CHAPTER NO. 348____.

SENATE BILL NO. 156

INTRODUCED BY STORY

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

January 18, 1979 Introduced and referred to Committee on State Administration. January 19, 1979 Fiscal note requested. January 24, 1979 Fiscal note returned. February 14, 1979 Committee recommend bill do pass as amended. Report adopted. February 15, 1979 Printed and placed on members' desks. Statement of Intent February 16, 1979 distributed prior to second reading. Second reading, do pass. Considered correctly engrossed. February 17, 1979 Third reading, passed. February 19, 1979 Transmitted to second house. IN THE HOUSE Introduced and referred to February 20, 1979 Committee on State Administration. Committee recommend bill March 8, 1979 be concurred in. Report

March 12, 1979 Second reading, concurred in.

March 15, 1979

adopted.

Third reading, concurred in.

IN THE SENATE

March 16, 1979

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Returned from second house. Concurred in. Sent to enrolling.

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Reported correctly enrolled.

LC 0257/01

Starter BILL NO. 156 1 INTRODUCED BY 2 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION 3 A BILL FOR AN ACT ENTITLED: PAN ACT TO REVISE AND CLARIFY 5 THE PROCEDURE EMPLOYERS IN THE PUBLIC EMPLOYEES* RETIREMENT 6 7 SYSTEM MUST FOLLOW IN PROVIDING MONTHLY REPORTS AND MONTHLY 8 DEPOSITS OF CONTRIBUTIONS TO THE SYSTEM; TO PROVIDE A 9 PENALTY FOR LATE DEPOSITS; AND AMENDING SECTIONS 19-3-802 10 AND 19-3-804. MCA.*

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 13 Section 1. Section 19-3-802, MCA, is amended to read: 14 #19-3-802. Payment of state contributions by state 15 agencies -- accompanying reports -- penalty. (1) No later than the 10th day of each month, each-departmenty-boardy 16 17 commissiony--bureauy--or--other--agency--of--the-state-shall 18 certify to the state auditor and each agency of the state 19 which is not paid through the state central payroll system shall remit to the public employees* retirement system all 20 contributions required of the -- unit each employer and its 21 employees under this chapter on the basis of compensation 22 23 paid during the previous month, including any contributions 24 payable with respect to members absent in the armed forces 25 of the United States. The-state-auditor-shell-thereupon-drew

1 a--warrant--upon--the-state-treasurer-for-the-contributions. ~ The-worrant-sholl-be-drawn-to-the-credit-of--the--retirement з fund---on---the---funds--oppropriated--to--the--unity Ihese remittances shall be accompanied by such reports as the 5 board requires. (2) The board may collect payments delinquent under 6 7 subsection (1) with an interest nenalty at the rate of 92 a 8 year or \$10 a day, whichever is greater, from the appropriation account of the reporting agency by submission Q 10 of a claim to the state treesurer. The board may, in its 11 discretion, waive the interest penalty." 12 Section 2. Section 19-3-804, NCA, is amended to read: 13 #19-3-804. Payment of contributions by contracting 14 exployer == accompanying reports == penalty. Setween-the-1st and-20th (1) No later than the 10th day of each month, each 15 16 contracting employer shall remit to the public employees* 17 retirement system all contributions required of the employer 18 and its employees under this chapter on the basis of 19 compensation paid during the previous month. These 20 remittances shall be accompanied by such reports as are 21 required-by-rules-of the board requires. 22 (2) The board may collect payments delinquent under 23 subsection (1) with an interest penalty at the rate of 9% a 24 year or \$10 a day, whichever is greater. The board may, in its discretion, waive the interest penalty. The collection 25 -2-INTRODUCED BILL

LC 0257/01

- 1 may be made by either of the following means:
- 2 (a) by an action therefor in a court of competent
- 3 jurisdiction against the employer:
- 4 (b) by deductions, at the request of the board, from
- 5 any other money payable to the employer by any accency or
- 6 fund of the state."

-End-

STATE OF MONTANA

Request No. 47-79

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>January 19, 1979</u>, there is hereby submitted a Fiscal Note for <u>Senate Bill 156</u> 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:

Senate Bill 156 is an act clarifying present monthly statutory employer reporting and depositing procedures and defining penalties for noncompliance of these reporting procedures.

ASSUMPTIONS:

- 1. The penalty will be assessed only to secure compliance, not as revenue.
- 2. Approximately 100 delinquent agencies out of 350 reporting would report currently due to the compliance penalty.
- 3. The current level interest loss averages \$100 per day on \$465,000 delinquent deposits using October, 1978, as a basis.

FISCAL IMPACT:

Interest earnings on delinquent accounts Under current law Under proposed law	\$ -0- <u>36,000</u>	\$ -0- _39,600
Additional interest earnings under proposed law	\$36,000	\$39,600

The additional revenue will be deposited into the P.E.R.S. agency account.

COMMENTS:

Enactment of S.B. 156 will provide incentive for agencies to report and permit employees to receive their refunds and retirement benefits in a more expeditious manner.

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BUDGET DIRECTOR Office of Budget and Program Planning Date: //24/79

STATEMENT	OF	INTENT	RE:	SB	156
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A statement of intent is included with this Bill
because the Committee felt that there is a need to clarify
the conditions under which an interest penalty may be
waived. This pertains to Section 1, subsection (2) and
Section 2, subsection (2), of Senate Bill No. 156.
1. When an agency or contracting employer requests a

10 time extension upon a showing of good faith effort or 11 because of circumstances beyond their control, the board 12 will grant a reasonable extension of time without penalty. 13 Adopted by the SENATE COMMITTEE ON STATE ADMINISTRATION 14 on February 14, 1979.

SB 156

SB 0156

Approved by Committee on State Administration

1	SENATE BILL NO. 156
2	INTRODUCED BY STORY
3	BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4	

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE AND CLARIFY 6 THE PROCEDURE EMPLOYERS IN THE PUBLIC EMPLOYEES' RETIREMENT 7 SYSTEM MUST FOLLOW IN PROVIDING MONTHLY REPORTS AND MONTHLY 8 DEPOSITS OF CONTRIBUTIONS TO THE SYSTEM; TO PROVIDE A 9 PENALTY FOR LATE DEPOSITS; AND AMENDING SECTIONS 19-3-802 10 AND 19-3-804, MCA."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 19-3-802, MCA, is amended to read: 13 *19-3-802. Payment of state contributions by state 14 agencies -- accompanying reports -- penalty- (1) No later 15 than the 19th 15IH day of each month OR 5 NORKING DAYS AFIER 16 PAYROLL WARRANTS HAVE BEEN ISSUED FOR THE LAST NORMAL PAY 17 PERIOD OF THE PREVIOUS MONTH: WHICHEVER IS LATER. each 18 departmenty-boardy-commissiony-bureauy-or-other-agency-of 19 20 the-state-shall-certify-to the state auditor and each agency of the state which is not paid through the state central 21 22 payroll_system_shall_remit_to_the_public__employees* retirement_system all contributions required of the-unit 23 each employer and its employees under this chapter on the 24 basis of compensation paid during the previous month, 25

1	including any contributions payable with respect to members
Z	absent in the armed forces of the United States. The-state
3	auditor-shailtheraupondrawawarrantuponthestate
4	treasurer-for-the-contributionsuThe-werrant-shail-be-drawn
5	tothecreditoftheretirementfundonthefunds
6	appropriatedtotheunity <u>These_remittances_shallbe</u>
7	accompanied by such reports as the board requires.
8	121_The board may collect payments delinquent under
9	subsection_(ll_with_an_interest_penalty_at_the_rate_of_9%a
10	year or \$10 a days whichever is greaters from the
11	appropriation account of the reporting agency by submission
12	<u>of_a_claim_to_tbm_state_treasurers_Tbm_board_mays_in_its</u>
13	discretions_waive_the_interest_penalty."
14	Section 2. Section 19-3-804, MCA, is amended to read:
15	#19-3-804. Payment of contributions by contracting
16	employer <u>==_accompanying_reports ==_penalty</u> . Between-the-ist
17	and-20th []] No later than the 19th 1518 day of each month.
18	each contracting employer shall remit to the public
19	employees' retirement system all contributions required of
20	the employer and its employees under this chapter on the
21	basis of compensation paid during the previous month. These
22	remittances shall be accompanied by such reports as are
23	<pre>required-by-rules-of ARE_REQUIREQBYBULESQE the board</pre>
24	requires.

25 <u>(2) The board may collect payments delinquent under</u>

-2- SECOND READING

L	subsection_[1]_with_an_interest_penalty_at_the_rate_of_9%_a
2	<u>year_or_\$10_a_days_whichever_is_preaters_The_board_mays_in</u>
3	its_discretions_waive_the_interest_penaltysThecollection
4	<u>may be made by either of the following means:</u>
5	<u>fal_by_an_action_therefor_in_a_court_of_competent</u>
6	jurisdiction_against_the_employer:
7	<u>ibl_by_deductions.at_the_request_of_the_boardfrom</u>
8	any_other_eoney_payable_to_the_employer_by_any_agency_or
9	fund_of_tbe_states"

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SB 156

STATEMENT OF INTENT RE: SB 156

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9 1. When an agency or contracting employer requests a 10 time extension upon a showing of good faith effort or 11 because of circumstances beyond their control. the board 12 will grant a reasonable extension of time without penalty. 13 Adopted by the SENATE COMMITTEE ON STATE ADMINISTRATION 14 on February 14, 1979.

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6	THE PRUGEDURE EMPLOYERS IN THE PUBLIC EMPLOYEES RETIREMENT
7	SYSTEM MUST FOLLOW IN PROVIDING MONTHLY REPORTS AND MONTHLY
8	DEPOSITS OF CONTRIBUTIONS TO THE SYSTEM; TO PROVIDE A
9	PENALTY FOR LATE DEPOSITS; AND AMENDING SECTIONS 19-3-802
10	AND 19-3-804, NCA."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 19-3-802, MCA, is amended to read:
14	"19-3-802. Payment of state contributions <u>by state</u>
15	agenciesaccompanying reportspepalty. (1) No later
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17	PAYBOLL WARRANTS HAVE BEEN ISSUED FOR THE LAST NORMAL PAY
18	PERIOD_OF_IHE_PREVIOUS_MONTHWHICHEVER_IS_LAIER, each
19	department y-boardy-commissiony-bureouy-orotheragencyof
20	the-state-shell-certify-to the state auditor <u>and each agency</u>
21	ofthestatewhichis_not_paid_through_the_state_central
22	payroli_system_shall_remit_to_the_publicemployees*
23	ratirement_system all contributions required of the-unit
24	<u>each_employer</u> and its employees under this chapter on the
25	basis of compensation paid during the previous month.

1 including any contributions payable with respect to members 2 absent in the armed forces of the United States. The-state 3 auditor-sheil--thereupon--draw-se-warrant--upon--the--state 4 treasurer-for-the-contributions--The-worrent-sheit-be-drawn 5 to---the---credit--of--the--retirement--fund--on--the--funds 6 appropriated-to-the--unity Iness_remittances_shall__be 7 accompanied by such reports as the board requires. 8 121 The board may collect payments delinquent under 9 subsection (1) with an interest genalty at the rate of 9% a 10 year___or__\$10__s__days__whichever__is__preaters__from_the 11 appropriation account of the reporting agency by submission 12 of a claim to the state treasurer. The board mays in its 13 discretion, waive the interest genalty." 14 Section 2. Section 19-3-804, NCA, is amended to read: 15 *19-3-804. Payment of contributions by contracting 16 employer ____accompanying reports -- penalty. Between-the-ist 17 end-20th [1] No later than the 19th 151H day of each month, each contracting employer shall remit to the public 18 19 employees* retirement system all contributions required of the employer and its employees under this chapter on the 20 21 basis of compensation paid during the previous month. These 22 remittances shall be accompanied by such reports as are 23 required-by-rules-of ARE_REQUIRED_BY_RULES_OF the board 24 requires. 25

12) The board may collect payments delinquent under

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SB 156

THIRD READING

SB 156

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- 1 subsection_fll_with an interest penalty at the rate of 9% a
- 2 year or \$10 a days whichever is greater. The board mays in
- 3 its discretions waive the interest penalty. The collection
- 4 may be made by either of the following means:
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-End-

SB 156

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STATEMENT OF INTENT RE: SB 156

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SB 0156/03

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SB 156

REFERENCE BILL

SB 0156/03

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2 year_or_\$10_a_days_whichever_is_greaters_The_board_mays_in 3 its_discretions_waive_the_interest_penaltys__Ihe__collection may be made by either of the following means: 4 5 ial by an action therefor in a court of competent jurisdiction_against_the_employer: 6 7 (b)_by_deductionss_at_the_request_of_the_boards__from 8 any_other_money_payable_to_the_employer_by_any_agency_or 9 fund_of_the_states"

subsection (1) with an interest penalty at the rate of 9% a

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-End-

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