

HOUSE BILL NO. 520

INTRODUCED BY BARDANOUE

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

IN THE HOUSE

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| January 27, 1981 | Introduced and referred to Committee on State Administration. |
| February 9, 1981 | Committee recommend bill do pass. Report adopted. |
| February 10, 1981 | Bill printed and placed on members' desks. |
| February 12, 1981 | Second reading, do pass. |
| February 13, 1981 | Considered correctly engrossed. |
| February 14, 1981 | Third reading, passed. Ayes, 38; Noes, 0. Transmitted to Senate. |

IN THE SENATE

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| February 16, 1981 | Introduced and referred to Committee on State Administration. |
| March 19, 1981 | Committee recommend bill be concurred in. Report adopted. |
| March 21, 1981 | Second reading, concurred in. |
| March 24, 1981 | Third reading, concurred in. Ayes, 48; Noes, 0. |

IN THE HOUSE

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| March 25, 1981 | Returned from Senate. Concurred in. Sent to enrolling. Reported correctly enrolled. |
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HOUSE BILL NO. 520

INTRODUCED BY

B. Danow

BY REQUEST OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE AND CLARIFY THE SOCIAL SECURITY PROVISIONS RELATING TO SEPARATE STATE RETIREMENT SYSTEMS, REFERENDUM BY THE GOVERNOR, MANAGEMENT OF THE SOCIAL SECURITY ACCOUNT, AND COLLECTION OF DELINQUENT PAYMENTS; AMENDING SECTIONS 19-1-104, 19-1-301, 19-1-602, AND 19-1-706, MCA."

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

Section 1. Section 19-1-104, MCA, is amended to read:

"19-1-104. Retirement systems to be considered separate. (1) Pursuant to section 218(d)(6) of the Social Security Act, the public employees' retirement system of the state of Montana is, for the purposes of this chapter, considered a separate retirement system with respect to the state and a separate retirement system with respect to each political subdivision having positions covered thereby.

(2) Pursuant to section 218(p)(1) of the Social Security Act, ~~the Montana judges' retirement system, the sheriffs' retirement system, the Montana state game wardens' retirement system,~~ the highway patrolmen's retirement system of the state of Montana, the public employees' retirement

system of the state of Montana, and each municipal police retirement fund and each city participating in the municipal police officers' retirement system are, for the purposes of this chapter, considered separate retirement systems with respect to the state and separate retirement systems with respect to each political subdivision having positions covered thereby."

Section 2. Section 19-1-301, MCA, is amended to read:

"19-1-301. Authorization of referendum by governor.

~~With respect to employees-of-the-state--other--than--highway patrolmen--and-with-respect-to-highway-patrolmen,~~ members of the public employees', highway patrolmen's, judges', and game wardens' retirement systems, the governor is empowered to authorize a referendum, and with respect to the employees of any political subdivision, he shall authorize a referendum upon the request of the governing body of the subdivision."

Section 3. Section 19-1-602, MCA, is amended to read:

"19-1-602. Management of account. (1) All moneys in the account shall be mingled and undivided.

(2) Subject to the provisions of this chapter, the state agency is vested with full power, authority, and jurisdiction over the account, including all moneys and property or securities belonging thereto. It may perform any and all acts, whether or not specifically designated, which

INTRODUCED BILL

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1 are necessary to the administration of the account and are
2 consistent with the provisions of this chapter.

3 (3) The board of investments shall invest the account
4 in investments of the same character as are permitted by
5 17-6-211 for the investment of moneys in the long-term
6 investment fund. The state agency shall credit all interest
7 and income earned on the account in excess of that which, in
8 its judgment, may be needed for the purposes set forth in
9 19-1-603 to the ~~earmarked-revenue-fund-or~~ funds of the state
10 agency, to be used by it either to defray the costs of
11 administering the state agency ~~or-for-distribution-pro-rata~~
12 ~~to---the---contributing---state---departments,---political~~
13 ~~subdivisions, school-districts, and instrumentalities,~~ as it
14 may determine."

15 Section 4. Section 19-1-706, MCA, is amended to read:

16 "19-1-706. Collection of delinquent payments from
17 political subdivision. ~~(1) The purpose of this section is to~~
18 ~~encourage compliance with the federal deposit and reporting~~
19 ~~procedures, not to produce revenue. Therefore, the state~~
20 ~~agency may waive part or all of the interest penalty when,~~
21 ~~in the opinion of the board, a reasonable explanation has~~
22 ~~been submitted in writing by the political subdivision.~~

23 (2) Delinquent payments due under 19-1-704 may, with
24 interest at the rate of 6% ~~9%~~ a year, ~~or \$10 per day,~~
25 ~~whichever is greater,~~ be recovered by action in a court of

1 competent jurisdiction against the political subdivision
2 liable therefor or may, at the request of the state agency,
3 be deducted from any other moneys payable to the subdivision
4 by any department, agency, or fund of the state.*

-End-

Approved by Committee
on State Administration

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6 THE SOCIAL SECURITY PROVISIONS RELATING TO SEPARATE STATE
7 RETIREMENT SYSTEMS, REFERENDUM BY THE GOVERNOR, MANAGEMENT
8 OF THE SOCIAL SECURITY ACCOUNT, AND COLLECTION OF DELINQUENT
9 PAYMENTS; AMENDING SECTIONS 19-1-104, 19-1-301, 19-1-602,
10 AND 19-1-706, MCA."

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

13 Section 1. Section 19-1-104, MCA, is amended to read:

14 "19-1-104. Retirement systems to be considered
15 separate. (1) Pursuant to section 218(d)(6) of the Social
16 Security Act, the public employees' retirement system of the
17 state of Montana is, for the purposes of this chapter,
18 considered a separate retirement system with respect to the
19 state and a separate retirement system with respect to each
20 political subdivision having positions covered thereby.

21 (2) Pursuant to section 219(p)(1) of the Social
22 Security Act, ~~the Montana judges' retirement system, the~~
23 ~~sheriffs' retirement system, the Montana state game wardens'~~
24 ~~retirement system,~~ the highway patrolmen's retirement system
25 of the state of Montana, the public employees' retirement

1 system of the state of Montana, and each municipal police
2 retirement fund and each city participating in the municipal
3 police officers' retirement system are, for the purposes of
4 this chapter, considered separate retirement systems with
5 respect to the state and separate retirement systems with
6 respect to each political subdivision having positions
7 covered thereby."

8 Section 2. Section 19-1-301, MCA, is amended to read:

9 "19-1-301. Authorization of referendum by governor.
10 With respect to ~~employees of the state other than highway~~
11 ~~patrolmen and with respect to highway patrolmen, members of~~
12 ~~the public employees', highway patrolmen's, judges', and~~
13 ~~game wardens' retirement systems,~~ the governor is empowered
14 to authorize a referendum, and with respect to the employees
15 of any political subdivision, he shall authorize a
16 referendum upon the request of the governing body of the
17 subdivision."

18 Section 3. Section 19-1-602, MCA, is amended to read:

19 "19-1-602. Management of account. (1) All moneys in
20 the account shall be mingled and undivided.

21 (2) Subject to the provisions of this chapter, the
22 state agency is vested with full power, authority, and
23 jurisdiction over the account, including all moneys and
24 property or securities belonging thereto. It may perform any
25 and all acts, whether or not specifically designated, which

1 are necessary to the administration of the account and are
2 consistent with the provisions of this chapter.

3 (3) The board of investments shall invest the account
4 in investments of the same character as are permitted by
5 17-6-211 for the investment of moneys in the long-term
6 investment fund. The state agency shall credit all interest
7 and income earned on the account in excess of that which, in
8 its judgment, may be needed for the purposes set forth in
9 19-1-603 to the ~~earmarked-revenue-fund-or~~ funds of the state
10 agency, to be used by it ~~either~~ to defray the costs of
11 administering the state agency ~~or-for-distribution-pre-rate~~
12 ~~to---the---contributing---state---departments,---political~~
13 ~~subdivisions, school-districts, and instrumentalities,~~ as it
14 may determine."

15 Section 4. Section 19-1-706, MCA, is amended to read:

16 "19-1-706. Collection of delinquent payments from
17 political subdivision. (1) The purpose of this section is to
18 encourage compliance with the federal deposit and reporting
19 procedures, not to produce revenue. Therefore, the state
20 agency may waive part or all of the interest penalty when,
21 in the opinion of the board, a reasonable explanation has
22 been submitted in writing by the political subdivision.

23 (2) Delinquent payments due under 19-1-704 may, with
24 interest at the rate of 6% ~~2%~~ a year, or \$10 per day,
25 whichever is greater, be recovered by action in a court of

1 competent jurisdiction against the political subdivision
2 liable therefor or may, at the request of the state agency,
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4 by any department, agency, or fund of the state."

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Section 2. Section 19-1-301, MCA, is amended to read:

"19-1-301. Authorization of referendum by governor. With respect to ~~employees-of-the-state--other--than--highway patrolmen--and-with-respect-to-highway-patrolmen,~~ members of the public employees', highway patrolmen's, judges', and game wardens' retirement systems, the governor is empowered to authorize a referendum, and with respect to the employees of any political subdivision, he shall authorize a referendum upon the request of the governing body of the subdivision."

Section 3. Section 19-1-602, MCA, is amended to read:

"19-1-602. Management of account. (1) All moneys in the account shall be mingled and undivided.

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1 are necessary to the administration of the account and are
2 consistent with the provisions of this chapter.

3 (3) The board of investments shall invest the account
4 in investments of the same character as are permitted by
5 17-6-211 for the investment of moneys in the long-term
6 investment fund. The state agency shall credit all interest
7 and income earned on the account in excess of that which, in
8 its judgment, may be needed for the purposes set forth in
9 19-1-603 to the ~~earmarked-revenue-fund-or~~ funds of the state
10 agency, to be used by it either to defray the costs of
11 administering the state agency ~~or-for-distribution-pro-rata~~
12 ~~to---the---contributing---state---departments,---political~~
13 ~~subdivisions, school districts, and instrumentalities,~~ as it
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18 ~~encourage compliance with the federal deposit and reporting~~
19 ~~procedures, not to produce revenue. Therefore, the state~~
20 ~~agency may waive part or all of the interest penalty when,~~
21 ~~in the opinion of the board, a reasonable explanation has~~
22 ~~been submitted in writing by the political subdivision.~~

23 (2) Delinquent payments due under 19-1-704 may, with
24 interest at the rate of ~~6% 9%~~ a year, ~~or \$10 per day,~~
25 ~~whichever is greater,~~ be recovered by action in a court of

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