House Bill 365

In The House

January 20, 1981	Introduced and referred to Committee on Eudcation.
January 23, 1981	Fiscal note requested.
January 28, 1981	Fiscal note returned.
February 6, 1981	Committee recommend bill do not pass.

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1, apply to section 1.

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coverage.

1	HOUSE BILL NO. 365
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4	A BILL FOR AN ACT ENTITLED: MAN ACT PROVIDING FOR
5	TERMINATION OF SOCIAL SECURITY COVERAGE FOR SCHOOL DISTRICT
6	EXPLOYEES.*
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8	SE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
	Section 1. Termination of social security coverage.
10	(1) Upon the request of a member of the board of trustees or
11	a person employed by the school district for 2 or more
12	years, the board of trustees of a school district that has
13	provided social security coverage for 5 or more years shall
14	adopt a resolution requesting the governor to authorize a

(2) Upon receipt of a certified copy of the resolution, the governor, in his discretion, may authorize a referendum and designate an agency or individual to supervise the referendum process among employees of the school district.

referendum to permit employees within the school district who are covered by social security to terminate this

23 (3) All employees of the school district who are 24 covered by social security at the time of the referendum are 25 entitled to vote.

1 (4) If the results of the referendum show that a 2 majority of the persons eligible to vote favored termination of their social security coverage, the public employees* 3 retirement board, as the state agency charged with the administration of the social security program, shall give 5 notice to the secretary of health and human services of the 7 United States that its agreement for extending social security coverage to the employees of the school district will be terminated effective at the end of the calendar 10 quarter next following the second anniversary of the date of 11 receipt of such notice by the secretary or his delegate. 12 Section 2. Codification instruction. Section 1 is

-End-

intended to be codified as an integral part of Title 19,

chapter 1, part 8, and the provisions of Title 19, chapter

STATE OF MONTANA

REQUEST NO. 202-81

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>January 23</u> , 19 <u>81</u> , there is hereby submitted a Fiscal Note		
for House Bill 365 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).		
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

A bill to provide for the termination of social security coverage for school district employees

Fiscal Impact

None.

Local Impact

In FY 1979, school districts reported expenditures for Social Security totaling \$12 million. With inflation and changes in Social Security rates, this total will increase to approximately \$15 million per fiscal year. If school districts stop paying this amount, the employees would probably request other forms of compensation.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-28-81