

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON STATE ADMINISTRATION

**Call to Order:** By CHAIRMAN RICHARD SIMPKINS, on January 26,  
1995, at 9:00 a.m.

#### ROLL CALL

**Members Present:**

Rep. Richard D. Simpkins, Chairman (R)  
Rep. Matt Denny, Vice Chairman (Majority) (R)  
Rep. Dore Schwinden, Vice Chairman (Minority) (D)  
Rep. Matt Brainard (R)  
Rep. Dick Green (R)  
Rep. Antoinette R. Hagener (D)  
Rep. Harriet Hayne (R)  
Rep. Bonnie Martinez (R)  
Rep. Gay Ann Masolo (R)  
Rep. William Rehbein, Jr. (R)  
Rep. George Heavy Runner (D)  
Rep. Susan L. Smith (R)  
Rep. Jay Stovall (R)  
Rep. Lila V. Taylor (R)  
Rep. Joe Tropila (D)

**Members Excused:** Rep. Pat Galvin (D)  
Rep. Sam Kitzenberg (R)  
Rep. Carolyn Squires (D)

**Members Absent:** none

**Staff Present:** Sheri Heffelfinger, Legislative Council  
Christen Vincent, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: HB 312, HB 321, HB 319  
Executive Action: HB 319 POSTPONED  
HB 312 POSTPONED

{Tape: 1; Side: A.}

HEARING ON HB 321Opening Statement by Sponsor:

REP. DAVID EWER, HD 53, stated this is a bill was for an act entitled: "an act extending the application of the bond validating act; amending section 17-5-205, MCA; and providing an immediate effective date." He said this statute protects creditors who have lent money to the state and local governments preventing people to say later on there is a defect in the contract to make it invalid. In most states there is a process which after a point in time they can't invalidate something because they missed the bond date or something wasn't done. He referred to title 17 of the Bond Validating Act. This is to try to prevent people from picking at the bonds after they are sold. There is time to contest proceeding of the state and local governments. This is a bill that they have passed every other year to make sure people can't just come in and invalidate the bond issues that are quite critical to the operation of state and local governments on technicalities.

Proponents' Testimony: none

Opponents' Testimony: none

Informational Testimony:

Connie Griffith, Administrator, Accounting and Management Bureau, Department of Administration, stated this is a housekeeping bill. Their department manages most of the foundation bonds of the state. They urged the committee's support of the bill. This bill updates every session the dates in the bill for all bonds from the last session so they are valid as of the date of the passage of this bill. It also assures the bondholder that the issuer will honor the debt commitment even though there may be a technical problem with the bonds.

Questions From Committee Members and Responses:

REP. SMITH asked for an example of the type of bonds affected by this bill.

Ms. Griffith stated these are financial bonds that are issued when the state issues long term building bonds and others of that sort.

REP. STOVALL asked why they must do this every session.

Ms. Griffith stated the bonds are only dated up to the date of that particular session. All they have to do every session is update it to the current time. All this does is update the dates in the bill. She stated this is something that needs to be addressed and they need to come back and say every time they are going to validate these bonds.

**REP. GREEN** asked why they couldn't make this process automatic.

**CHAIRMAN SIMPKINS** stated this has to do with the legal authority and the legislature controlling finances in this state. They are recommitting to the idea they can issue these bonds and they will validate those bonds.

**REP. DENNY** asked if they were in effect doing a "CYA" for the department and the sponsor. If so, are there any bond issues that need to be covered by this act.

**Ms. Griffith** stated it is not a "CYA". There have been problems with their bonds in the past. The bonds are very technical and complex. The statements issued the bond buyers are under the assumption the underwriters have followed all state statutes. This essentially covers the bonds and makes them valid. As far as the date goes, why they can't do it on an automatic system is because she thought it was important they come back and review these periodically because they issue several bonds during the interim period. It would be to their benefit to be able to say the bonds issued during that time are covered by this act.

**REP. SMITH** asked if someone was reviewing these bonds.

**Ms. Griffith** stated there are many people reviewing these bonds. Should something happen, this puts a statute of limitations on the bonds. These says all of these bonds are valid. This doesn't just apply to the bonds that the state issues, it also applies to bonds issued by all local government entities and all school districts within the state. This is important, not just for the Department of Administration, but for all local governments in the state.

**CHAIRMAN SIMPKINS** stated it appeared to him that they are reconfirming they use the state to back the bonds that are still out there. If there is a default in the bonds there is the credit of the state behind the bonds. He stated this isn't a CYA of any department or any particular person.

**Closing by Sponsor:**

The sponsor closed.

**HEARING ON HB 312**

**Opening Statement by Sponsor:**

**REP. MATT BRAINARD, HD 62**, stated this was a bill for an act entitled: "an act requiring that a voter registration form be made available at the time of application for a license from the Department of Fish, Wildlife and Parks (FWP) from the Department wardens, or from licensed agents for the department." This would make it easier for the people of Montana to register to vote. He

stated this bill will "ducktail" the Motor Voter Act. The FWP recommended an amendment for this bill on line 14. This will serve the intent of the bill and will essentially ensure that the FWP will not have to mail out these registration forms. These forms will be available to the people at the counter where the conservation licenses are sold.

**Proponents' Testimony:**

Gary Marbut, MSSA, GOA, CCRKBA, BSPSC, stated this bill has been introduced at their request. He thought it was a good idea that people that are paying the bill that cover the Department of Fish, Wildlife and Parks be registered to vote and have the opportunity to register to vote. This will create an additional pool of places where people can register to vote. He thought it would be healthy that all people who are able to be registered ought to be registered. He stated they had this bill before the legislature last session which passed the House and failed in the Senate. There are many changes in the bill to simplify the bill and clarify that they want the voters' registration cards made available to the people when they come in to buy their conservation licenses. With the changes they have made he didn't think there would be opposition to the bill like there was the last time it was introduced.

W.C. Hollenbaugh stated he supported this bill and urged the passage of the bill by the committee.

Joe Kerwin, Election Bureau Chief, Secretary of State's Office, stated they were in support of this bill. There have been changes on the voter's registration card to make it a simple card which doesn't need a witness on the card. He stated they believed it was a good idea to extend voter's registration opportunities.

J. V. Bennett submitted written testimony. EXHIBIT 1

**Opponents' Testimony:** none

**Informational Testimony:**

Bob Lane, Fish, Wildlife and Parks, submitted written testimony. EXHIBIT 2

**Questions From Committee Members and Responses:**

REP. TROPILA asked Mr. Kerwin if there would be a time limit for when they need to be turned in.

Mr. Kerwin stated yes, there would be a three-day limit and they want to extend that to five days from the date it is signed. It would still be the person's responsibility to mail the voter's registration card in.

**CHAIRMAN SIMPKINS** asked **Mr. Lane** if he was correct in stating 80% of the agent respondents he had made reference to in his testimony were retail merchants primarily that do sell conservation licenses across the counter in their stores.

**Mr. Lane** stated he was correct.

**CHAIRMAN SIMPKINS** asked how many were sent out and what the response was.

**Mr. Lane** stated they did a survey of a little over 40 people. He stated he received responses from all of the people he had sent the survey to.

**CHAIRMAN SIMPKINS** asked what the number of agents were in the state.

**Mr. Lane** stated there were about 400.

**REP. STOVALL** asked if this bill passes if there would be a procedure where his department would be responsible to send out the voter's registration forms.

**Mr. Lane** stated he was correct. They would carry out the duty to the licensed agents these forms would go to. There would be training sessions to remind these retailers of this duty.

**REP. TAYLOR** asked **Mr. Kerwin** if there would be any extra expenses in passing this bill.

**Mr. Kerwin** stated there would be an extra amount of about \$1200 for the extra printing. He also stated this would be the only added expense.

**REP. HEAVY RUNNER** asked **Mr. Kerwin** if they would show people how to fill the forms out. He asked if there would be a sample for people to look at while filling the forms out.

**Mr. Kerwin** stated there would be a sample card available for these people. He submitted **EXHIBIT 3**.

**Closing by Sponsor:**

**REP. BRAINARD** stated he thought this was a good bill and asked the committee to look favorably upon the bill and recommend a do pass.

**HEARING ON HB 319**

**Opening Statement by Sponsor:**

**REP. JOE TROPILA, HD 47**, stated this bill would allow absentee ballots to be picked up by a designated elector. The law now

states absentee ballots must be mailed. In a lot of cases it is hard to mail an absentee ballot the day before the election and receive it on time to be counted. There are times where emergencies arise where people may get sick and they would like to vote and there is no way they can meet the deadlines. This would allow for these people to designate a person to pick up an absentee ballot for them so they may vote. A signature would be necessary.

**Proponents' Testimony:**

J. V. Bennett, MontPIRG, stated they were in support of this bill. He stated they believe in making it easier for people to vote.

**Opponents' Testimony:** none

**Informational Testimony:** none

**Questions From Committee Members and Responses:**

REP. SMITH asked the sponsor if there would be any way for people to try and get ballots for these people.

REP. TROPILA stated the signature must match the signature card that is in the office. He stated he felt this would be a lot safer than mailing it where anyone could take it out of the mailbox.

REP. DENNY stated since the intent of the bill is to make it easier for the designated elector to pick up the absentee ballot he had a real fear about this bill. He stated there are a number of institutions where people may not be rational about their votes, for example, retirement homes. He asked if this would interfere with the system.

REP. TROPILA stated he didn't see the problem. There have been many times where he has delivered ballots to people in nursing homes and hospitals.

REP. MARTINEZ asked who would be able to pick them up.

REP. TROPILA stated they would have to have a signed statement from the person requesting the ballot so the signature could be compared with that on the signature card on file. It would be a person who the elector would designate to pick up the card.

REP. TAYLOR stated she had a problem with the signature being compared with the one on the registration card. She said she had a real hard time because she lives in a high crime area. With this anyone could pick the ballot up. In emergencies she could see where the sponsor was coming from.

REP. TROPILA stated this is happening now.

**CHAIRMAN SIMPKINS** stated the question doesn't pertain to the bill it pertains to the Motor Voter Act. He asked **Mr. Kerwin** to explain that act.

**Mr. Kerwin** stated the Motor Voter law did away with requiring a witness to a voter registration card. There is also a Supreme Court ruling that they could not ask for ID when the person registered in person. The Motor Voter just universalized that throughout the nation. The signature is used for a number of things. Had they not complied with that, they would have had two different forms of registration, one for state offices and one for federal offices.

**REP. TAYLOR** asked when they go to vote, do they need ID?

**Mr. Kerwin** stated they are required to sign in but they wouldn't need ID. Any voter has the right to challenge that voter.

**REP. MARTINEZ** stated she had carried voter registration cards with her when she was campaigning and needed to witness the signing. She asked why the cards aren't the same.

**CHAIRMAN SIMPKINS** stated they were trying to use up the old cards.

**REP. BRAINARD** asked the sponsor what he thought of a limited number for the ballots that could be picked up.

**REP. TROPILA** stated that wouldn't be a problem with him.

**REP. BRAINARD** stated they don't want to sway votes.

Closing by Sponsor:

**REP. TROPILA** closed.

#### EXECUTIVE ACTION ON HB 319

Motion: **REP. DORE SCHWINDEN** MOVED HB 319 DO PASS.

{Tape: 1; Side: B.}

Discussion:

**CHAIRMAN SIMPKINS** stated this is being done now. This is changing the law to match the method. Last session they brought this legislation up. The Motor Voter Act is in effect now unless the committee wanted to amend the bill to put in a dual system which would be extremely expensive. Not only did the Motor Voter system do this, it also revised the system and conditions that allowed the removal of a person from voter lists. This placed a big expense on the county Clerks to implement this mailing verification back up system. He stated they felt that there

would be a lot of names of the list that won't be taken off because of the postage costs, the follow-up cost, and all the other things necessary to take a person off of this list. If things keep going like this he believed there might be a time when the voter list may exceed the population of Montana. It did open up fraud, but they felt it was minimal.

REP. TAYLOR asked with the Motor Voter law why they have to have the box numbers. She stated she lives in a county and this is a problem. She asked if they have to look at every signature on the list to challenge a voter.

CHAIRMAN SIMPKINS stated they can challenge if they want to look at all the cards.

Motion: REP. BRAINARD MOVED TO AMEND HB 319.

Discussion:

REP. DENNY suggested they could put in relative, guardian, or medical personnel in regard to their care in amending the bill.

CHAIRMAN SIMPKINS said this wouldn't help the neighbors who are in situations in which they couldn't get out to vote.

REP. DENNY asked REP. TROPILA if in a vast majority of cases are they talking about a spouse.

REP. TROPILA stated in most cases they are talking about spouses. There are some cases where they would be talking about the elderly.

REP. TAYLOR stated this needs to deal with extreme cases.

CHAIRMAN SIMPKINS stated there is a problem with Motor Voter Registration. He stated he didn't think this bill would create a major problem.

REP. TAYLOR asked who would do this.

CHAIRMAN SIMPKINS stated the Clerks and Recorders in the local courthouses take care of this.

REP. MARTINEZ stated when they state they would only be able to receive five unless they are from an election office, there is a safety valve because these people don't show up to vote.

REP. DENNY stated he still thought the limit should be one. He stated they are talking about rare exceptions to the general exception to the rule.

REP. BRAINARD stated in his community there are some very elderly people who still get out and vote. He believed that a limit of five would take care of most things a person could run into.



REP. MARTINEZ asked if they would still have the right to have the ballot mailed out to the person.

CHAIRMAN SIMPKINS stated she was correct.

REP. MARTINEZ stated she agreed with REP. DENNY that one should be sufficient.

REP. TROPILA stated in most cases it is only one ballot. It is very extreme and seldom that cases like this have happened. The law says they can't do this, but they would like to be able to do this.

CHAIRMAN SIMPKINS asked REP. BRAINARD if he wanted to go with the number five or if he wanted to change his motion.

REP. BRAINARD suggested they would have a show of hands up to the number five and decide that way how to amend the bill.

REP. DENNY stated his problem with this and one of the reasons he ran for office and one of the reasons why the people hate the legislature out there is that they come in here and they change things around and they don't think of the perception of the people. There is a great level of distrust in Missoula County about the electoral process. He stated here they are making it easier to cheat the system. That is why he was in favor of changing it to one. He stated he knew this is a problem. His parents have this problem. He stated he is in favor of one. He stated they needed to think about what the public will think of this.

CHAIRMAN SIMPKINS stated they have an option to make a substitute motion.

REP. BRAINARD stated there is also an equal perception that the legislature are "stick in the muds."

Sheri Heffelfinger asked for time to review and prepare the amendment.

CHAIRMAN SIMPKINS stated the committee would delay action on the bill.

REP. BRAINARD withdrew his motion to amend the bill.

CHAIRMAN SIMPKINS took a straw vote to see what the committee wanted the bill amended to. The vote carried for two ballots for each person.

EXECUTIVE ACTION ON HB 312

Motion: REP. DENNY MOVED HB 312 DO PASS.

Discussion:

**Sheri Heffelfinger** asked for time to review the amendment.

**CHAIRMAN SIMPKINS** stated they would postpone executive action on HB 312.

ADJOURNMENT

Adjournment: 10:00 a.m.

  
\_\_\_\_\_  
RICHARD SIMPKINS, Chairman

  
\_\_\_\_\_  
CHRISTEN VINCENT, Secretary

RS/cdv

# HOUSE OF REPRESENTATIVES

## State Administration

ROLL CALL

DATE January 26, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dick Simpkin, Chairman	✓		
Rep. Matt Denny, Vice Chairman, Majority	✓		
Rep. Dore Schwinden, Vice Chair, Minority	✓		
Rep. Matt Brainard	✓		
Rep. Pat Galvin			
Rep. Dick Green	✓		
Rep. Toni Hagner	✓		
Rep. Harriet Hayne	✓		
Rep. George Heavy Runner	✓		
Rep. Sam Kitzenberg			
Rep. Bonnie Martinez	✓		
Rep. Gay Ann Masolo	✓		
Rep. Bill Rehbein	✓		
Rep. Susan Smith	✓		
Rep. Jay Stovall	✓		
Rep. Carolyn Squires			
Rep. Lila Taylor	✓		
Rep. Joe Tropila	✓		

1-26-95

I hereby give my proxy  
to Matt Denny;

Sam Stephens

1-26-95

State Ad. Committee

Dore Schwinden has  
my proxy vote today

P. Galvin  
HD 48

~~HB 319 AVE~~  
~~HB 312 AVE~~



*The Big Sky Country*

MONTANA HOUSE OF REPRESENTATIVES

4/26/95  
I give my Proxy to  
R. Schweinden

On all votes &  
Amendments this day

Squires Over

8

# COMMITTEE PROXY

Date 1/26/95

I request to be excused from the State Administration Comm  
Committee meeting this date because of other commitments. I  
desire to leave my proxy vote with Dore Schwinden.

Indicate Bill Number and your vote Aye or No. If there are  
amendments, list them by name and number under the bill and  
indicate a separate vote for each amendment.

HOUSE BILL/AMENDMENT AYE NO

<del>HB 319</del>	<del>X</del>	
HB 312		

SENATE BILL/AMENDMENT AYE NO


Rep. George Henry Rumm  
(Signature)



COMMITTEE PROXY

Date 1-26-95

I request to be excused from the State Administration  
Committee meeting this date because of other commitments. I  
desire to leave my proxy vote with Matt Deny.

Indicate Bill Number and your vote Aye or No. If there are  
amendments, list them by name and number under the bill and  
indicate a separate vote for each amendment.

HOUSE BILL/AMENDMENT AYE NO


SENATE BILL/AMENDMENT AYE NO


Rep.

(Signature)

[Signature]



# Committee on Public Employee Retirement Systems

## 53rd Montana Legislature

Room 138 State Capitol  
Helena, MT 59620-1706  
(406) 444-3064  
FAX (406) 444-3036

### SENATE MEMBERS

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THOMAS A. BECK  
VICE CHAIRMAN  
JOHN R. HERTEL  
BOB HOCKETT

### HOUSE MEMBERS

JERRY L. DRISCOLL  
MARJORIE I. FISHER  
PATRICK G. GALVIN  
RICHARD D. SIMPKINS

### COMMITTEE STAFF

SHERI HEFFELFINGER  
RESEARCHER  
DAVID NISS  
ATTORNEY

## HB 316 REPORT ON LC 729

### Purpose of Report

The Committee on Public Employee Retirement Systems (CPERS) is required by law (Ch. 549, L. 1993) to report to the Legislature on the fiscal and policy implications of each retirement proposal it reviews and to make recommendations for Legislative action. The Committee's recommendations do not constitute formal Legislative action on a bill and the Committee may not prevent a retirement bill from being introduced. This report applies to the proposal as presented to CPERS, not to any changes made subsequent to the adoption of this report. This report is informational. Its purpose is to promote fair and consistent retirement policy for Montana's public employees.

### Proposal Summary

As presented to CPERS, LC 729 proposes to allow Teachers' Retirement System (TRS) members with at least 5 years of active service and who became members on or after July 1, 1989, to receive up to a combined total of five years of membership service credit for out-of-state service, service in a private school, employment while on leave, time lost because of an injury-related absence, and federal teaching service (such as the Peace Corps). Under the proposal, members must purchase this service at cost.

Membership service is service that counts toward the total years of service required for retirement eligibility. Members of TRS may retire after 25 years of membership service.

This proposal (Proposal No. 10) was forwarded by the Montana Education Association (MEA). Initially, the proposal addressed only out-of-state service. However, subsequent to the Committee's meeting, the proposal's scope expanded to include other types of service as described above. Rep. Dan Harrington requested the proposal as a bill.

### Committee Recommendations

*Amendments:* None.

*Recommended Action:* DO PASS (adopted unanimously)

EXHIBIT A  
DATE 1-26-95  
HB \_\_\_\_\_

# ANALYSIS OF PROPOSAL NO. 10 (LC 729)

Prepared for the  
Committee on Public Employee Retirement Systems

by Sheri Heffelfinger, Researcher  
Montana Legislative Council

December 27, 1994

*NOTE: The purchase of membership service under the Teachers' Retirement System (TRS) for federal teaching service is not included in this analysis because the provision was added after this report was prepared.*

## Issue Summary

Current law prevents members of TRS who became a member on or after July 1, 1989, from purchasing additional membership service credit for out-of-state service, service in a private school, employment while on leave, and time lost because of an employment-related injury. However, members who became members before July 1, 1989, may purchase this service as and receive membership service credit, which counts toward the member's retirement eligibility.

At the Committee's December 1, 1993, meeting the MEA stated that this difference was unfair to members who joined the system after July 1, 1989, and that allowing teachers to purchase out-of-state service would help recruit experienced teachers.

## Historical Perspective

In 1989, the Legislature passed SB 125 (Ch. 113, L. 1989), which allowed vested TRS members to purchase one additional year of service for each five years of membership service. Members were limited to purchasing five years of additional service under this "one-for-five" provision or in any combination with other existing additional service provisions.

The stated objective of SB 125 was to establish the "one-for-five" service purchase as a replacement for the "shopping list" of the other additional service provisions, which provide for up to five years of membership service credit for:

- out-of-state service;
- leave time;
- employment in private schools;
- extension service employment; and
- absence due to injury.

It was argued that enactment of a "one-for-five" provision as a replacement for the other provisions would give all members, regardless of whether they had service as listed above, an equal opportunity to purchase additional service and enhance their retirement benefits. But, unlike the other additional service provisions, the "one-for-five" service provided under SB 125 could be used only to calculate retirement benefits, not to qualify a member for retirement. In effect, a benefit was being taken away.

Because a benefit cannot be taken away from those who have already been given the benefit, SB 125 could apply only to new members who became members after July 1, 1989. Members who joined could continue to purchase additional membership service under the above shopping list of provisions, although SB 125 did preclude these pre-July 1, 1989, members from purchasing additional service under the new one-for-five provision unless they waived their right to purchase service under the one-for-five provision.

In other words, pre-1989, members were given an either/or option, while post-1989 members were given no option but to utilize the one-for-five provision to purchase additional service.

Senate Bill 125 was supported by the MEA, the Montana Federation of Teachers, and the TRS Board. No one testified against the bill.

## Policy Considerations

The following is an analysis of the non-fiscal effects if the Legislature enacts Proposal No. 10 as presented:

*Effect on active members who joined before July 1, 1989:* None. This group of members will still have the option of either purchasing as membership service up to 5 years of out-of-state and private teaching service, employment while on leave, and time lost due to an employment-related injury or of utilizing the one-for-five provision to purchase additional non-membership service.

*Effect on active members who joined on or after July 1, 1989:* This group of members be able to purchase the additional membership service that was available only to members who joined before July 1, 1989. However, these members who joined on or after July 1, 1989, will have a broader benefit because they will also be able to purchase non-membership service under the one-for-five provision, unless the one-for-five provision in TRS is amended.

*Effect on current retirees:* None. Additional service may only be purchased prior to retirement.

## **Fiscal Considerations**

Proposal No. 10 as presented in LC 729 will have no fiscal impact on the system's liabilities or on contribution rates because members who joined on or after July 1, 1989, must pay the actuarial cost of purchasing the additional membership service.

Notably, however, members who became members before July 1, 1989, will continue to purchase the membership service by paying the combined employer and employee contribution plus interest. These members do not pay the actuarial cost of the additional service. This is not reflected as a liability to the system because current contributions by all of the system's members are, in effect, subsidizing the benefit by making up the difference.

Under the proposal, members who became members after July 1, 1989, must pay the full actuarial cost of the service. Actuarial cost is the cost based on a set of assumptions about the average age, expected length of service, and salary of all system members who may potentially utilize the benefit.

Because a benefit cannot be taken away, pre-July 1, 1989, members cannot be required to pay the actuarial cost of the membership service.

## **Effect on Other Systems**

There is no direct effect on the other statewide public employee retirement systems. However, each system has different additional service credit provisions, the equity of which may be an issue in the future. Also, members of PERS who became members after July 1, 1989, may not, under current law, purchase additional non-membership service under that system's one-for-five provision. Ironically, at the same time (1989) that the Legislature enacted SB 125 affecting the additional service purchase under TRS, the Legislature also enacted HB 235, which established a one-for-five service purchase option, but only for members who joined before July 1, 1989. The one-for-five additional service provision under PERS was originally designed to help the system's current members who would be encouraged to retire or forced to retire because of governmental downsizing.

The Committee may decide to address this difference in the PERS one-for-five service purchase provision by amending section 19-3-513, MCA.



# Committee on Public Employee Retirement Systems

53rd Montana Legislature

Room 138 State Capitol  
Helena, MT 59620-1706  
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**SENATE MEMBERS**  
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RICHARD D. SIMPKINS

**COMMITTEE STAFF**  
SHERI HEFFELFINGER  
RESEARCHER  
DAVID NISS  
ATTORNEY

## HB 306 REPORT ON LC 941

### Purpose of Report

The Committee on Public Employee Retirement Systems (CPERS) is required by law (Ch. 549, L. 1993) to report to the Legislature on the fiscal and policy implications of each retirement proposal it reviews and to make recommendations for Legislative action. The Committee's recommendations do not constitute formal Legislative action on a bill and the Committee may not prevent a retirement bill from being introduced. This report applies to the proposal as presented to CPERS, not to any changes made subsequent to the adoption of this report. This report is informational and its purpose is to promote fair and consistent retirement policy for Montana's public employees.

### Proposal Summary

This proposal revises benefits under the Sheriffs' Retirement System (SRS) so that a member may retire with 20 years of service regardless of age. Currently, SRS members must work 24 years and reach age 50 to be eligible for normal retirement benefits.

The proposal also eliminates the 60% of salary cap on benefits.

The Montana Sheriff's and Peace Officers' Association forwarded this proposal, which was also supported by the Montana Public Employees' Association.

### Issue Summary

Municipal police officers, covered under the Municipal Police Officers' Retirement System (MPORS), may retire after 20 years of service regardless of age. Bill Fleiner of the Montana Sheriffs' and Peace Officers' Association testified that SRS should have the same benefit as provided under the MPORS and that a 20-year retirement is necessary in law enforcement professions due to the high-risk nature of the work. The life expectancy of law enforcement officers is not as long as for other public employees. Furthermore, in a law enforcement profession, it is better to have officers leave service earlier, before they are unable to perform and soon enough so that they have time to transition to another work.

EXHIBIT B  
DATE 1-26-95  
HB \_\_\_\_\_

## Policy Considerations

If this proposal is passed, the SRS and the MPORS will be the two state retirement systems with a 20 year retirement regardless of age.

Eligibility requirements in the other retirement systems are as follows:

Highway patrol officers (who became members after July 1, 1975)	20 years and age 50
Firefighters	10 years and age 50
Game Wardens	20 years and age 50
Public Employees Retirement System (PERS)	30 years any age
Teachers' Retirement System (TRS)	25 years any age
Judges	5 years and age 65

The policy issue is whether law enforcement professions should have different coverage than other general employees and whether it is reasonable to provide a 20-year retirement at any age. Also at issue is whether the highway patrol officers, who must now work 20 years and reach age 50, should also have a 20-year retirement regardless of age, or if the benefit eligibility is different for a reason.

The national trend in other states is to provide that members in law enforcement occupations are eligible to retire sooner than general public employees, usually between 20 and 25 years of service. Some states provide the benefit at any age, while other states set age restrictions. However, it is clear that state retirement plans generally provide better benefits to law enforcement/public safety employees than general government employees.

Because the Legislature in 1991 granted the municipal police a 20-year retirement, the Public Employees Retirement Board supports this proposal as a matter of consistent policy for all law enforcement professions.

## Fiscal Considerations

Employer and employee contributions will have to be increased by a total of 1.73% of salaries. If the guaranteed annual benefit adjustment provided for in LC 772 is also passed by the legislature, the contribution rates will need to be raised by a total of 3.34% of salaries.

The proposal is soundly funded.

## Effects on Other Systems

If this proposal is passed and sheriff's, like the municipal police officers, are able to retire with 20-years of service regardless of age, the highway patrol officers and game wardens may also seek this benefit change as a matter of consistent policy.

## **Committee Recommendations**

*Amendments:* None.

*Recommended Action:* DO PASS (adopted unanimously)

**Note:** This report was prepared by Sheri Heffelfinger, Researcher, Montana Legislative Council based on the minutes of the December 1-2, 1994, and December 29, 1994, CPERS meetings.



# MontPIRG

Montana Public Interest Research Group

360 Corbin Hall - Missoula, MT - (406) 243-2908

Testimony For House Bill 312, January 26, 1995

Chairman Simpkins and members of the House State Administration Committee:

For the record, my name is J.V. Bennett, for the Montana Public Interest Research Group, or MontPIRG.

MontPIRG is a non-profit, non-partisan research and advocacy organization located in Missoula. MontPIRG represents over 4000 members statewide, 2200 of them students at the University of Montana.

MontPIRG rises in enthusiastic support of House Bill 312 as a way to increase citizen participation in government. Involving citizens in the political process has been one of MontPIRG's most important activities, registering thousands of voters since its inception. MontPIRG was also involved in passing motor/voter legislation here in Montana which allows Montanans to register to vote when they apply for or renew their drivers licences. House Bill 312 would provide even greater opportunity for interested citizens to become registered voters.

Because of our interest in making the ballot box more assessable to citizens we urge you to pass House Bill 312.

EXHIBIT one  
DATE 1-26-95  
HB 312

Bill No. HB 312

January 26, 1995

Testimony presented by Robert N. Lane

Montana Fish, Wildlife & Parks

before the House Committee on State Administration

Fish, Wildlife & Parks neither opposes nor supports this bill. We recognize the civic value in registering voters. The selection of Fish, Wildlife and Parks' officers, wardens and license agents to accomplish this is a policy choice of the Legislature.

Fish, Wildlife & Parks' interest is a consideration of the potential burden this might place on our license agents. They operate private businesses, primarily sporting goods stores, who are appointed and agree to sell fishing and hunting licenses for a commission of 50 cents each.

Because the bill requires only that voter registration forms be made available, and because the Fish, Wildlife & Parks would assume the responsibility of delivering sufficient forms to the license agents, the extra effort required of license agents should be minimal.

Further, in a 1993 poll conducted by Fish, Wildlife and Parks over 80% of agent respondents supported the duty of making voter registration forms available to license purchasers.

Fish, Wildlife & Parks requests an amendment that would change the requirement of making available the registration form for every application, to making it available for every conservation license sold. The conservation license is a prerequisite for every other license available, and therefore, would target every individual purchasing licenses, of any kind, for hunting and fishing. Making the registration form available for every application requested would result in redundancy and subsequent waste of money in the form of personnel time, postage, and printing costs.

Attachment

two  
1-26-95  
312

Amendments to Bill No. HB 312  
First Reading Copy

For the House Committee on State Administration

Prepared by Montana Fish, Wildlife & Parks  
January 25, 1995

1. Page 1, line 14 and 15.

Following: "available" on line 14

Strike: "with each application that is requested by a Montana citizen for a license prescribed by the department"

Insert: "to each Montana citizen that appears to purchase a wildlife conservation license"

PLACE  
STAMP  
HERE

\_\_\_\_\_, MT \_\_\_\_\_

ARTCRAFT PRINTERS GREAT FALLS

ELECTION ADMINISTRATOR

\_\_\_\_\_, County \_\_\_\_\_

\_\_\_\_\_, MT \_\_\_\_\_

EXHIBIT three  
DATE 1-26-95  
HB 312

FOR OFFICE USE ONLY	Polling Place	Date	Pct.	Ward	Sch.	Hse.	Sen.	FD	HD	SC	Reg. #
<b>7. NAME (PLEASE PRINT Last, First, Middle)</b> <b>7. IF YOU'VE CHANGED YOUR NAME,</b> <b>PRINT FORMER NAME</b>											
<b>8. PLACE LAST REGISTERED TO VOTE</b> CITY COUNTY STATE											
<b>9. VOTER DECLARATION (Read and sign below)</b> I do solemnly swear or affirm, under penalty of law, that I: <ul style="list-style-type: none"> <li>- am an United States citizen,</li> <li>- will be at least 18 years old on or before the next election,</li> <li>- will have lived in this state for at least 30 days before the next election,</li> <li>- am neither in a penal institution for a felony conviction nor been determined by a court to be of unsound mind, and</li> <li>- if I don't meet these qualifications, I will meet them by the next election day.</li> </ul>											
<b>3. ADDRESS WHERE YOU LIVE</b>											
<b>4. ADDRESS WHERE YOU GET YOUR MAIL</b> (if different from #3)											
<b>5. YOUR TELEPHONE NUMBER</b> (406) -											
<b>6. DATE OF BIRTH (month/day/year)</b>											

# YOUR RIGHT TO VOTE

- **You have the right to vote** if you are at least 18 years old, a citizen of the United States, and have resided in Montana for at least 30 days.
- **Your right to vote** is secured by being properly registered in the precinct where you reside.
- **You have the right to register to vote**, either in person or by mail, simply by completing a registration card and delivering it to your county Election Administrator before the deadline (30 days prior to any election).
- **You have the right to register to vote** even if you do not yet satisfy the age or residency requirements as long as you will by the election.
- **Your right to vote** must be maintained: you must participate in at least one general election -- the presidential -- every four years; and you must notify local election officials of any changes you make in your name or place of residence.
- **Your right to vote** is abridged by missing any presidential election because your registration will be canceled within 60 days. In that event, you need to re-register before your right to vote is secured again.

SIGNATURE DATE

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

State Administration

DATE Jan. 26, 1995

BILL NO. HB 312

SPONSOR(S) Brainard

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
GARY MARBUT	MSSA, GOA, CCRKBA BSPSC		
W. C. Hollenbaugh	Self	X	
Joe Kernin	Sec. of State	X	
J. V. Bennett	Mont PIRG	X	
Bob Lane	Fish, Wildlife & Parks	Information	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

State Administration

DATE Jan. 26, 1975

BILL NO. HB 319 SPONSOR(S) Tropica

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
J.V. Bennett	Mont PIRC	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

State Administration

DATE Jan. 26, 1995

BILL NO. HB321 SPONSOR(S) Evans

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
CONNIE GRIFFITH	DEPT OF ADMIN	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.