 10 years of total service but before reaching retirement age, he shall, upon filing a written application with the board, be paid in one of the following ways that he elects:

(1) the full amount of his accumulated deductions; or
 (2) a retirement allowance beginning on his 55th birthday calculated under the provisions of 19-8-602 19-8-603."

Section 6. Section 19-9-801, MCA, is amended to read:
 "19-9-801. Eligibility for service retirement --

1 commencement of allowance. Members are eligible for
 2 retirement and shall retire as provided in this section:

(1) A member who was employed by an employer as a
 4 police officer on July 1, 1975, is eligible to receive a
 5 service retirement allowance when he has completed 20 years
 6 or more in the aggregate as a probationary officer, a
 7 regular officer, or a special officer, in any capacity or
 8 rank.

(2) A member who was or is first employed by an
 10 employer as a police officer after July 1, 1975, is eligible
 11 to receive a service retirement allowance when he has
 12 reached the age of 50 and has completed 20 years or more in
 13 the aggregate as a probationary officer, a regular officer,
 14 or a special officer, in any capacity or rank.

(3) Police officers, whether first employed before or
 16 after July 1, 1975, who reach the age of 65 while in active
 17 service shall retire.

(4) The retirement allowance must commence on the
 19 first day of the month following the member's last day of
 20 membership service."

Section 7. Section 19-13-701, MCA, is amended to read:
 "19-13-701. Eligibility for service retirement --
 23 commencement of allowance. All the following members are
 24 eligible for service retirement:

(1) a member who has reached age 50 and has

1 completed 10 years or more in the aggregate as a firefighter
2 in any capacity or rank;

3 (2) a member who has reached mandatory retirement
4 age under 19-13-702 regardless of his number of years of
5 service.

6 (2) The retirement allowance must commence on the
7 first day of the month following the member's last day of
8 membership service."

9 NEW SECTION. Section 8. Repealer. Section 19-8-602,
10 MCA, is repealed.

11 NEW SECTION. Section 9. Effective date. This act is
12 effective on passage and approval.

-End-

extends the sunset provision on the program for two years to July 1, 1985.

- SB 100 (GRAHAM): This bill, requested by the Code Commissioner, amends several statutes relating to government to eliminate inconsistencies or other errors. (The green sheets attached to the bill provide a detailed summary of the changes proposed in the bill.)
- SB 216 (STIMATZ): Requested by the Public Employees' Retirement Division, this bill provides that a retirement allowance must begin on the first day of the month following the member's last day of service under the Public Employees', Highway Patrolmen's, Sheriffs', Game Wardens', Municipal Police Officers', and Firefighters' Unified Retirement Systems. SB 216 also repeals a provision under the Game Wardens' Retirement System concerning early retirement.

HOUSE STATE ADMINISTRATION

BILL SUMMARIES

WEDNESDAY, FEBRUARY 9, 1983

HB 626 (BARDANOUVE): Requested by the Public Employees' Retirement Division, this bill concerns unfunded liabilities in the Municipal Police Officers' and Fire-fighters' Unified Retirement Systems. Specifically HB 626 requires the administrator of the Public Employees' Retirement Division on April 1, 1983 to reevaluate the unfunded liability for each city under the police pension plan. Each city found to have an unfunded liability must pay 25% of this liability with interest in ten annual installments ending May 1, 1992. Except for a city joining the pension plan after June 30, 1982, each city will pay the same employer rate beginning July 1, 1993. Under the firefighters' pension plan, the administrator must on or before October 1, 1984 determine the unfunded liability of each city. Each city determined by the administrator to have an unfunded liability must pay an amount in addition to its regular employer contributions.

SB 33 (HAMMOND): Currently the Administrative Code Committee has the authority to poll the legislature when not in session to determine whether a proposed rule is consistent with the intent of the legislature. SB 33, requested by the Code Committee, extends the polling authorization to a rule that has been adopted or amended within two years. The bill also provides that if 20 or more legislators object to any rule by filing written letters of objection with the Code Committee, the Committee must poll the members of the legislature. In the poll, the Committee may present its objection, if any, to the rule. The results of the poll must be published in the Administrative Rules of Montana.

SB 205 (ECK) : During the 1981 session, a bill was passed creating a state employee incentive award program under the Department of Administration. The purpose of the program is to recognize and monetarily reward state employees for suggestions or inventions that contribute to the efficiency, economy, or other improvement of state government by reducing the costs of governmental operations. Requested by the Department of Administration, this bill

(over)

PROPOSED AMENDMENTS TO HB 59

1. Page 1.
Following: sponsor line
Insert: "BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE."
2. Title, line 5.
Following: "ADOPTED"
Insert: "BY CERTAIN AGENCIES"
3. Page 1, lines 14 and 15.
Following: "adopted" on line 14
Strike: "UNDER" through "ACT" on line 15.
4. Page 1, line 15.
Following: "1975"
Insert: ", by agencies subject to the provisions of the
Montana Administrative Procedures Act"
5. Page 2, line 1.
Following: "by"
Strike: "_____" through "]"
Insert: "SB 33"
6. Page 2, line 2.
Following: "by"
Strike: "_____" through "]"
Insert: "SB 33"

PROPOSED AMENDMENTS TO SB 45

1. Page 4, lines 5 through 9.

Following: "(a)" or line 5

Strike: "review" through "statute" on line 9

Insert: "request and obtain an agency's rulemaking
records for the purpose of reviewing compliance
with 2-4-305"

PROPOSED AMENDMENTS TO HB 547

1. Title, lines 4 and 5.
Strike: "MAKING" on line 4 through "THE" on line 5
Insert: "PROVIDING THAT THE REGISTRATION OF AN ELECTOR IS
COMPLETE UPON RECEIPT BY THE"
2. Title, lines 6 and 7.
Strike: "TO" on line 6 through "RECEIPT" on line 7
Following: "A" on line 7
Insert: "PROPERLY COMPLETED"
3. Page 2, lines 2 and 3.
Strike: "Registration" on line 2
Insert: "Upon receipt by the election administrator of a
properly completed registration card, the registration"
Following: "is" on line 2
Strike: "not"
Following: "complete" on line 2
Strike: "until" through "The" on line 3
Insert: ", and the"
4. Page 2, lines 4 and 5.
Following: "a" on line 4
Insert: "registration"
Following: "number" on line 4
Strike: "within" through "card" on line 5

RESUME OF PROPOSED LEGISLATION

EXCESS UNFUNDED LIABILITY

MUNICIPAL POLICE OFFICERS RETIREMENT SYSTEM

1-4-83

Larry Nachtsheim

HB 626
PENDING

PEND

CURRENTLY

The purpose of this bill is to change the philosophy currently in operation in the police officers system. While the administration of the system has been consolidated there remains in effect 15 separate retirement systems. All actuarial valuations are prepared showing the assets and liabilities of each city creating high volatility on a city by city basis which is really not apparent if the system is viewed as a whole.

While the 1982 valuation shows the total system excess unfunded liability of \$560,000, the system is still assessing by law excess unfunded liability payments based on the 1980 valuation when the total excess unfunded liability was \$4,610,803.

While the overall funding of the system has improved, ten cities are making large unfunded liability payments, four (4) cities are receiving credits and one (1) city has neither.

There are different agreements between the cities making unfunded liability payments. In 1980, each of these cities were given the option of making level payments over 20 or 40 years or a percentage of payroll over 40 years. At least one city elected each option. The cities with the largest unfunded liabilities chose a percentage of payroll because in most instances they could not afford level payments. They simply pushed the problem off to future years and their payments have been slowly increasing with the payroll and by 1990 will become possibly unfundable.

PROPOSED LEGISLATION

This suggested change in philosophy is primarily the concept that the increased state funding was not granted on a city by city basis but rather to the system as a whole to assist those cities with the greatest funding problems while also recognizing the funding situation of adequately funded cities.

Under the proposed legislation there would be a discontinuance of separate city valuations; the system would only be valued as a whole. This proposal includes a ten year period of amortizing credits and debits. Credits would be reduced over ten years. One city that was in a positive position in 1977 would receive approximately its total credits with two others receiving slightly more.

The excess unfunded liability payments would be made over a ten year period based on 25% of the unfunded liability for each city as of July 1, 1982 and would be level. Each of these cities would receive a reduction in their current payments; the cities with the larger payments receiving smaller reductions but all these cities would receive the security of 10 years of level payments.

At the end of ten years this system should be operating on the same basis as PERS with the larger group providing insurance for individual cities. A disability in a city with ten (10) police officers would not cause a gyrations in the valuation of that city as the entire system would have the required funding to absorb the additional cost and the individual city would not be valued indepen-

dently from the group.

This proposal was based on recommendations of the consulting actuary who has reviewed the proposal in the various stages of development.

FIREFIGHTERS AMENDMENT

The delay of two years in implementing a city by city valuation of this system is recommended primarily to take advantage of the new employer rates that go into effect on July 1, 1983 of 18% of salary by city and state and resulting in an increase in investment earnings, with the anticipation that the two additional years will provide some of the positive results that occurred in the police system and provide the PERD additional time to avoid the excess unfunded liability problems of the police system. The funding position of this system has improved without the additional contribution rates in effect and the delay of two years will not create any major funding problems in this system.

GENERAL

This proposal while not a bonanza will relieve some of the current funding problems apparent in our cities and permit them to use anticipated revenues for other required expenditures during these difficult economic times. At the same time this proposal will reduce some of the PERD administrative problems inherent in individual city valuations. In the long run this will stabilize the police and fire systems. The PERD will continue to monitor all proposed benefit enhancements to ascertain the additional funding requirements and advise the legislation accordingly.

- | | <u>NEW SECTION</u> | Section 22. Repealer. | Sections |
|---|---|-----------------------|----------|
| 1 | | | |
| 2 | 2-15-1627, 7-13-2249, and 15-31-542, MCA, are repealed. | | |

-End-

1 ARH.

2 (4) Each rule shall become effective after publication
3 in the register as provided in 2-4-312, except that:

4 (a) if a later date is required by statute or
5 specified in the rule, the later date shall be the effective
6 date;

7 (b) subject to applicable constitutional or statutory
8 provisions, an emergency rule shall become effective
9 immediately upon filing with the secretary of state or at a
10 stated date following publication in the register if the
11 agency finds that this effective date is necessary because
12 of imminent peril to the public health, safety, or welfare.
13 The agency's finding and a brief statement of reasons
14 therefor shall be filed with the rule. The agency shall take
15 appropriate measures to make emergency rules known to every
16 person who may be affected by them."

-End-

SENATE BILL NO. 33

INTRODUCED BY HAMMOND

BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE ADMINISTRATIVE CODE COMMITTEE TO POLL THE LEGISLATURE TO DETERMINE THE INTENTION OF THE LEGISLATURE WITH RESPECT TO ANY EXISTING ADMINISTRATIVE RULE; CLARIFYING HOW LEGISLATORS MAY OBJECT TO ANY RULE; ALLOWING A POLL TO BE TAKEN ONLY IF THE LEGISLATURE IS NOT IN REGULAR SESSION; AND CLARIFYING WHERE POLL RESULTS ARE TO BE PUBLISHED; AMENDING SECTIONS 2-4-306 AND 2-4-403, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-4-403, MCA, is amended to read:

"2-4-403. Legislative intent -- poll. (1) If the legislature is not in regular session, the committee may poll all members of the legislature by mail to determine whether a proposed rule or rule that has been adopted or amended within 2 years is consistent with the intent of the legislature.

(2) Should 20 or more legislators object to any rule by filing written letters of objection with the committee, the committee shall poll the members of the legislature.

(3) The poll shall include an opportunity for the

agency to present a written justification for the rule to the members of the legislature and for the committee to present its objections. If any, to the rule to the members of the legislature."

Section 2. Section 2-4-306, MCA, is amended to read:

"2-4-306. Filing, format, and effective date -- dissemination of emergency rules. (1) Each agency shall file with the secretary of state a copy of each rule adopted by it.

(2) The secretary of state may prescribe a format, style, and arrangement for notices and rules which are filed pursuant to this chapter and may refuse to accept the filing of any notice or rule that is not in compliance therewith. He shall keep and maintain a permanent register of all notices and rules filed, including superseded and repealed rules, which shall be open to public inspection and shall provide copies of any notice or rule upon request of any person. Unless otherwise provided by statute, the secretary of state may require the payment of the cost of providing such copies.

(3) In the event that the administrative code committee has conducted a poll of the legislature in accordance with 2-4-403 or the revenue oversight committee has conducted a poll in accordance with 5-18-109, the results of the poll shall be published with the rule in the

THIRD READING

EXCESS UNFUNDED LIABILITY PAYMENTS & CREDITS HB 626

February 9, 1983 -- Larry Nachtsheim

	<u>Current</u> <u>Annual Payments</u>	<u>Proposed 10</u> <u>Annual Payments</u>
Anaconda	\$14,809	\$ 2,864
Billings	43,435	18,135
Bozeman	-0-	-0-
Butte	60,608	42,454
Glasgow	12% CR	12% -0-
Glendive	11% CR	11% -0-
Great Falls	48,792	10,880
Havre	17,343	-0-
Helena	30,964	5,625
Kalispell	7,783	-0-
Lewistown	11,894	-0-
Livingston	1%	1% -0-
Miles City	23,086	9,743
Missoula	58,320	5,666
✓ Plains	8%	-0-
TOTALS	<u>\$317,034</u>	<u>\$95,367</u>

1
2 INTRODUCED BY SENATE BILL NO. 100
3 BY REQUEST OF THE CODE COMMISSIONER
4

5 BY REQUEST OF THE CODE COMMISSIONER

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
7 LAWS RELATING TO GOVERNMENT; AMENDING SECTIONS 2-15-401,
8 7-2-2709, 7-3-219, 7-3-314, 7-3-413, 7-3-513, 7-21-2114,
9 13-27-105, 15-17-305, 15-24-922, 15-31-114, 15-31-509,
10 15-31-526, 15-57-109, 19-6-203, 19-7-202, 22-1-218,
11 46-30-301, MCA; AMENDING SECTION 4, CHAPTER 520, LAWS OF
12 1981, AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR SUCH
13 AMENDMENT; AND REPEALING SECTIONS 2-15-1627, 7-13-2249, AND
14 15-31-542, MCA."

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 2-15-401, MCA, is amended to read:

17 "2-15-401. Duties of secretary of state. In addition
18 to the duties prescribed by the constitution, it is the duty
19 of the secretary of state to:

20 (1) attend at every session of the legislature for the
21 purpose of receiving bills and resolutions and to perform
22 such other duties as may be devolved upon him by resolution
23 of the two houses or either of them;

24 (2) keep a register of and attest the official acts of
25 the governor, including all appointments made by him, with

1 date of commission and names of appointees and predecessors;
2 (3) affix the great seal, with his attestation, to
3 commissions, pardons, and other public instruments to which
4 the official signature of the governor is required;

5 (4) record in proper books all conveyances made to the
6 state and all articles of incorporation filed in his office;
7 (5) take and file in his office receipts for all books
8 distributed by him and direct the county clerk of each
9 county to do the same;

10 (6) certify to the governor the names of those persons
11 who have received at any election the highest number of
12 votes for any office, the incumbent of which is commissioned
13 by the governor;

14 (7) furnish, on demand, to any person paying the fees
15 therefor, a certified copy of all or any part of any law,
16 record, or other instrument filed, deposited, or recorded in
17 his office;

18 (8) keep a fee book in which must be entered all fees,
19 commissions, and compensation of whatever nature or kind by
20 him earned, collected, or charged, with the date, name of
21 payer, paid or unpaid, and the nature of the service in each
22 case, which book must be verified annually by his affidavit
23 entered therein;

24 (9) file in his office descriptions of seals in use by
25 the different state officers; INTRODUCED BILL

1 (10) discharge the duties of member of the board of
2 examiners and of the board of land commissioners and all
3 other duties required of him by law;

4 (11) report to the governor as prescribed in 2-7-102;

5 (12) register marks as provided in Title 30, chapter
6 13, part 3;

7 ~~(13) report annually to the legislative council and~~
8 ~~changes of names received pursuant to 27-31-205 for~~
9 ~~publication in the laws of Montana~~

10 ~~(14) report annually to the legislative council all~~
11 ~~watercourse name changes received pursuant to 85-2-134 for~~
12 ~~publication in the Laws of Montana;~~

13 ~~(15) keep a register of all applications for pardon~~
14 ~~or for commutation of any sentence, with a list of the~~
15 ~~official signatures and recommendations in favor of each~~
16 ~~application."~~

17 Section 2. Section 7-2-2709, MCA, is amended to read:
18 "7-2-2709. Special election on question of abandonment
19 and consolidation. (1) (a) Upon receipt of a certified copy
20 within 14 days after transmittal of the resolution provided
21 for in 7-2-2707, the governor shall, within 10 days
22 thereafter, issue his proclamation calling for a special
23 election in the boards of county commissioners of the county
24 in which the petition referred to in the resolution was
25 filed and in of each county designated in the resolution as

1 a county to which any of the territory of the county, if
2 abandoned and abolished, shall be attached and made a
3 part, shall, in a joint meeting and by joint resolution of
4 such boards, call a special election in all affected
5 counties.

6 (b) The proclamation joint resolution shall fix a day
7 for holding the election in such counties, which shall be
8 not less than 90 days or more than 120 days after the date
9 of the governor's proclamation joint resolution calling the
10 same. provided that if a general election will be held
11 in the counties not less than 90 days or more than 120 days
12 after the date of such proclamation, the governor in the
13 proclamation the resolution provided for in 7-2-2707, the
14 joint resolution shall direct that the question be submitted
15 to the registered electors of the counties at the general
16 election. The proclamation joint resolution shall be filed
17 in the office of the secretary of state, and copies thereof
18 shall be transmitted by the governor to the election
19 administrator of each of the counties in which the election
20 is to be held.

21 (2) At the election there shall be submitted:

22 (a) to the registered electors of the county in which
23 the petition was filed, the question of whether or not the
24 county shall be abandoned and abolished and its territory
25 attached to and made a part of the county designated and

1 named for the purpose in the petition; and

2 (b) to the registered electors of each county named
3 and designated in the resolution as a county to which a part
4 of the territory of the county proposed to be abandoned and
5 abolished shall be attached and made a part if the county
6 shall be so abandoned and abolished, the question of whether
7 or not the part of the territory of the county, if abandoned
8 and abolished, described in the resolution shall be attached
9 to and become a part of the county."

10 Section 3. Section 7-3-219, MCA, is amended to read:

11 "7-3-219. Type of election. Local government elections
12 shall be conducted on a:

13 (1) partisan basis ~~as provided in this title~~; or

14 (2) nonpartisan basis ~~as provided in this title~~."

15 Section 4. Section 7-3-314, MCA, is amended to read:

16 "7-3-314. Type of election. Local government elections

17 shall be conducted on a:

18 (1) partisan basis ~~as provided in this title~~; or

19 (2) nonpartisan basis ~~as provided in this title~~."

20 Section 5. Section 7-3-413, MCA, is amended to read:

21 "7-3-413. Type of election. Local government elections

22 shall be conducted on a:

23 (1) partisan basis ~~as provided in this title~~; or

24 (2) nonpartisan basis ~~as provided in this title~~."

25 Section 6. Section 7-3-513, MCA, is amended to read:

1 "7-3-513. Type of election. Local government elections
2 shall be conducted on a:

3 (1) partisan basis ~~as provided in this title~~; or

4 (2) nonpartisan basis ~~as provided in this title~~."

5 Section 7. Section 7-21-2114, MCA, is amended to read:

6 "7-21-2114. Investigation of possible licensing
7 violations. It shall be the duty of the board of county
8 commissioners or the state ~~examiner~~ ~~department of~~
9 ~~administration~~, when examining the treasurer's report, to
10 investigate if any persons are doing business in the county
11 without a license or if the amount of the license is
12 sufficient. In either event the treasurer shall be
13 officially notified."

14 Section 8. Section 13-27-105, MCA, is amended to read:

15 "13-27-105. Effective date of initiative and
16 referendum issues. (1) Unless the petition placing an
17 initiative issue on the ballot states otherwise, an
18 initiative issue ~~other than a constitutional amendment~~
19 approved by the people is effective on October 1 following
20 approval. However, if the issue delegates rulemaking
21 authority, it is effective no sooner than October 1
22 following approval.

23 (2) ~~Unless the legislature provides otherwise, a~~
24 ~~constitutional amendment proposed by initiative or~~ by the
25 legislature and approved by the people is effective on

1 October July 1 following approval.

2 (3) Unless specifically provided by the legislature in
3 an act referred by it to the people or until suspended by a
4 petition signed by at least 15% of the qualified electors in
5 a majority of the legislative representative districts, an
6 act referred to the people is in effect as provided by law
7 until it is approved or rejected at the election. An act
8 that is rejected is repealed effective the date the result
9 of the canvass is filed by the secretary of state under
10 13-27-503. An act referred to the people that was in effect
11 at the time of the election and is approved by the people
12 remains in effect. An act that was suspended by a petition
13 and is approved by the people is effective the date the
14 result of the canvass is filed by the secretary of state
15 under 13-27-503. An act referred by the legislature that
16 contains an effective date following the election becomes
17 effective on that date if approved by the people. An act
18 that provides no effective date and whose substantive
19 provisions were delayed by the legislature pending approval
20 at an election and that is approved is effective October 1
21 following the election."

22 Section 9. Section 15-17-305, MCA, is amended to read:
23 "15-17-305. No sale unless directed by county
24 commissioners. In case an assessment is made under 15-17-304
25 and the lands are not redeemed from a previous sale had

1 under part 2, as provided by law, no sale must be had under
2 the assessment authorized by 15-17-304 unless directed by
3 the board of county commissioners."

4 Section 10. Section 15-24-922, MCA, is amended to
5 read:

6 "15-24-922. Department to prescribe levy. The
7 department of revenue is hereby empowered and it is made its
8 duty to annually prescribe the levy to be made against
9 livestock of all classes for the purpose above indicated,
10 and the various boards--heretofore named--have board of
11 livestock has the right to recommend to said department the
12 amount of such levy."

13 Section 11. Section 15-31-114, MCA, is amended to
14 read:

15 "15-31-114. Deductions allowed in computing income. In
16 computing the net income, the following deductions shall be
17 allowed from the gross income received by such corporation
18 within the year from all sources:

19 (1) All the ordinary and necessary expenses paid or
20 incurred during the taxable year in the maintenance and
21 operation of its business and properties, including
22 reasonable allowance for salaries for personal services
23 actually rendered, subject to the limitation hereinafter
24 contained, rentals or other payments required to be made as
25 a condition to the continued use or possession of property

1 to which the corporation has not taken or is not taking
 2 title or in which it has no equity. No deduction shall be
 3 allowed for salaries paid upon which the recipient thereof
 4 has not paid Montana state income tax; provided, however,
 5 that where domestic corporations are taxed on income derived
 6 from without the state, salaries of officers paid in
 7 connection with securing such income shall be deductible.

8 (2) (a) All losses actually sustained and charged off
 9 within the year and not compensated by insurance or
 10 otherwise, including a reasonable allowance for the wear and
 11 tear and obsolescence of property used in the trade or
 12 business, such allowance to be determined according to the
 13 provisions of section 167 of the Internal Revenue Code in
 14 effect with respect to the taxable year. All elections for
 15 depreciation shall be the same as the elections made for
 16 federal income tax purposes. No deduction shall be allowed
 17 for any amount paid out for any buildings, permanent
 18 improvements, or betterments made to increase the value of
 19 any property or estate, and no deduction shall be made for
 20 any amount of expense of restoring property or making good
 21 the exhaustion thereof for which an allowance is or has been
 22 made.

23 (b) (i) There shall be allowed as a deduction for the
 24 taxable period a net operating loss deduction determined
 25 according to the provisions of this subsection. The net

1 operating loss deduction is the aggregate of net operating
 2 loss carryovers to such taxable period plus the net
 3 operating loss carrybacks to such taxable period. The term
 4 "net operating loss" means the excess of the deductions
 5 allowed by this section, 15-31-114, over the gross income,
 6 with the modifications specified in (ii) of this subsection.
 7 If for any taxable period beginning after December 31, 1970,
 8 a net operating loss is sustained, such loss shall be a net
 9 operating loss carryback to each of the three taxable
 10 periods preceding the taxable period of such loss and shall
 11 be a net operating loss carryover to each of the five
 12 taxable periods following the taxable period of such loss. A
 13 net operating loss for any taxable period ending after
 14 December 31, 1975, in addition to being a net operating loss
 15 carryback to each of the three preceding taxable periods,
 16 shall be a net operating loss carryover to each of the seven
 17 taxable periods following the taxable period of such loss.
 18 The portion of such loss which shall be carried to each of
 19 the other taxable years shall be the excess, if any, of the
 20 amount of such loss over the sum of the net income for each
 21 of the prior taxable periods to which such loss was carried.
 22 For purposes of the preceding sentence, the net income for
 23 such prior taxable period shall be computed with the
 24 modifications specified in (ii)(B) of this subsection and by
 25 determining the amount of the net operating loss deduction

1 without regard to the net operating loss for the loss period
2 or any taxable period thereafter, and the net income so
3 computed shall not be considered to be less than zero.

4 (ii) The modifications referred to in (i) of this
5 subsection shall be as follows:

6 (A) No net operating loss deduction shall be allowed.

7 (B) The deduction for depletion shall not exceed the
8 amount which would be allowable if computed under the cost
9 method.

10 ~~(C) Any net operating loss carried over to any taxable~~
11 ~~years beginning after December 31, 1970, must be calculated~~
12 ~~under the provisions of this section effective for the~~
13 ~~taxable year for which the return claiming the net operating~~
14 ~~loss carryover is filed.~~

15 (iii) A net operating loss deduction shall be allowed
16 only with regard to losses attributable to the business
17 carried on within the state of Montana.

18 (iv) In the case of a merger of corporations, the
19 surviving corporation shall not be allowed a net operating
20 loss deduction for net operating losses sustained by the
21 merged corporations prior to the date of merger. In the case
22 of a consolidation of corporations, the new corporate entity
23 shall not be allowed a deduction for net operating losses
24 sustained by the consolidated corporations prior to the date
25 of consolidation.

1 (v) Notwithstanding the provisions of 15-31-531,
2 interest shall not be paid with respect to a refund of tax
3 resulting from a net operating loss carryback or carryover.
4 (vi) The net operating loss deduction shall not be
5 allowed with respect to taxable periods which ended on or
6 before December 31, 1970, but shall be allowed only with
7 respect to taxable periods beginning on or after January 1,
8 1971.

9 (3) In the case of mines, other natural deposits, oil
10 and gas wells, and timber, a reasonable allowance for
11 depletion and for depreciation of improvements; such
12 reasonable allowance to be determined according to the
13 provisions of the Internal Revenue Code in effect for the
14 taxable year. All elections made under the Internal Revenue
15 Code with respect to capitalizing or expensing exploration
16 and development costs and intangible drilling expenses for
17 corporation license tax purposes shall be the same as the
18 elections made for federal income tax purposes.

19 (4) The amount of interest paid within the year on its
20 indebtedness incurred in the operation of the business from
21 which its income is derived; but no interest shall be
22 allowed as a deduction if paid on an indebtedness created
23 for the purchase, maintenance, or improvement of property or
24 for the conduct of business unless the income from such
25 property or business would be taxable under this part.

1 (5) (a) Taxes paid within the year except the
 2 following:
 3 (i) Taxes imposed by this part.
 4 (ii) Taxes assessed against local benefits of a kind
 5 tending to increase the value of the property assessed.
 6 (iii) Taxes on or according to or measured by net
 7 income or profits imposed by authority of the government of
 8 the United States.
 9 (iv) Taxes imposed by any other state or country upon
 10 or measured by net income or profits.
 11 (b) Taxes deductible under this part shall be
 12 construed to include taxes imposed by any county, school
 13 district, or municipality of this state.
 14 (6) Light vehicle license fees, as provided by
 15 61-3-532, paid within the year.
 16 (7) That portion of an energy-related investment
 17 allowed as a deduction under 15-32-103.
 18 (8) (a) Except as provided in subsection (b),
 19 charitable contributions and gifts that qualify for
 20 deduction under section 170 of the Internal Revenue Code, as
 21 amended.
 22 (b) The public service commission shall not allow in
 23 the rate base of a regulated corporation the inclusion of
 24 contributions made under this subsection."
 25 Section 12. Section 15-31-509, MCA, is amended to

1 read:
 2 "15-31-509. Periods of limitation. (1) Except as
 3 otherwise provided in this section and in 15-31-542
 4 15-31-544, no deficiency shall be assessed or collected with
 5 respect to the year for which a return is filed unless the
 6 notice of additional tax proposed to be assessed is mailed
 7 within 5 years from the date the return was filed. For the
 8 purposes of this section, a return filed before the last day
 9 prescribed for filing shall be considered as filed on such
 10 last day. Where, before the expiration of the period
 11 prescribed for assessment of the tax, the taxpayer consents
 12 in writing to an assessment after the time, the tax may be
 13 assessed at any time prior to the expiration of the period
 14 agreed upon. The limitations prescribed for giving notice of
 15 a proposed assessment of additional tax shall not apply
 16 when:
 17 (a) the taxpayer has by written agreement suspended
 18 the federal statute of limitations for collection of federal
 19 tax, provided the suspension of the limitation set forth in
 20 this section shall last:
 21 (i) only so long as the suspension of the federal
 22 statute of limitation; or
 23 (ii) until 1 year after any federal changes have become
 24 final or any amended federal return is filed as a result of
 25 such suspension of the federal statute, whichever is the

1 latest in time; or

2 (b) a taxpayer has failed to file a report of changes
3 in federal taxable income or an amended return as required
4 by 15-31-506 until 5 years after the federal changes become
5 final or the amended federal return was filed, whichever the
6 case may be.

7 (2) No refund or credit shall be allowed or paid with
8 respect to the year for which a return is filed after 5
9 years from the last day prescribed for filing the return or
10 after 1 year from the date of the overpayment, whichever
11 period expires the later, unless before the expiration of
12 such period the taxpayer files a claim therefor or the
13 department of revenue has determined the existence of the
14 overpayment and has approved the refund or credit thereof.
15 If the taxpayer has agreed in writing under the provisions
16 of subsection (1) of this section to extend the time within
17 which the department may propose an additional assessment,
18 the period within which a claim for refund or credit may be
19 filed or a credit or refund allowed in the event no claim is
20 filed shall automatically be so extended."

21 Section 13. Section 15-31-526, MCA, is amended to
22 read:

23 "15-31-526. Action by attorney general. Action may be
24 brought at any time by the attorney general of the state at
25 the instance of the department, in the name of the state, to

1 recover the amount of any taxes, penalties, and interest due
2 under this chapter."

3 Section 14. Section 15-57-109, MCA, is amended to
4 read:

5 "15-57-109. Employment of staff -- disposal of license
6 money. The department of revenue may employ such clerical
7 and field assistance as necessary to carry out and
8 administer the provisions of this chapter. All money
9 collected under the provisions of this chapter shall be paid
10 into the state treasury and credited to the general fund.
11 Administration--of--title--38y--chapter--14y--part-2y--is--the
12 responsibility--of--the--department--of--commerce."

13 Section 15. Section 19-6-203, MCA, is amended to read:
14 "19-6-203. Administrative expenses. (1) The expense of
15 the administration of this chapter, exclusive of the payment
16 of retirement allowances and other benefits, may be paid
17 from the fund account.

18 (2) Before July 15 of each year, the board may compute
19 the administrative costs for the immediately preceding
20 fiscal year and transfer that amount from the fund account
21 to the public employees' retirement system account in the
22 agency fund."

23 Section 16. Section 19-7-202, MCA, is amended to read:
24 "19-7-202. Expenses of administration. (1) The expense
25 of the administration of this chapter, exclusive of the

1 payment of retirement allowances and other benefits, may be
2 paid from the ~~fund~~ account.

3 (2) Before July 15 of each year, the board may compute
4 the administrative costs for the immediately preceding
5 fiscal year and transfer that amount from the ~~fund~~ account
6 to the public employees' retirement system account in the
7 agency fund."

8 Section 17. Section 22-1-218, MCA, is amended to read:

9 "22-1-218. Exemptions. This part does not apply to
10 officers of or affect the duties concerning publications
11 distributed by:

12 (1) the state law library;

13 ~~†2) the secretary of the state in connection with his~~
14 ~~duties under 2-15-401†3)†~~

15 ~~†3)†~~ the code commissioner in connection with his
16 duties under Title 1, chapter 11, as amended; and

17 ~~†4)†~~ the legislative council in connection with its
18 duties under 5-11-203, as amended."

19 Section 18. Section 46-30-301, MCA, is amended to
20 read:

21 "46-30-301. Arrest of accused without warrant. The
22 arrest of a person may be lawfully made also by any peace
23 officer or a private person without a warrant upon
24 reasonable information that the accused stands charged in
25 the courts of a state with a crime punishable by death or

1 imprisonment for a term exceeding 1 year. When so arrested,
2 the accused must be taken before a judge or magistrate with
3 all practicable speed and complaint must be made against him
4 under oath setting forth the ground for the arrest as in
5 46-30-227. Thereafter ~~this~~ his answer shall be heard as if
6 he had been arrested on a warrant."

7 Section 19. Section 4, Chapter 520, Laws of 1981, is
8 amended to read:

9 "Section 4. Applicability. ~~This~~ The increase to 30%
10 for the small business investment credit in 15-30-162(2)(a)
11 and 15-31-123(4)(a) in this act is applicable only to
12 taxable years beginning after December 31, 1980, and before
13 January 1, 1983."

14 NEW SECTION. Section 20. Coordination instruction. If
15 any act passed by the 48th legislature conflicts with the
16 provisions of section 19 of this act by amendment of
17 sections 15-30-162(2)(a), 15-31-123(4)(a), MCA, or section
18 4, chapter 520, Laws of 1981, the provisions of the other
19 act shall prevail over section 19 of this act and any
20 amendment or amendatory effect on those sections by section
21 19 of this act is void and of no effect to the extent of any
22 conflict.

23 NEW SECTION. Section 21. Effective date. Sections 19
24 and 20 are effective on passage and approval and apply as of
25 January 1, 1983.

- | | NEW SECTION. | Section 22. Repealer. | Sections |
|---|---|-----------------------|----------|
| 1 | | | |
| 2 | 2-15-1627, 7-13-2249, and 15-31-542, MCA, are repealed. | | |

-End-

SENATE BILL 216 - PROVIDES CONSISTENT EFFECTIVE DATES FOR SERVICE RETIREMENT
BENEFITS FOR THOSE SYSTEMS ADMINISTERED BY THE PERD - Stimatz

This bill requested by the Public Employees' Retirement Division, is simply to provide the same date for normal service retirements for all systems listed in the title.

- Section 1 - PERS
- Section 2 - Highway Patrol Retirement System
- Section 3 - Sheriffs' Retirement System
- Section 4 - Game Wardens Retirement System
- Section 5 - Citation correction in Game Wardens
- Section 6 - Municipal Police Officers
- Section 7 - Unified Firefighters
- Section 8 - Repealer of 19-8-602 in the
Game Wardens' System

Sections 1, 2, 3, 4, 6, and 7, simply create the consistent retirement date.

Section 5, corrects the citation of 19-8-602, which is repealed in section 8, to 19-8-603.

Section 3, repeals 19-8-602 because the early retirement provision is included in the provisions of 19-8-601 and is a redundancy that should have been removed in 1981 when 19-8-601 was amended - (clean-up).

The reason behind this bill is the fact that many employees have not timely filed their retirement applications. Without remedial action by the retirement board, some individuals would have lost as much as 6 months retirement benefits.

The retirement board does have the statutory authority to modify the retirement date when there is reasonable cause; however, the bill would eliminate the need for continuing board action on individual problems in this area.

Members filing late applications have had to wait an additional month for retroactive benefits until the Board could meet to approve the retroactive payments.

Normally, this does not happen when the head of an agency or political entity retires but rather when the staff personnel retires. Many PERS members in outlying areas are unaware they must file retirement applications immediately upon termination in order to receive immediate benefits; in a few instances they are even not aware that they must file an application. This bill will eliminate time-lags in processing retirement applications for many of the 800 public employees retiring each year.

NAME DENNIS M. TAYLOR BILL No. SB 205
ADDRESS HELENA DATE 2-9-83
WHOM DO YOU REPRESENT PERSONNEL DIV / DCA
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

see attached

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION



TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 449-3871

HELENA, MONTANA 59620

Testimony of Dennis M. Taylor, Administrator, Personnel Division, Department of Administration presented to the House State Administration Committee in support of SB205 on Wednesday, February 9, 1983.

Mr. Chairman, my name is Dennis Taylor and I am the administrator of the State Personnel Division in the Department of Administration and the Chair of the Employee Incentive Awards Advisory Council. I appear before you today in support of SB205 sponsored by Senator Dorothy Eck. This measure simply extends for two years the "sunset" provision in the original act. The measure was introduced by Representative Budd Gould of Missoula last legislative session. The act did not become law until October, 1981. It took time to get the administrative apparatus envisioned by the law into place. Administrative rules were reviewed and adopted. Agency level review committees were appointed and trained in the procedures for review. An extensive effort to inform state employees about the program was undertaken. The Advisory Council was appointed and organized. The program has been fully operational for only 10 months. As you can see from the preliminary information contained in our report to the Legislature, the initial results of the program have been encouraging. First year savings have resulted in \$178,000 of actual "hard dollar" cost reduction to the state. Although few awards have been authorized to date, those that have been approved are significant. All we are asking for with SB205 is to be granted more time to properly evaluate the effectiveness of the program. By extending the sunset date from 1983 until 1985 you would allow this program ample opportunity to prove its worth. If value cannot be demonstrated then the program will cease to exist in 1985. There are several members of the Advisory Council here today with me. If you have any questions concerning the Incentive Award program, we will be happy to attempt to answer them for you. I hope you will give SB205 a "do pass" recommendation. Thank you for your consideration.

Training Positions

Unlike most comparably sized private sector businesses and the majority of other states, the state of Montana has no management training program to train newly appointed mid-level managers who are generally promoted from professional and technical positions. Both the Governor's Council on Management and the Personnel and Labor Relations Study Commission have recommended the state establish a central training program with emphasis on managerial and supervisory training.

In the Council of Management's report, recommendation number 11 states:

State government is Montana's largest employer. However, no ongoing training program has been established to improve the managerial and technical abilities of classified or appointed state employees. Promotions are often made arbitrarily since no criteria exist to define appropriate skill levels for supervisory assignments. Lack of central control over training programs has resulted in inadequate separate departmental efforts. Also, completed coursework is not recorded in personnel files so employee incentives are low.

A comprehensive training program should be initiated and coordinated by the Office of the Governor to correct these deficiencies. Initially, \$100,000 should be allocated annually to develop and conduct a series of management seminars and technical courses to improve employee skills. A recording procedure should also be established so accomplishments can be readily identified. Improved training will enhance staff knowledge and abilities while providing additional incentives to increase productivity and improve the delivery of public service.

The Personnel and Labor Relations Study Commission recommends the following:

Establish a central training section responsible for general skills training, particularly management training with the following specific functions:

1. Develop and provide a managerial and supervisory curriculum specific to Montana state managers and supervisors making use of internal resources, University personnel, and private consultants.
2. Coordinate training resources including internal resources, the University System, and private vendors to avoid redundant purchases and make full use of available programs.
3. Provide technical assistance to agencies in conducting needs assessments, developing training plans, and developing and assessing in-house training activities and budgets.
4. Continue to select workshop programs using private vendors more carefully selected to meet identified training needs.
5. Directly provide general skills training not available at reasonable cost elsewhere.

(See attached program description.)

Response to Legislative Fiscal Analyst Budget - Training Program

The Personnel Division has requested funding for a new program. The request is for 2 positions to provide specific how-to training for supervisors and managers in a type of program which is new to state government but is common and has proven effective for public and private employers.

The LFA budget, while it does not include the 2 positions, is silent on the merits of the new program. While this request does represent a new approach, the FTE do not represent a significant departure from where the state's training program was five years ago. The training section included two fully funded FTE until October, 1980. These positions were funded by a federal personnel grant. From October, 1980 until October, 1981, the training program had one federally funded FTE and one FTE funded through a revolving fund. In October, 1981, federal funding was lost and the program was reduced to one FTE on revolving funds. During fiscal year 1982, the fund could only support a half-time position. Over the last few years the state's central training program has been gradually chipped away until there is little left.

The LFA's suggestion that a one FTE program should be completely self funding is a little crazy and not very carefully thought out. Where else in government is a single employee with no general fund or ear marked revenue expected to generate all funds necessary to support their own salary and cover expenses? What happens if the one employee becomes ill or resigns? How is the program supported while a new person is hired and trained? The LFA's position is set up to fail and by that failure the LFA will conclude that central training is not needed. The agencies are not allowed to budget any funds to support training and neither is the central training function.

The state needs to make a reasoned decision whether a large complex organization should invest a small amount of money in training its supervisors and managers. Such a decision should be based upon the merits and benefits of such training. The only criteria should not be to see if a single employee can scramble around, stay healthy, and generate enough income to cover their own salary.

If the state decides that it should invest in preparing its supervisors and managers; if we're going to have a management training program; then it has to be funded at a reasonable, minimum level of operation. That is what's represented in the Governor's executive budget.

We strongly believe that we cannot continue to allow the small commitment the state has had to employee training disappear. There has been considerable discussion about the need for a consistent program of managerial and supervisory training. The state was strongly criticized by the Governor's Council on Management in a number of areas in their report for the lack of training for supervisors and managers. The Council translates this lack of training to inefficient management of the state's resources and recommends a central training program.

The Personnel and Labor Relations Study Commission, in examining the productivity of state workers and what can be done to improve that productivity, voted unanimously to recommend a management training program. The commission concludes in their report to the legislature:

Productivity specialists agree that there are no magic solutions or shortcuts to increased productivity - only better application of established principles of supervision and management - better planning, better organization, and particularly better supervision. An effective management training program is consequently a key element of any effort to increase productivity.

The state should no longer ignore these recommendations. The state should no longer ignore the costs and inefficiencies of having poorly trained supervisors and managers.

PROGRAM DESCRIPTION:

The program will be a central, general training program with major emphasis on supervisory and managerial training. Training will be developed and provided by a combination of central staff trainers, specialized state employees, university faculty and private consultants. The program will include the following features:

1. Training Specialists.

Three Training Specialists will develop and provide training; identify training resources among state employees, university faculty and private consultants; supervise the development and presentation of training programs; and assist agencies in establishing training plans and policies.

2. Course Catalogue.

A published catalogue of courses will include descriptions and titles of workshops which will be offered at least once each year. The catalogue will identify core courses for supervisors and for managers level I and II; sequences of courses on particular subjects; elective courses on a variety of topics; and the policies and procedures of the central training program.

3. Supervisory Core Courses.

The program will offer a core of supervisory courses concentrating on basic how-to skills specific to supervision in Montana state government. A Certificate of Completion will be awarded to participants who complete all the core courses. The core courses will be offered in sequence several times each year.

4. Managerial Core Courses.

The program will include two levels of managerial core workshops. Level I will include the supervisory core courses as well as basic how-to management courses in introduction to management, financial management, general management, personnel management, and general government. Level II courses will include more advanced study of these areas with the addition of courses on policy and theoretical topics.

5. Elective Courses.

The program will offer elective courses in a variety of subject areas including supervision, management, executive management, clerical skills, data processing, work improvement skills and other areas. These elective courses will be either established in the Course Catalogue or offered on a one-time basis. Under certain circumstances, specific elective courses may be substituted for parts of the core curriculum.

6. Extended Course Schedules.

Each quarter, selected core courses will be offered on extended schedules. For example, an 8-hour course may be scheduled for one hour a day, twice a week for 4 weeks. Extended course schedules may also be offered during evening hours to accommodate those employees who cannot be given leave during regular work hours.

7. Training Advisory Committee.

A committee of managers and training specialists from state agencies will meet on a regular basis to advise on program policies and procedures, training plans, course offerings, and any other topics related to statewide training.

8. Needs Assessment and Program Evaluation.

The program director will be responsible for detailed assessment of training needs in state agencies and for the on-going evaluation of course offerings.

POSITION DESCRIPTION SUMMARIES

Training Program Director: Position is responsible for overall program management including: supervises Training Specialists; oversees training advisory committee; prepares overall training plan and program policies and procedures; coordinates training activities with state agencies, the university system, MPA program and private vendors; prepares and monitors program budget and revolving account; prepares detailed needs assessments and program evaluations; maintains fee schedules; and acts as Training Specialist.

Training Specialist: Position has primary responsibility for development and presentation of curriculum in specific subject areas. Responsibilities include: establishing outline of training content; contacts, supervises and evaluates training providers; prepares schedules for training sessions; prepares catalogue of available training; assists agencies with needs assessment and training plans; assists agencies in locating specialized training resources; handles details of workshop administration; and prepares and presents a variety of training courses.

MANAGEMENT CORE CURRICULUM - LEVEL I

Financial:

Minimum Course Time Required

- | | |
|---|----------|
| 1. <u>Managerial Accounting - SBAS</u> | 12 hours |
| a. Basic Accounting (Public) | |
| b. Using/Reading SBAS Reports | |
| 2. <u>Budget Development/Management</u> | 10 hours |
| a. Needs Analysis | |
| b. Fund Sources | |
| c. Budgeting Techniques | |
| 3. <u>Statewide Budget and Planning System</u> | 4 hours |
| a. Montana Laws | |
| b. Legislative Fiscal Analyst/Legislative Auditor | |
| c. Office of Budget and Program Planning | |

TOTAL: 26 hours

Personnel Management:

- | | |
|--|---------|
| 1. <u>Selection/Recruitment</u> | 8 hours |
| a. EEO | |
| b. Job Analysis | |
| c. Selection Planning | |
| d. Measures | |
| e. Recruitment | |
| f. Interviews | |
| g. Reference Checks, Etc. | |
| *2. <u>Job Analysis/Job Descriptions</u> | 2 hours |
| a. Task Statements/Duties | |
| b. Completing a Job/Position Description and Uses Of | |
| *3. <u>Performance Appraisal</u> | 7 hours |
| a. Introduction | |
| b. Job Analysis | |
| c. Performance Standards | |
| d. Work Observation + Rating | |
| e. The Appraisal Meeting | |
| f. Uses of Appraisal Data | |
| *4. <u>EEO and Affirmative Action</u> | 5 hours |
| a. Defining Discrimination/Laws and Regulations | |
| b. Discrimination Based on Race, Sex, National Origin, Age, etc. | |
| c. Sexual Harassment | |
| d. Handicapped Employment | |
| e. Affirmative Action | |

Personnel Management - Continued

- | | | |
|-----|---|------------------------|
| *5. | <u>Discipline and Grievance Handling</u> | 8 hours |
| | a. Maintaining Good Discipline | |
| | b. Signs of Disciplinary Troubles | |
| | c. Disciplinary Action | |
| | d. Discipline and EEO | |
| | e. The Grievance Process | |
| | f. Preparing for a Grievance | |
| 6. | <u>Compensation and Benefits</u> | 5 hours |
| | a. The Pay Rules | |
| | b. Leave Administration and Absentee Control | |
| | c. Employee Group Benefits | |
| | d. Personnel Policies | |
| *7. | <u>Position Classification</u> | 3 hours |
| | a. Job Analysis | |
| | b. The Classification Factors | |
| | c. Manager's Role in Classification | |
| 8. | <u>Labor Contract Interpretation and Administration</u> | 4 hours |
| | a. Labor Organizing and Unfair Labor Practices | |
| | b. The Collective Bargaining Process | |
| 9. | <u>Labor Contract Interpretation and Administration</u> | 4 hours |
| | a. Contract Clauses | |
| | b. Administering the Contract | |
| | c. Discipline and Grievances | |
| | | TOTAL: <u>48 hours</u> |

General Management:

- | | | |
|-----|---|---------|
| 1. | <u>Introduction to Management</u> | 4 hours |
| 2. | <u>Understanding and Managing Human Behavior/Participatory Management</u> | 8 hours |
| | a. Communication | |
| | b. Active Listening | |
| | c. Motivation | |
| | d. Resolving Conflict | |
| | e. Leadership/Effective Use of Authority | |
| *3. | <u>Coaching and Counseling/The Problem Employee</u> | 6 hours |
| | a. How To Deal With Marginal Performance | |
| | b. Coaching Models | |
| | c. Employee Assistance | |

- | | | |
|-----|--|------------------------|
| 4. | <u>Organizational Management/Development</u> | 4 hours |
| | a. Organizational Concepts and Models | |
| | b. Staffing/Career Development | |
| *5. | <u>Delegation of Authority</u> | 4 hours |
| | a. Delegation | |
| | b. Time Management | |
| *6. | <u>Planning</u> | 8 hours |
| | a. Management by Objectives | |
| | b. Work Plans/Action Plans | |
| | c. Setting Goals and Objectives | |
| 7. | <u>Operations Research</u> | 4 hours |
| | a. Introduction | |
| | b. Decision Making | |
| | c. Critical Path Analysis | |
| 8. | <u>Program Evaluation</u> | 2 hours |
| | | TOTAL: <u>40 hours</u> |

General Government:

- | | | |
|----|--|-----------------------|
| 1. | <u>Administrative Procedures Act</u> | 4 hours |
| | a. Laws, Rules, Executive Orders | |
| 2. | <u>Executive/Legislative Structure and Process</u> | 4 hours |
| | a. Executive Branch | |
| | b. Legislative Process | |
| | | TOTAL: <u>8 hours</u> |

TOTAL COURSE HOURS = 120 hours/
15 days

*SUPERVISORY CORE COURSES = 54 hours/
7 days

MANAGEMENT CORE CURRICULUM - LEVEL II

	<u>Approximate Course Time</u>
1. Management Theory	4 hours
2. Improving Management Skills	8 hours
3. Management Style and Leadership	4 hours
4. Management Communications	8 hours
5. Motivation Theory and Practice	4 hours
6. Team Building and Team Management	4 hours
7. Organizational Theory and Concepts	8 hours
8. Managing the Personnel Function	8 hours
9. Productivity Measures and Improvement	8 hours
10. Program Evaluation	4 hours
11. ADP for Managers	8 hours
12. Administrative Law	8 hours
13. Effective Meetings	4 hours
14. Management Information Systems (SBAS - P/P/P)	4 hours
15. Policy Development and Implementation	<u>4 hours</u>

TOTAL: 88 hours

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HOUSE STATE ADMINISTRATION

BILL SUMMARIES

WEDNESDAY, FEBRUARY 9, 1983

HB 626 (BARDANOUVE): Requested by the Public Employees' Retirement Division, this bill concerns unfunded liabilities in the Municipal Police Officers' and Firefighters' Unified Retirement Systems. Specifically HB 626 requires the administrator of the Public Employees' Retirement Division on April 1, 1983 to reevaluate the unfunded liability for each city under the police pension plan. Each city found to have an unfunded liability must pay 25% of this liability with interest in ten annual installments ending May 1, 1992. Except for a city joining the pension plan after June 30, 1982, each city will pay the same employer rate beginning July 1, 1993. Under the firefighters' pension plan, the administrator must on or before October 1, 1986 determine the unfunded liability of each city. Each city determined by the administrator to have an unfunded liability must pay an amount in addition to its regular employer contributions.

SB 33 (HAMMOND): Currently the Administrative Code Committee has the authority to poll the legislature when not in session to determine whether a proposed rule is consistent with the intent of the legislature. SB 33, requested by the Code Committee, extends the polling authorization to a rule that has been adopted or amended within two years. The bill also provides that if 20 or more legislators object to any rule by filing written letters of objection with the Code Committee, the Committee must poll the members of the legislature. In the poll, the Committee may present its objection, if any, to the rule. The results of the poll must be published in the Administrative Rules of Montana.

SB 205 (ECK) : During the 1981 session, a bill was passed creating a state employee incentive award program under the Department of Administration. The purpose of the program is to recognize and monetarily reward state employees for suggestions or inventions that contribute to the efficiency, economy, or other improvement of state government by reducing the costs of governmental operations. Requested by the Department of Administration, this bill

(over)

extends the sunset provision on the program for two years to July 1, 1985.

SB 100 (GRAHAM): This bill, requested by the Code Commissioner, amends several statutes relating to government to eliminate inconsistencies or other errors. (The green sheets attached to the bill provide a detailed summary of the changes proposed in the bill.)

SB 216 (STIMATZ): Requested by the Public Employees' Retirement Division, this bill provides that a retirement allowance must begin on the first day of the month following the member's last day of service under the Public Employees', Highway Patrolmen's, Sheriffs', Game Wardens', Municipal Police Officers', and Firefighters' Unified Retirement Systems. SB 216 also repeals a provision under the Game Wardens' Retirement System concerning early retirement.

EMPLOYEE
INCENTIVE
PROGRAM

Dennis M. Taylor
Administrator

Division of Personnel
Department of Administration
February 9, 1983

As of the end of January 1983, the Employee Incentive Awards Program will have been in operation for ten months. In this time, state employees have submitted one hundred twenty suggestion applications. Eighty-seven of these have been fully evaluated. There have been eighty ideas denied awards for various reasons and seven successful suggestions that are expected to result in a total of \$200,000 first year savings. Thirty-three applications are still in various stages of the evaluation process.

SUGGESTION APPLICATIONS

<u>Number Received</u>	<u>Number Approved</u>	<u>Number Denied</u>	<u>Number Being Evaluated</u>	<u>Number Being Tested/Awaiting Legislation</u>
120	7	80	31	2

The seven successful suggestions and the savings to be realized by each are described below:

An implemented suggestion for a more efficient Veterans' Affairs Division reporting form warranted a cash award of \$25 for Thomas Hamilton, according to the recommendation made by John LaFaver, Director, Dept. of S.R.S. This award and a certificate of recognition was presented to the employee by Governor Schwinden on November 1.

A modification of the grade of material used on low speed, low volume areas of highways, (i.e., shoulders and parking lanes) was suggested by Donald Fallang. Implementation of this proposal resulted in considerable cost savings for the Department of Highways. (On one particular project--the 17 mile long Shelby North and South Interstate recycling project--the proposal resulted in an actual savings of \$87,372 or approximately \$4,000 on each one-direction mile of Interstate rehabilitation.) A recommendation by the Department of Highways Committee for the maximum award of \$500 was approved by the Council and presented to the employee on November 1.

Incentive Awards Program

A recommendation for placing a switch on the thermostats of buildings using overhead doors by which the opening of the door would turn the heat off until the door was closed again was submitted by Joe Wayne Finch and implemented by the Department of Highways. This energy saving idea was determined to indicate definite cost savings (in excess of \$5,000) and was recommended for an award of \$500 which was approved by the Advisory Council. This award and a certificate of commendation were presented to Mr. Finch on November 1.

As a result of Valerie A. Newton's suggestion, an agreement was made for SRS to utilize space within the Livingston Job Service Office as of May 1, 1982. This arrangement saved \$750 per year for SRS and offset the rental amount for DOLI the same amount. The Advisory Council approved a cash award in the amount of \$150, based on 10% of the hard cash dollar savings to the two departments for the first year. Each of the Departments will provide \$75 toward the award; it will be presented along with the certificate at the next awards presentation ceremony (as yet, unscheduled).

An application submitted by a Department of Fish, Wildlife and Parks employee, John C. Cada, suggested that telephone interviews of resident and non-resident hunters be used as opposed to the questionnaire mailings previously used. The procedure was implemented successfully by this employee and resulted in a saving to the State of approximately \$36,000. An award of \$500 has been approved by the Advisory Council at the recommendation of the DFWP and will be presented to him at the next ceremony.

Two applicants, William Spracklin and Gilbert Paulson, jointly submitted a suggestion for state-wide use of post-straightening equipment rather than discarding bent delineator/sign posts. Said devices (3) have been constructed and are presently being used by maintenance crews. Implementation of this suggestion has resulted in the savings of approximately \$55,000. The Advisory Council approved an award of \$500 as recommended by the Department of Highways Committee.

Donald R. Taylor's suggestion for a steel tripod to be constructed and used to provide a stable alignment site for small survey crews was evaluated by the Department of Highways Committee and found to provide limited savings to the State, therefore, it is the Committee's recommendation that \$25 be awarded to the applicant. The Advisory Council approved the award to be presented at the next ceremony.

Costs of the Incentive Awards Program are summarized in the following table:

SOURCE	PERSONAL SERVICES	OPERATING COSTS	TOTAL
AGENCIES	\$ 9,400.	\$ 300.	\$ 9,700.
CLASSIFICATION BUREAU	\$ 600.	- -	600.
ADVISORY COUNCIL	\$ 3,100.	- -	\$ 3,100.
EMPLOYEE BENEFITS BUREAU	\$ 6,900.	\$ 1,700.	\$ 8,600.
TOTALS	<u>\$20,000.</u>	<u>\$ 2,000.</u>	<u>\$22,000.</u>

All costs have been absorbed by the respective agency budgets. Personal service costs include salaries and benefits. Operating costs mainly consist of travel, printing and mailing expenses. It is expected that future personal services costs will depend on the number of suggestions evaluated and also on the increases to salaries and benefits, while operating costs can be cut in half as these figures represent, for the most part, the start-up costs.

PROGRAM COSTS/SAVINGS EVALUATION

FIRST YEAR SAVINGS FROM SUGGESTIONS	ADMINISTRATIVE COSTS* PERSONNEL DIV/ADV COUNCIL	ADMINISTRATIVE COSTS* AGENCIES	NET SAVINGS FIRST YEAR
\$ 200,000	\$ 9,700	\$ 12,300	\$ 178,000

*Costs include personal service, printing and mailing costs which were absorbed by respective agency budgets.

The savings realized in the first year (\$200,000) less all absorbed program costs (\$22,000) represent the net benefit of the program to date (\$178,000).

MEMBERS OF THE INCENTIVE AWARDS ADVISORY COUNCIL

Mike Abley, Court Administrator, Supreme Court of Montana

Jim Adams, Director of Field Services, Montana Public Employees Assoc.

Judith H. Carlson, Deputy Director, Program & Planning, Dept. of S.R.S.

Russell G. McDonald, Administrator, Personnel Division, Dept. of Highways.

Lois A. Menzies, Research Division, Legislative Branch.

John H. Noble, Deputy Commissioner for Management and Fiscal Affairs,
University System.

William R. Palmer, Assistant Administrator, Workers' Compensation Div.,
Department of Labor and Industry.

Dennis M. Taylor, (Chairperson), Administrator, Personnel Division,
Department of Administration.

Joseph M. Michaud, Program Coordinator
Denise L. Boyett, Secretary

1
2 INTRODUCED BY House BILL NO. 626
3 Baranov
4 BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT DIVISION
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE EXCESS
6 UNFUNDED LIABILITY PROVISIONS OF THE MUNICIPAL POLICE
7 OFFICERS' RETIREMENT ACT AND THE FIREFIGHTERS' UNIFIED
8 RETIREMENT ACT; AMENDING SECTIONS 19-9-107, 19-9-503, AND
9 19-13-503, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 Section 1. Section 19-9-107, MCA, is amended to read:
13 "19-9-107. Election to join plan -- transfer of
14 assets. (1) Cities other than those participating in the
15 statewide police reserve fund administered by the department
16 of administration in accordance with Chapter 335, Laws of
17 1974, as of June 30, 1977, may elect to join the plan by
18 passing an ordinance stating the election and the consent of
19 the city to be bound by the provisions of this chapter.
20 Upon the enactment of such an ordinance, the provisions of
21 this chapter become applicable to the city. Any city
22 enacting such an ordinance shall send a certified copy
23 thereof to the board and shall, as soon as possible
24 thereafter, deposit with the board all cash and securities
25 held by it in its local police reserve or retirement fund.

1 The value of the securities shall be determined by the
2 board.
3 (2) The trustees or other administrative head of the
4 local system as of the effective date of the election shall
5 certify the proportion, if any, of the funds of the system
6 that represents the accumulated contributions of the active
7 members and the relative shares of the members as of that
8 date. Such shares shall be charged to the employer and
9 credited to the respective individual accounts of the
10 members in the plan and administered as if the contributions
11 had been made during membership in the plan. Any excess of
12 employer credits over charges under this section will be
13 offset, with interest, against future required employer
14 contributions for a period determined by the administrator.
15 Any excess of employer charges over credits under this
16 section are payable by the employer, with interest, on--a
17 basis for a period of 10 years or less as determined by the
18 procedure described in 19-9-503(2) and--(3) administrator."
19 Section 2. Section 19-9-503, MCA, is amended to read:
20 "19-9-503. Unfunded liabilities. (1) It is found and
21 declared by the legislature that many cities operating under
22 prior plans have excess and unfunded liabilities under such
23 prior plans, which liabilities cannot be amortized by the
24 percentage contributions set forth in 19-9-702 and 19-9-703.
25 (2) The administrator shall, on or before October 1,

1 1977, determine the excess and unfunded liability of each
 2 city which participates in the plan created by this chapter.
 3 The determination of the administrator, in the absence of
 4 fraud, abuse of discretion, or arithmetic error, is final
 5 and binding on each city. Each city found by the
 6 administrator to have an excess and unfunded liability under
 7 a prior plan which as of July 1, 1977, is not funded by sums
 8 on deposit or funds available for deposit with the
 9 administrator shall pay an additional sum over a period of
 10 time to amortize its excess liability as determined by the
 11 administrator. If any city and the administrator are unable
 12 by January 1, 1978, to negotiate and reduce to writing the
 13 terms of an agreement satisfactory to both of them for the
 14 city to amortize its excess liability, the administrator
 15 shall require such city to pay an additional sum to amortize
 16 its excess liability on July 1, 1977, over a period of not
 17 more than 40 years.

18 (3) Each city found by the administrator to be paying
 19 an amount in excess of the amount necessary to amortize its
 20 liabilities under the prior plan and under this chapter
 21 shall receive a credit in the accounts of the administrator
 22 for any such excess payments.

23 (4) The excess unfunded liability for each city shall
 24 be revaluated by the administrator on July 1, 1980, as part
 25 of the normal actuarial valuations required in 19-9-504

1 reflecting the change in the contribution rates made in
 2 19-9-601, 19-9-702, and 19-9-703, as amended by Chapter 375,
 3 Laws of 1979, and each city's funding position will be
 4 changed using the procedures of 19-9-107. The resulting
 5 report will be made available to the cities no later than
 6 October 1, 1980.

7 (5) If a majority of the cities participating in the
 8 municipal police officers' retirement system do not agree
 9 with the results of the revaluation outlined in subsection
 10 (4), they may, by mutual agreement of the cities, select a
 11 qualified actuary, as defined in 19-9-504, to perform a
 12 second actuarial valuation as of July 1, 1980, with the
 13 conclusions of the second actuarial valuation to replace the
 14 actuarial valuation discussed in subsection (4). The cost of
 15 the second actuarial valuation shall be paid by all cities
 16 participating in the system in proportion to their active
 17 membership in the system as of July 1, 1980.

18 (6) ~~The time and method of settlement on the unfunded~~
 19 ~~liability will be as agreed on by the administrator and the~~
 20 ~~city. The minimum allowable payment must be equal to or~~
 21 ~~greater than the interest due at the interest rate used in~~
 22 ~~the actuarial study for the unfunded balance (a) On April 1,~~
 23 ~~1983, the administrator shall reevaluate the excess unfunded~~
 24 ~~liability for each city based on the actuarial valuation~~
 25 ~~required in 19-9-504 for the period ended June 30, 1982.~~

1 Each city with an excess unfunded liability as of June 30,
 2 1982, shall pay 25% of this excess unfunded liability, with
 3 interest, in 10 annual installments, the first payment due
 4 May 1, 1983, and subsequent payments due May 1 of each year
 5 thereafter, with the final payment due May 1, 1992.

6 (b) Credits received by a city following the
 7 reevaluation required in subsection (6)(a) must be reduced
 8 proportionately over a 10-year period beginning July 1,
 9 1983.

10 (c) On July 1, 1993, each city shall pay the employer
 11 contribution rate specified in 19-9-703 without credit
 12 reductions, except for a city joining the plan after June 30,
 13 1982. A city joining the plan after June 30, 1982, is
 14 subject to the provisions of 19-9-107.

15 (7) Subject to judicial review, the board is the
 16 determining body as to the interpretation and application of
 17 this section."

18 Section 3. Section 19-13-503, MCA, is amended to read:
 19 "19-13-503. Unfunded liabilities. (1) The legislature
 20 finds and declares that many cities operating under prior
 21 plans have excess and unfunded liabilities, and the
 22 liabilities cannot be amortized by the percentage
 23 contributions set forth in this chapter.

24 (2) The administrator shall, on or before October 1,
 25 1984 1986, determine the excess and unfunded liability of

1 each city participating in the plan created by this chapter.
 2 The determination must be negotiated between each city and
 3 the administrator. Each city determined by the administrator
 4 to have an excess and unfunded liability under a prior plan
 5 that, as of July 1, 1984 1986, is not funded by sums on
 6 deposit or funds available for deposit with the
 7 administrator shall pay an additional sum over a period of
 8 time to amortize its excess liability as determined by
 9 agreement between the city and the administrator.

10 (3) Each city determined by the administrator to be
 11 paying an amount in excess of the amount necessary to
 12 amortize its liabilities under the prior plan and under this
 13 chapter shall receive a credit in the accounts of the
 14 administrator for the excess payments.

15 (4) For each city with an unfunded liability, any
 16 portion of the member, employer, and state contributions
 17 that exceeds the amount necessary to maintain the current
 18 level of unfunded liability must be applied to the reduction
 19 of the unfunded liability."

20 ~~NEW SECTION.~~ Section 4. Effective date. This act is
 21 effective on passage and approval.

-End-

CITY	Payments 12/82 - (Credits 6/82)											
	1977 A Excess Liability	1978(1) C Excess Liability	1980 D Excess Liability	(2) E (Credits) (% of Salary)	1982 F Excess Liability	G Rate Difference (% of Salary)	H (3) Payments To Date	I Proposed Annual Pay.	J Total Projection	K TOTAL		
Anaconda	\$ 645,149.00		\$ 197,435.00		\$ 80,472	.683	\$ 83,080	\$ 2,864	\$ 28,640	\$ 111,720		
Billings	2,413,286.00		1,157,238.00		509,483	.963	168,617	18,135	181,350	349,967		
Bozeman	591,852.00		-0-			(3.574)	38,103	-0-	-0-	38,108		
Butte	2,285,807.00		1,531,597.00		1,192,705	3.924	135,035	42,454	424,540	559,625		
Glasgow	7.65%	(221,693)		12%		(12.673)	(55,373)	12%-0	(166,208)	(221,531)		
Glendive	4.62%	(159,268)		11%		(12.457)	(50,835)	11%-0	(176,842)	(227,677)		
Great Falls	1,281,857.00		650,487.00		305,666	.771	180,118	10,880	108,800	288,918		
Havre	319,452.00		183,735.00			(.172)	100,848	-0-	-0-	100,848		
Helena	850,734.00		654,133.00		158,029	1.042	67,750	5,625	56,250	124,000		
Kalispell	394,424.00		82,451.00			(1.942)	90,040	-0-	-0-	90,040		
Lewistown	172,594.00		126,010.00			(.751)	50,651	-0-	-0-	50,651		
Livingston	35,699.00			1%		(2.288)	2229/(1459)	1%-0	(12,289)	(11,519)		
Miles City	423,388.00		307,779.00		273,717	3.690	97,376	9,743	97,430	194,806		
Missoula	1,712,213.00		777,509.00		159,189	.509	116,640	5,666	56,660	173,300		
Plains	X			8%		(11.911)	(831)	0--0	(1,315)	(2,146)		
Baker (4)	X		X		X	X	X	X	X	X		
TOTALS	\$11,126,455.00 (380,961)		\$ 5,668,374.00	\$1,057,571.00	\$2,679,266.00		\$ 1,022,044.00					
Excess Sys. Liability	\$10,745,494		\$11,320,264	\$4,610,803.00		\$560,000						
								DR \$ 953,670	\$ 1,619,060			
								CR. 356.654				
								NET \$ 597,016				

(1) In 1978, the actuarial valuation did not break-out individual city obligations.

(2) In 1980, excess unfunded liability credits were expressed only as percentage of salary.

(3) Current statute does not permit revaluation after 1980. Credits and debits are memo only.

(4) City of Baker joined system July 1, 1982 and will be included in 1984 valuation.

EXCESS UNFUNDED LIABILITY PAYMENTS & CREDITS HB 626

February 9, 1983 -- Larry Nachtsheim

	<u>Current</u> <u>Annual Payments</u>	<u>Proposed 10</u> <u>Annual Payments</u>
Anaconda	\$14,809	\$ 2,864
Billings	43,435	18,135
Bozeman	-0-	-0-
Butte	60,608	42,454
Glasgow	12% CR	12% -0-
Glendive	11% CR	11% -0-
Great Falls	48,792	10,880
Havre	17,343	-0-
Helena	30,964	5,625
Kalispell	7,783	-0-
Lewistown	11,894	-0-
Livingston	1%	1% -0-
Miles City	23,086	9,743
Missoula	58,320	5,666
Plains	8%	-0-
TOTALS	<u>\$317,034</u>	<u>\$95,367</u>

PROPOSED AMENDMENTS TO HB 547

1. Title, lines 4 and 5.
Strike: "MAKING" on line 4 through "THE" on line 5
Insert: "PROVIDING THAT THE REGISTRATION OF AN ELECTOR IS
COMPLETE UPON RECEIPT BY THE"
2. Title, lines 6 and 7.
Strike: "TO" on line 6 through "RECEIPT" on line 7
Following: "A" on line 7
Insert: "PROPERLY COMPLETED"
3. Page 2, lines 2 and 3.
Strike: "Registration" on line 2
Insert: "Upon receipt by the election administrator of a
properly completed registration card, the registration"
Following: "is" on line 2
Strike: "not"
Following: "complete" on line 2
Strike: "until" through "The" on line 3
Insert: ", and the"
4. Page 2, lines 4 and 5.
Following: "a" on line 4
Insert: "registration"
Following: "number" on line 4
Strike: "within" through "card" on line 5

PROPOSED AMENDMENTS TO HB 547

1. Title, lines 4 and 5.
Strike: "MAKING" on line 4 through "THE" on line 5
Insert: "PROVIDING THAT THE REGISTRATION OF AN ELECTOR IS COMPLETE UPON RECEIPT BY THE"
2. Title, lines 6 and 7.
Strike: "TO" on line 6 through "RECEIPT" on line 7
Following: "A" on line 7
Insert: "PROPERLY COMPLETED"
3. Page 2, lines 2 and 3.
Strike: "Registration" on line 2
Insert: "Upon receipt by the election administrator of a properly completed registration card, the registration"
Following: "is" on line 2
Strike: "not"
Following: "complete" on line 2
Strike: "until" through "The" on line 3
Insert: ", and the"
4. Page 2, lines 4 and 5.
Following: "a" on line 4
Insert: "registration"
Following: "number" on line 4
Strike: "within" through "card" on line 5

PROPOSED AMENDMENTS TO SB 45

1. Page 4, lines 5 through 9.
Following: "(a)" on line 5
Strike: "review" through "statute" on line 9
Insert: "request and obtain an agency's rulemaking records for the purpose of reviewing compliance with 2-4-305"