MINUTES OF THE MEETING LOCAL GOVERNMENT COMMITTEE MONTANA STATE SENATE

January 15, 1985

The third meeting of the Local Government Committee was called to order at 1:00 p.m. on January 15, 1985 by Chairman Dave Fuller in Room 405 of the Capitol Building.

ROLL CALL: All members were present. Senator Story arrived late.

Chairman Fuller stated that Lieutenant Governor Turman had asked if the Local Government Committee would host a meeting on Infra Structure. He said he had tentatively agreed subject to the approval of the Committee.

CONSIDERATION OF SENATE BILL 62: Senator R. Manning, District #18, is the sponsor of this bill. It was introduced to provide disability retirement benefits for police officers covered under the Public Employees' Retirement System (PERS) regardless of years of service.

PROPONENTS

R. E. Stokoe, who was the former Chief of Police in Troy, Montana for three years, testified in favor of the bill. His written testimony is attached as Exhibit A to these minutes.

Larry Nachtsheim, Administrator of the Public Employees' Retirement System, provided an explanation of the bill for the Committee and proposed an amendment. He stated that they would like to make it mandatory for all cities to put their police forces under a statewide or local retirement plan rather than try to change the existing PERS system, which the bill would do as now written. The bill as written now would benefit approximately sixty police officers.

The amendment would require any cities that have police officers to either form a local plan by July 1, 1985 or join a statewide police reserve fund by January 1, 1986. This would provide retirement benefits for all police officers in the state rather than burying them in a general retirement system. It would mean some additional costs to the cities for them to join either of the proposed funds.

Ray Blehm, representing the Montana State Firemens' Association, stated he was in support of the bill.

Larry Conner, representing the Montana Police Protective Association, stated that police officers should be provided some type of coverage. Page Two Local Government

January 15, 1985

OPPONENTS

There were no opponents to SB 62.

Questions from the Committee were called for.

Senator Mohar asked Mr. Nachtsheim which cities were currently involved in PERS. Mr. Nachtsheim stated that all major cities are required to belong to PERS.

Senator Mohar expressed his curiosity as to why they just don't mandate the approximately sixty police officers from the small cities to join the statewide PERS. Mr. Nachtsheim stated that, rather than mandate that they join PERS, they could perhaps do it cheaper themselves.

Senator Eck asked what kind of fiscal impact would be expected from the bill. Mr. Nachtsheim stated that cities would pay approximately nine percent of salaries to join a system.

Senator Manning closed by stating that some small cities, in an effort to save money, do not take on their obligation to protect their police officers who are disabled and that this matter does need to be addressed.

Chairman Fuller asked Karen Renne, the Legislative Researcher, to give the Committee a simple summary of the proposed amendment at the meeting on Tuesday, January 22, 1985.

The hearing was closed on SB 62.

FURTHER CONSIDERATION OF SENATE BILL 1: Chairman Fuller stated that the issue on SB 1 was a proposed amendment limiting the accumulation of funds to two years. Karen Renne explained that, under the proposed amendment, the funds would accumulate for two years before any funds revert to the trust account. She also stated a clause was added that specifies when the first reversion would occur. A copy of the proposed amendment is attached as Exhibit B to these minutes.

ACTION TAKEN ON SENATE BILL 1: Senator Regan moved that the Committee adopt the proposed amendment to SB 1. The motion passed unanimously.

Senator Regan then moved that the Committee recommend a DO PASS on SB 1. The motion passed unanimously.

Page Three Local Government

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FURTHER CONSIDERATION OF SENATE BILL 20: A copy of the proposed amendment to SB 20 is attached as Exhibit C to these minutes. Karen Renne explained that Lewis and Clark County has already billed for bowling alley taxes for 1985. They have never billed for billiard taxes. The proposed amendment to the bill would make it effective in 1986 so that there would not have to be any refunds made.

Senator Mohar moved that the Committee adopt the proposed amendment to SB 20. The motion passed unanimously.

Senator Regan moved that the Committee recommend a DO PASS on SB 20. The motion passed unanimously.

The meeting adjourned at 2:00 p.m.

Senator Dave 'Fuller Chairman

LOCAL GOVERNMENT COMMITTE January 15, 1985 EXHIBIT A

E. Stokoz

On 31 July 1981, as Chief of Police, I responded to a disturbance at the Home Bar, Troy, Montana. Upon arriving at the bar, I and one of my officers encountered several subjects that were irate. I was asked by the bartender to ask a subject to leave the bar. Upon contacting the subject, he came off the bar with a beer bottle in his hand. I asked him to put the bottle down which he refused to do. Out of the corner of my eye I observed my city officer go flying across the pool table. As I attempted to have the subject that I was talking to leave the bar, he started at me with a beer bottle. As we were wrestling to try to place a man under arrest, someone hit me behind the head. The next thing I knew, I was getting off the floor and chasing the subject outside.

Upon placing the man under arrest and transporting him to the county I was advised by the sheriff to go out into the dispatch area and sit down at which time I just collapsed. I was taken to the hospital and was informed that I had neck and head problems by the doctor. I then was released and returned to duty in Troy.

By December I had lost the use of my left arm. I went to the hospital at Spokane and was advised by three doctors that if I did not have an operation to remove two discs out of my neck, I would lose total use of my left arm. I was given a week to _ make up my mind. I was told I would have to retire from law enforcement.

After going through the operation I found out that under the Montana state retirement program (P.E.R.S.) that I could not retire on a medical retirement due to the fact I had less than five years of service and I had to settle for a state compensation which amounted to \$32,000.00 to live on the rest of my life of which \$9,000.00 went to an attorney to get it. As a married man with two teenage boys, that lasted approximately one year. At this time I started contacting different agencies to try and change the retirement act and eventually, after approximately one year, Senator Richard Manning had heard about the problems involved and has enacted the bill to change the retirement system.

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PROPOSED AMENDMENT TO SB 1

1. Page 2, line 7.

Following: "commerce."

Insert: "Surplus funds may be accumulated and rebudgeted for the purposes stated in subsection (2), except that funds rebudgeted by a local governing body or planning agency may not exceed the total revenue received under subsection (1) in the year immediately prior to the budget year."

2. Page 2, line 7.

Following; "Any"

Strike: "surplus"

Insert: "excess"

3. Page 2, line 8.

Following: "account"

Strike: ".""

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Insert: "at the end of each odd-numbered fiscal year beginning in June 1987." "

LOCAL GOVERNMENT COMMITTEE January 15, 1985 EXHIBIT C

PROPOSED AMENDMENTS TO SB 20

l. Title, line 7.
Following: "PROVIDING"
Strike: "AN IMMEDIATE"
Insert: "A DELAYED"

2. Title, line 7.
Following: "AND"
Strike: "A RETROACTIVE"
Insert: "AN"

3. Page 1, line 14.
Following:"effective"
Strike: "on passage and approval"
Insert: "January 1, 1986"

4. Page 1, line 15.
Following; "December 31,"
Strike: "1984"
Insert: "1985"

STANDING COMMITTEE REPORT

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	January 15	₁₉ 85
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Insert: "AN" 3. Page 1, line 14. Following: "offective" Strike: "on passage and approval" Insert: "January 1, 1986"		
4. Page 1, line 16. Following: "December 31," Strike: "1984" Insert: "1985"		
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Senator Dave Fuller

STANDING COMMITTEE REPORT

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Senator Dave Fuller Chairman

Chairman.

ROLL CALL

	49th XXXXX LEGISLATIVE SESSION 1985			Date	
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•	Senator Eck, Dorothy				
	Senator Harding, Ethel				
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	Senator McCallum, George	1 .			
pd.	Senator Mohar, John(V.Chair)				
	Senator Pinsoneault, Dick				
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-	Senator Fuller, Dave (Chair)				
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Each day attach to minutes.

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	DATE	5-85		
COMMITTEE ON 201	AL GOVERNMENT			
r	VISITORS' REGISTER			
NAME	REPRESENTING	BILL #	Check Support	
Ray Blehm Madican Jenne Lorry Course Larry Machibhen Gran Minsis	Mt SI Firemens assoc	SB62	<u>.</u>	
Madican Jenne	AFSCME	5B62		
LARRY CONNER	MT Police ASSN	SB 202		
Laury Machiphani	MT Police ASSN PERP	SB62		K
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(Please leave prepared statement with Secretary)

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ADDRESS	PO	Box 283	Austin	NEV.	DATE /-/5-	85
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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

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(This sheet to be used by those testifying on a bill.)

NAME :	LARRY	N# CHTSHEIM	DATE: 1-15-85
ADDRESS	: PERD	1712 N,	INTH AVE HELERA
PHONE :	444-3154	/	
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

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