

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 16, 1987

The meeting of the State Administration Committee was called to order by Chairman Sales on January 16, 1987, at 9:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL NO. 176: Rep. Bardanouve, House District #16 and sponsor of the bill, stated this bill is introduced at the request of the Public Employees' Retirement Board to provide that pension benefits received would not exceed the limitations on such benefits imposed by Section 415 of the Internal Revenue Code. HB 176 is necessary to have the plan comply with federal law. If federal law is not complied with, the plan will not be "qualified" which subjects the system to IRS assessment.

PROPOSERS: Linda King, representing the Public Employees' Retirement Division, stated that the maximum benefit limitations that the federal government imposes will be adjusted annually by the IRS to conform with cost-of-living increases. This year the maximum limit is \$75,000. She urged adoption of this bill.

David Senn, Administrator of the Teachers' Retirement Division, stated his support for HB 176.

OPPOSERS: None

DISCUSSION ON HOUSE BILL NO. 176: Rep. Sales requested assurance that all eight retirement systems would be covered by this legislation and was assured by Lois Menzies, Staff Researcher for the Committee, that they were.

Discussion on HB 176 was closed by Rep. Bardanouve who thanked the committee members for their courtesy in hearing this bill.

CONSIDERATION OF HOUSE BILL NO. 158: Dennis Nathe, House District #19 and sponsor of the bill, was detained at another committee hearing. Hal Harper, House District #44, introduced the bill to committee members. He stated HB 158 would permit members of the Sheriffs' Retirement System to qualify previous military service for the purpose of calculating retirement benefits under the previous limitations of the bill. There are 110 sheriffs statewide that would be affected by this legislation. He submitted a proposed amendment to the bill.

PROPOSERS: Tom Harrison, speaking on behalf of the Sheriffs' Association,

stated his support of HB 158 and indicated that it is a buyback that is allowed to other retirement systems. It was somehow omitted in the Sheriffs' Retirement System in previous legislative sessions.

Charles Graveley, speaking on behalf of the Sheriffs' Association, expressed support for HB 158 and pointed out that all the other retirement systems permit buyback of up to five years of military time. This bill as amended, makes it almost identical to the Municipal Police Officers' Retirement System. There are no fiscal impacts to the state whatsoever.

OPPONENTS: None

DISCUSSION ON HOUSE BILL NO. 158: Rep. O'Connell asked Charles Graveley if deputy sheriffs were also included in this bill, and he responded that all members of the system are included. Rep. Cody asked if members in the National Guard would be considered part of the military buyback. Rep. Phillips responded "no", that the National Guard has its own retirement system. Linda King interjected that active duty military time is referred to in this bill and National Guard service is not considered to be active duty military time. Charles Graveley clarified that the six month active training time in the National Guard is considered to be active duty military time and, as such, is covered. Rep. Whalen asked anyone who wished to respond if this buyback of previous military time served applied to anyone in the Public Employees' Retirement System. Mr. Graveley replied that it applied to the members covered in the Sheriffs' Retirement System. Rep. Sales expressed the desire to be certain that there will be no increased costs to the system; that the amounts paid in will cover the actuarial cost for the additional benefits. Linda King assured him this was covered by the proposed amendments. Without the proposed amendments, the actuaries would have to define additional costs.

Discussion on HB 158 was closed by Rep. Harper, and the committee went into executive action on HB 158 and HB 176.

DISPOSITION OF HOUSE BILL NO. 158: Rep. O'Connell moved DO PASS on the amendment, seconded by Rep. Pistoria. The motion carried on a unanimous vote. Rep. O'Connell moved DO PASS AS AMENDED, seconded by Rep. Moore. The motion carried unanimously.

DISPOSITION OF HOUSE BILL NO. 176: Rep. Peterson moved DO PASS, seconded by Rep. Moore. The motion carried unanimously.

CONSIDERATION OF HOUSE BILL NO. 171: Rep. Fritz, House District #56, sponsor of the bill, stated he was introducing HB 171 at the request of the Teachers' Retirement Board to revise the qualifications of the actuary designated by that Board.

PROPOSERS: David Senn, Administrator of the Teachers' Retirement Division, stated HB 171 is required so that the actuary retained by the Board is an enrolled member of the American Academy of Actuaries.

OPPOSERS: None

DISCUSSION ON HOUSE BILL NO. 171: Rep. Roth asked David Senn if the Teachers' Retirement Board had an actuary retained at the present time and, if so, was that individual a member of the American Academy of Actuaries, and Mr. Senn responded in the affirmative. Rep. Cody asked if this qualification would apply to actuaries for all retirement systems, and Mr. Senn responded that under this bill it applied only to the Teachers' Retirement. She then asked Mr. Senn if all the other retirement systems had a certified actuary, and he responded that the Teachers' Retirement System is the only system that does not require this.

Discussion on HB 171 was closed by Chairman Sales at Rep. Fritz' request and the committee went into executive action on HB 171.

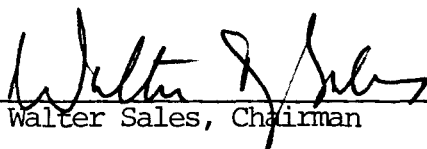
DISPOSITION OF HOUSE BILL NO. 171: Rep. Jenkins moved to amend the bill as follows: On page 2, line 1, following "actuaries" insert "or a comparably qualified professional association of actuaries". The amendment was adopted on a 15-2 vote, Reps. O'Connell and Nelson voting no. Rep. Phillips moved DO PASS AS AMENDED, seconded by Rep. Moore. The motion carried with Reps. O'Connell and Nelson voting no.

DISCUSSION ON HOUSE BILL NO. 109: Chairman Sales explained that HB 109 was returned to the committee for clarification. Rep. Swysgood, sponsor of the bill, referred the committee members to page 2, lines 4-7 and stated that the way the bill reads now, if any error was found without it distinctly being a specific percentage, there would be the possibility of a recount and that is not the intent. He proposed an amendment following line 3, page 2, insert "in a precinct or precincts" and then on line 4, page 2 following "totals" insert "in any election where the margin of decision is less than ___%". The Secretary of State staff members will assist in deciding what this percentage should be as they ultimately decide the election rules. The percentage amount has a lot of influence on when an election administrator would initiate a recount. Another area of concern is the need to address whether the recount is for a specific precinct for votes cast in that precinct or whether it is for votes cast in the total race. Rep. Moore suggested an amendment to change "shall" to "may" on page 2, line 5 and then on page 2, line 7 following "13-6-301" insert "if the board has any reason to believe the error could affect the outcome of the election or the margin of defeat does not exceed one fourth of one percent of the total votes cast or by a margin not to exceed 10 votes, the board shall immediately petition for a recount of that race as provided in Section 13-6-301".

State Administration Committee
January 16, 1987
Page -4-

A decision on this amendment was postponed until Reps. Moore and Swysgood and Mr. Akey from the Secretary of State's office could get together with Lois Menzies, Staff Researcher for the Committee, to come up with an agreeable amendment which will be considered at a later date.

ADJOURNMENT: There being no further business to come before the committee, the hearing was adjourned at 10:45 a.m.



Walter Sales, Chairman

bd

DAILY ROLL CALL

State Administration COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Jan. 16, 1987

NAME	PRESENT	ABSENT	EXCUSED
Walt Sales	✓		
John Phillips	✓		
Bud Campbell	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gene DeMars	✓		
Harry Fritz	✓		
Harriet Hayne	✓		
Gay Holliday	✓		
Loren Jenkins	✓		
Janet Moore	✓		
Richard Nelson	✓		
Helen O'Connell	✓		
Mary Lou Peterson	✓		
Paul Pistoria	✓		
Rande Roth	✓		
Tonia Stratford	✓		
Timothy Whalen	✓		

STANDING COMMITTEE REPORT

January 16

19 37

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 171

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

Amend qualifications of actuary designated by Teachers' Retirement Board

AMEND AS FOLLOWS:

1. Page 2, line 1.

Following: "actuaries"

Insert: "or a comparably qualified professional association of
actuaries"

MS
FIRST

WHITE

reading copy (_____)

color

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/14/87 BILL NO. 171 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		<i>left meeting before vote</i>
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		✓
Helen O'Connell		✓
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY 15 2

Secretary _____

Chairman _____

MOTION: _____

STANDING COMMITTEE REPORT

January 16

19 87

Mr. Speaker: We, the committee on STATE ADMINISTRATION

HB 176

report _____

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman


FIRST

WHITE

_____ reading copy (_____)
color

Unanimous

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/16/87 BILL NO. 176 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

STANDING COMMITTEE REPORT

January 16

19 37

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 158

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Chairman

Permit member of Sheriffs' Retirement System to qualify military service

AMEND AS FOLLOWS:

1. Page 1, line 23.

Strike: "with"

Insert: "plus accrued"

Following: "interest"

Insert: ". Interest accrues"

2. Page 1, lines 23 and 24.

Strike: "he" on line 23 through "benefit" on line 24

Insert: "on which the member has completed the number of service years in excess of 15 needed to qualify the military service"

MS
FIRST

WHITE

reading copy (_____)

color

Unanimous

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/16/87 BILL NO. 158 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

VISITORS' REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO. 176

DATE 1/14/87

SPONSOR Baldanoue

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
LINDA KING	Public Employees' Retirement Div.	✓	
David Sean	Teachers Retirement	✓	
Edward L Flies	MT. STATE Council of Professional Firefighters	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. 158

DATE 1/14/87

SPONSOR Nuthe

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
TOM HARRISON	Sheriff's Assoc	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. 171 DATE 1/14/87

SPONSOR Fritz

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
David Serr	Teachers Retirement	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.