

HOUSE BILL 664

IN THE HOUSE

February 8, 1979

Introduced and referred to Committee  
on State Administration.

February 19, 1979

Committee recommend bill, do not pass.

February 20, 1979

Report adopted.

1 HOUSE BILL NO. 664  
 2 INTRODUCED BY [Signature]

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MINIMUM  
 5 PAYMENTS TO CERTAIN RETIRED PATROLMEN AND BENEFICIARIES WHO  
 6 WERE RECEIVING PAYMENTS FROM THE MONTANA HIGHWAY PATROLMEN'S  
 7 RETIREMENT SYSTEM PRIOR TO JULY 1, 1977; TO PROVIDE FOR THE  
 8 FUNDING REQUIRED TO MAKE THE ADDITIONAL PAYMENTS NECESSARY  
 9 TO MEET THIS MINIMUM; AND PROVIDING AN IMMEDIATE EFFECTIVE  
 10 DATE."

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

13 Section 1. Supplement to certain retirement  
 14 allowances. (1) The retirement allowance for each fiscal  
 15 year, commencing with the fiscal year beginning July 1,  
 16 1979, to the retired patrolmen and beneficiaries described  
 17 in subsection (2) may not be less than the amount that would  
 18 have been received if the final salary used in calculating  
 19 the retirement allowance were equal to the base salary paid  
 20 in the previous fiscal year to newly confirmed patrolmen.

21 (2) On or before April 1 of each year, the department  
 22 shall make a report to the state auditor including the  
 23 following information:

24 (a) the names of all retired patrolmen and  
 25 beneficiaries who are receiving payments from the Montana

1 highway patrolmen's retirement system as of the date of the  
 2 report, were receiving such payments prior to July 1, 1977,  
 3 and were eligible for cost of living increases granted under  
 4 section 1, Chapter 349, Laws of 1975;

5 (b) the estimated amount of the payments to be made to  
 6 each such patrolman or beneficiary during the following  
 7 fiscal year without considering any increase granted by this  
 8 section; and

9 (c) the amount of the payments that would be made to  
 10 each such patrolman or beneficiary during the following  
 11 fiscal year if the final salary used in calculating the  
 12 retirement allowance were equal to the base salary paid in  
 13 the current fiscal year to newly confirmed patrolmen.

14 (3) The state auditor shall, upon receipt of the  
 15 report referred to in subsection (2), compute the difference  
 16 between the amount reported under subsection (2)(c) and the  
 17 amount reported under subsection (2)(b). The difference  
 18 shall be paid by the state auditor out of the premium tax  
 19 collected on insurance, as provided in 33-2-705, to the  
 20 department no later than May 31 of the year in which the  
 21 report was made.

22 (4) The department shall deposit funds received under  
 23 subsection (3) to the credit of the account. The funds  
 24 shall be used to supplement the retirement allowances of  
 25 patrolmen and beneficiaries described in subsection (2)(a)

1 so that the requirements of subsection (1) are met.

2 Section 2. Initial report and payments. In calendar  
3 year 1979, the report to be made by the department shall be  
4 made 30 days after passage and approval of this act, and the  
5 state auditor shall make his calculations and remit the  
6 appropriate funds to the department within 30 days after his  
7 receipt of the report.

8 Section 3. Codification. Section 1 is intended to be  
9 codified as an integral part of Title 19, chapter 6, and the  
10 provisions contained in Title 19, chapter 6, apply to  
11 section 1.

12 Section 4. Effective date. This act is effective on  
13 passage and approval.

-End-

## STATE OF MONTANA

REQUEST NO. 306-79

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 15, 19 79, there is hereby submitted a Fiscal Note for House Bill 664 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:

This bill apparently provides for pension benefits that presently are not being made. The amount would increase each year, because the calculation is based on the salary of a newly confirmed Highway Patrolman, until the recipients and beneficiaries begin to expire.

## ASSUMPTIONS:

1. The amount of benefits necessary were estimated by PERS and their calculations were accepted for that purpose.
2. An additional employee and related support costs will be required in the State Auditor's Office.

## FISCAL IMPACT:

	<u>FY80</u>	<u>FY81</u>
Additional General Fund requirement		
Personal services	\$12,200	\$13,000
Operating costs	2,800	2,050
Equipment	1,500	0
Benefits and claims	<u>222,247</u>	<u>235,581</u>
	<u>\$238,747</u>	<u>\$250,631</u>

General Fund revenue would be decreased by \$238,747 for the first year expenditures and by \$250,631 for the second year expenditures. This bill is effective upon passage and approval and requires the first distribution of funds within 60 days. Therefore, the first distribution could be required as early as FY 1979 from the General Fund. If this bill does not become effective soon enough for that, then two years amounts would be distributed from the FY 1980 General Fund as a catch-up effect. Thereafter, one distribution from General Fund revenue would be made annually and the amount would be expected to increase for up to fifteen (15) years.

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BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/19/79