

*Speech
Muller
Lambert*

1 *Thomas H* BILL NO. *428*
2 INTRODUCED BY *O'Donnell Sullivan Kennedy Ryan*
3 *Dupile Patricia Fullege Country Muller*
Hammitt Ryan Sullivan MULAR

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MINIMUM
PAYMENTS TO POLICE OFFICERS, SPOUSES, AND MINOR CHILDREN WHO
WERE RECEIVING PAYMENTS FROM POLICE RESERVE FUNDS PRIOR TO
JULY 1, 1975, AND TO THE SPOUSES AND MINOR CHILDREN OF SUCH
POLICE OFFICERS; TO PROVIDE FOR THE MEANS OF MAKING THE
ADDITIONAL PAYMENTS REQUIRED TO MEET THE MINIMUM; AMENDING
SECTION 11-1849, R.C.M. 1947; PROVIDING AN IMMEDIATE
EFFECTIVE DATE."

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

Section 1. Section 11-1849, R.C.M. 1947, is amended to
read as follows:

"11-1849. Exceptions Application to prior retirees and
their beneficiaries. Except where specific additional
benefits are given under this act and future acts of the
legislature to police officers, their spouses or minor
children, who are already, as of July 1, 1975, receiving
payments from the police reserve fund of any city, or, to
that extent only, this act does not affect such police
officers already-on-the-reserve-list, or spouses, or minor
children already--receiving-such-payments, and, as to them,
their rights and obligations shall be determined as if this

act had not been passed."

Section 2. There is a new R.C.M. section that reads as
follows:

Supplement to prior pensions. (1) The payment for each
fiscal year, commencing with the fiscal year beginning July
1, 1977, to the police officers, spouses, or minor children
described in subsections (2)(a) through (2)(c) may be not
less than one-half of the salary paid in that fiscal year in
the appropriate city or town to newly confirmed police
officers.

(2) On or before April 1 of each year, the board of
trustees or department of administration, as the case may
be, shall make a report to the state auditor including the
following information:

(a) the names of all police officers who are receiving
payments from the police reserve fund of the city or town as
of the date of the report and were receiving such payments
prior to July 1, 1975;

(b) the names of all spouses or minor children who are
receiving payments from the police reserve fund because of
the death of a police officer who was receiving such
payments prior to July 1, 1975;

(c) the names of all spouses or minor children who are
receiving payments from the police reserve fund and who were
receiving such payments prior to July 1, 1975, or, in the

11-428

1 case of minor children, whose parent, the spouse of a police
2 officer, was receiving such payments prior to July 1, 1975;

3 (d) for the purpose of determining the base figure for
4 the computations set forth in subsection (4), the following
5 information relating to the base fiscal year commencing July
6 1, 1976:

7 (i) the amount of the payments made in the base fiscal
8 year to each police officer described in subsection (2)(a);

9 (ii) the amount of the payments made in the base fiscal
10 year to each spouse or minor child (or children) described
11 in subsection (2)(b) or (2)(c);

12 (iii) upon the death after the effective date of this
13 act of any police officer on the reserve list who was
14 receiving payments from the police reserve fund prior to
15 July 1, 1975, and who is survived by a spouse or minor
16 children entitled to receive payments therefrom, the amount
17 which would have been paid to an eligible spouse of such
18 police officer had that spouse been receiving payments in
19 the base fiscal year.

20 (3) Each fiscal year, commencing with the fiscal year
21 beginning July 1, 1977, immediately after the adoption by a
22 city or town having a police reserve fund of its budget for
23 that fiscal year, each such city or town shall report to the
24 state auditor the salary for that fiscal year of a newly
25 confirmed police officer of that city or town.

1 (4) The state auditor shall, upon receipt of the
2 reports referred to in subsections (2) and (3), compute the
3 difference between each amount reported under subsections
4 (1)(d)(i) through (1)(d)(iii) and one-half the salary for
5 the current fiscal year of a newly confirmed police officer
6 of the appropriate city or town. The difference shall be
7 paid by the state auditor out of the premium tax collected
8 on insurance, as provided in 11-1835, to the treasurer of
9 the appropriate city or town at the same time as and in
10 addition to the payment to be made by the state auditor
11 under 11-1834.

12 (5) The treasurer of each city or town receiving funds
13 under subsection (4) shall immediately deposit them with the
14 department of administration or to the credit of the city or
15 town's police reserve fund, as the case may be. The
16 department or board of trustees of the fund, as the case may
17 be, shall use the funds to supplement the monthly payments
18 to persons described in subsections (2)(a) through (2)(c) so
19 that the requirements of subsection (1) are met.

20 (6) If more than one minor child is entitled to
21 supplementary payments under this section by virtue of the
22 death of a common parent police officer, the minimum payment
23 to such minor children under this section shall be
24 determined as if there were one such minor child and the
25 supplementary payment shall be made to the minor children

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1 collectively.
2 Section 3. Effective date. This act is effective on
3 its passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 192-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 25, 19 77, there is hereby submitted a Fiscal Note for House Bill 428 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to provide for minimum payments to police officers, spouses, and minor children who were receiving payments from police reserve funds prior to July 1, 1975, and to the spouses and minor children of such police officers; to provide for the means of making the additional payments required to meet the minimum; and amendments.

FISCAL IMPACT:

Due to the time frame allotted, no estimate can be given as to the cost of the proposed legislation. The State Auditor suggest that it would need approximately one month to compile the necessary information to adequately complete the note.

Richard L. Young for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-31-77

STATE OF MONTANA

REQUEST NO. 192-77

Revised

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Form BD-15

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DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 428 provides for minimum payments to police officers, spouses, and minor children who were receiving payments from police reserve funds prior to July 1, 1975, and to the spouses and minor children of such police officers; to provide for the means of making the additional payments required to meet the minimum.

ASSUMPTIONS:

1. Life expectancy from 1971 Group Annuity Mortality Tables.
2. Statutory minimum salary \$750.
3. All retirees (policemen and beneficiaries) will receive minimum benefit increase up to \$375 per month.
4. Base payroll year is FY 76.
5. Payments to be made by State Auditor out of premium tax collected on insurance.
6. Actuarial data provided by the firm of Hendrickson & Bird.
7. This data applies only to 1st and 2nd class cities; data for 3rd and 4th class cities is not available on a timely basis.

FISCAL IMPACT:

| | <u>FY 78</u> | <u>FY 79</u> |
|---|------------------|------------------|
| Estimated increase of expenditures under proposed law | <u>\$238,797</u> | <u>\$228,289</u> |

NOTE:

The enhancement of these benefits, while not paid for directly from the General Fund, diverts funds which would be transferred to the General Fund were they not used for the above stated purpose (Sect. 11-1920, R.C.M. 1947).

Richard A. Trapp
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-9-77

Approved by Comm.
on Local Government

Sen. Mendenhall

1 *Moore, H* BILL NO. *428*
2 INTRODUCED BY *O'Donnell, Gilligan, Kenny, Ryan*
3 *Dupla, Pistoria, Country, Muller*
4 *Harrington, Kaye, Sills, Mular*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MINIMUM
6 PAYMENTS TO POLICE OFFICERS, SPOUSES, AND MINOR CHILDREN WHO
7 WERE RECEIVING PAYMENTS FROM POLICE RESERVE FUNDS PRIOR TO
8 JULY 1, 1975, AND TO THE SPOUSES AND MINOR CHILDREN OF SUCH
9 POLICE OFFICERS; TO PROVIDE FOR THE MEANS OF MAKING THE
10 ADDITIONAL PAYMENTS REQUIRED TO MEET THE MINIMUM; AMENDING
11 SECTION 11-1849, R.C.M. 1947; PROVIDING AN IMMEDIATE
12 EFFECTIVE DATE."

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

14 Section 1. Section 11-1849, R.C.M. 1947, is amended to
15 read as follows:

16 "~~11-1849. Exceptions Application to prior retirees and~~
17 ~~their beneficiaries.~~ Except where specific additional
18 benefits are given under this act and future acts of the
19 legislature to police officers, their spouses or minor
20 children, who are ~~already, as of July 1, 1975,~~ receiving
21 payments from the police reserve fund of any city, and to
22 that extent only, this act does not affect such police
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24 children ~~already-receiving-such-payments,~~ and, as to them,
25 their rights and obligations shall be determined as if this

1 act had not been passed."

2 Section 2. There is a new R.C.M. section that reads as
3 follows:

4 Supplement to prior pensions. (1) The payment for each
5 fiscal year, commencing with the fiscal year beginning July
6 1, 1977, to the police officers, spouses, or minor children
7 described in subsections (2)(a) through (2)(c) may be not
8 less than one-half of the salary paid in that fiscal year in
9 the appropriate city or town to newly confirmed police
10 officers.

11 (2) On or before April 1 of each year, the board of
12 trustees or department of administration, as the case may
13 be, shall make a report to the state auditor including the
14 following information:

15 (a) the names of all police officers who are receiving
16 payments from the police reserve fund of the city or town as
17 of the date of the report and were receiving such payments
18 prior to July 1, 1975;

19 (b) the names of all spouses or minor children who are
20 receiving payments from the police reserve fund because of
21 the death of a police officer who was receiving such
22 payments prior to July 1, 1975;

23 (c) the names of all spouses or minor children who are
24 receiving payments from the police reserve fund and who were
25 receiving such payments prior to July 1, 1975, or, in the

1 case of minor children, whose parent, the spouse of a police
2 officer, was receiving such payments prior to July 1, 1975;

3 (d) for the purpose of determining the base figure for
4 the computations set forth in subsection (4), the following
5 information relating to the base fiscal year commencing July
6 1, 1976:

7 (i) the amount of the payments made in the base fiscal
8 year to each police officer described in subsection (2)(a);

9 (ii) the amount of the payments made in the base fiscal
10 year to each spouse or minor child (or children) described
11 in subsection (2)(b) or (2)(c);

12 (iii) upon the death after the effective date of this
13 act of any police officer on the reserve list who was
14 receiving payments from the police reserve fund prior to
15 July 1, 1975, and who is survived by a spouse or minor
16 children entitled to receive payments therefrom, the amount
17 which would have been paid to an eligible spouse of such
18 police officer had that spouse been receiving payments in
19 the base fiscal year.

20 (3) Each fiscal year, commencing with the fiscal year
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24 state auditor the salary for that fiscal year of a newly
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9 the appropriate city or town at the same time as and in
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12 (5) The treasurer of each city or town receiving funds
13 under subsection (4) shall immediately deposit them with the
14 department of administration or to the credit of the city or
15 town's police reserve fund, as the case may be. The
16 department or board of trustees of the fund, as the case may
17 be, shall use the funds to supplement the monthly payments
18 to persons described in subsections (2)(a) through (2)(c) so
19 that the requirements of subsection (1) are met.

20 (6) If more than one minor child is entitled to
21 supplementary payments under this section by virtue of the
22 death of a common parent police officer, the minimum payment
23 to such minor children under this section shall be
24 determined as if there were one such minor child and the
25 supplementary payment shall be made to the minor children

LC 0570/01

1 collectively.

2 Section 3. Effective date. This act is effective on

3 its passage and approval.

-End-

*Spuch
McCarthy
Lambert*

Thomas H BILL NO. *428*
INTRODUCED BY *O'Donnell Gilligan Keenan Ryan*
Dripile Patricia Payne Courtney Ducker
Starnett Ryan Sullivan Mular

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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(2) On or before April 1 of each year, the board of trustees or department of administration, as the case may be, shall make a report to the state auditor including the following information:
(a) the names of all police officers who are receiving payments from the police reserve fund of the city or town as of the date of the report and were receiving such payments prior to July 1, 1975;
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LC 0570/01

- 1 collectively.
- 2 Section 3. Effective date. This act is effective on
- 3 its passage and approval.

-End-

HOUSE BILL NO. 428

INTRODUCED BY O'CONNELL, GILLIGAN, KENNY, RYAN, MOORE,
TROPILA, PISTORIA, FABREGA, COURTNEY, QUILICI, SCULLY,
MULAR, HARRINGTON, HARPER, LYNCH, MENAHAN, KANDUCH

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-End-