

HOUSE BILL NO. 622

Introduced: 02/03/83

Referred to Committee on Local Government: 02/03/83

Hearing: 2/15/83

Died in Committee

1 House BILL NO. 622
2 INTRODUCED BY Raymond J. Brumbaugh
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING EMPLOYER
5 CONTRIBUTIONS BY CITIES AND COUNTIES TO THE SHERIFFS',
6 MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED
7 RETIREMENT SYSTEMS BY REQUIRING THAT THE AMOUNT DUE FROM
8 THESE EMPLOYERS BE PAID BY THE STATE THROUGH INSURANCE
9 PREMIUM TAXES; REMOVING AN EMPLOYER'S TAXING AUTHORITY FOR
10 THE PURPOSE OF MAKING CONTRIBUTIONS TO THESE RETIREMENT
11 SYSTEMS; AMENDING SECTIONS 19-7-101, 19-7-402, 19-7-407,
12 19-9-104, 19-9-502, 19-9-503, 19-9-505, 19-9-701, 19-9-702,
13 19-9-705, 19-9-706, 19-9-1004, 19-13-503, 19-13-505,
14 19-13-604, AND 19-13-607, MCA; REPEALING SECTIONS 19-7-404,
15 19-9-703, 19-9-704, 19-13-605, AND 19-13-606, MCA; AND
16 PROVIDING AN EFFECTIVE DATE."
17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
19 NEW SECTION. Section 1. State contribution. The state
20 shall make its contributions through the state auditor from
21 the premium taxes on the insurance risks enumerated in
22 19-11-512. These payments must be made annually to the
23 administrator after the end of each fiscal year but no later
24 than September 1 from the gross premium taxes after
25 deduction for cancellations and returned premiums. The

1 administrator shall notify the auditor of the annual
2 compensation paid to all active members during the preceding
3 year. The state's contribution is 7.62% of this
4 compensation. As soon as practicable after receipt of the
5 state contribution, the administrator shall deposit it with
6 the state treasurer.

7 Section 2. Section 19-7-101, MCA, is amended to read:
8 "19-7-101. Definitions. Unless the context requires
9 otherwise, the following definitions apply in this chapter:

10 (1) "Account" means the Montana sheriffs' retirement
11 account administered by the sheriffs' retirement board.

12 (2) "Accumulated contributions" or "accumulated
13 deductions" means the total amount deducted from the salary
14 of a member during a period of membership service plus the
15 total amount deducted during a period of prior service and
16 transferred from the public employees' retirement system
17 standing to the member's credit in the account, together
18 with the accrued interest.

19 (3) "Actuarial equivalent" means a benefit of equal
20 value when computed upon the basis of the actuarial tables
21 in use by the system.

22 (4) "Beneficiary" means a person who is nominated by
23 the member in an acknowledged document which is filed with
24 the board.

25 (5) "Board" means the sheriffs' retirement board. The

1 board shall consist of five persons who shall be the same
2 persons that comprise the public employees' retirement
3 board.

4 (6) "Creditable service" means the aggregate of all of
5 a member's current and prior service.

6 (7) "Final salary" means the average annual salary
7 received by a member, before any deductions are made and
8 exclusive of maintenance, allowances, and expenses, for any
9 3 years of continuous service from which contributions were
10 deducted or, in the event that a member has not served 3
11 years, the total salary earned divided by the number of
12 years served. Lump-sum payments for sick leave and annual
13 leave paid to an employee upon termination of employment may
14 be used in the calculation of a retirement allowance only to
15 the extent that they are used to replace, on a month for
16 month basis, the normal compensation for a month or months
17 included in the calculation of the final salary. A lump-sum
18 payment may not be added to a single month's compensation.

19 (8) "Member" means any person who has accumulated
20 deductions in the account to his credit.

21 (9) "Member's annuity" means payments for life derived
22 from contributions made by the member while employed.

23 (10) "Membership service" means service for which an
24 amount is deducted from the salary of a member and paid into
25 the account.

1 (11) "Prior service" means service for which credit was
2 granted by the public employees' retirement system of the
3 state of Montana.

4 (12) "Retired sheriff" means a person receiving a
5 retirement allowance under this chapter.

6 (13) "Retirement allowance" means the state annuity
7 plus the member's annuity.

8 (14) "Service" means employment as a sheriff.

9 (15) "Sheriff" means any elected or appointed county
10 sheriff, undersheriff, or regularly appointed and acting
11 deputy sheriff.

12 (16) "State annuity" means payments for life derived
13 from county contributions ~~into made before July 1, 1983, and~~
14 ~~state contributions made on or after July 1, 1983, to~~ the
15 sheriffs' retirement account, together with any supplemental
16 legislative appropriations to the account.

17 (17) "Vested retirement" means a retirement not for
18 cause and before retirement age."

19 Section 3. Section 19-7-402, MCA, is amended to read:

20 "19-7-402. Sources of money in the account. The
21 following money shall be paid to the board, which shall
22 credit such payments to the sheriffs' retirement system
23 account:

24 (1) all accumulated deductions paid into the public
25 employees' retirement system by any sheriff during any

1 period of prior service, as defined in this chapter; plus
 2 (2) all contributions paid into the public employees'
 3 retirement system coincident with such accumulated
 4 deductions by the state of Montana or any county or city;
 5 (3) all contributions by the ~~various-counties state~~ as
 6 required by this chapter;
 7 (4) all contributions by sheriffs as defined in this
 8 chapter;
 9 (5) all interest on and increase of the investments
 10 and moneys under this chapter;
 11 (6) any supplemental appropriation or revenue from a
 12 source or sources approved by the legislature or money
 13 received directly from the federal government for funding of
 14 law enforcement retirement systems."

15 Section 4. Section 19-7-407, MCA, is amended to read:
 16 "19-7-407. Transfer of dormant accumulated deductions.
 17 The board may, in its discretion, transfer the accumulated
 18 deductions of a member to the employer's ~~state's~~ account in
 19 the sheriffs' retirement account if the member's account has
 20 been dormant for a period of 10 years. However, no right of
 21 the member may be jeopardized by the transfer, and the
 22 accumulated deductions must be transferred back to the
 23 member's name upon his subsequent reentry into the system."

24 Section 5. Section 19-9-104, MCA, is amended to read:
 25 "19-9-104. Definitions. Unless the context requires

1 otherwise, the following definitions apply in this chapter:

2 (1) "Administrator" means the public employees'
 3 retirement division of the department of administration.

4 (2) "Base salary" means the sum of the monthly
 5 compensations for each month in a given calendar year.

6 (3) "Board" means the retirement board described in
 7 2-15-1009.

8 (4) "Credited service" means the aggregate of a
 9 member's prior service and membership service.

10 (5) "Employer" means any city which participated in a
 11 prior plan or which elects to join this plan under 19-9-107.

12 (6) "Employer State annuity" means monthly payments
 13 for life derived from employer and state contributions ~~made~~
 14 ~~before July 1, 1983, and from state contributions made on or~~
 15 ~~after July 1, 1983.~~

16 (7) "Final average salary" means the monthly
 17 compensation of a member, averaged over the last 36 months
 18 of his active service or, in the event he has not been a
 19 member that long, over the period of his membership.

20 (8) "Fund" means the agency account in the treasury
 21 system designated for the use of the plan.

22 (9) "Mandatory retirement date" means the first day of
 23 the month coinciding with or immediately following, if none
 24 coincides, the date on which a member attains age 65.

25 (10) "Member" means a person who is employed by an

1 employer as a police officer or who is entitled to a
2 retirement allowance by virtue of his service to an employer
3 as a police officer.

4 (11) "Member contributions" means the total of the
5 deductions from the compensation of a member, either made
6 during a period of active membership hereunder or made under
7 a prior plan and transferred to this plan, standing to his
8 credit, together with the interest thereon.

9 (12) "Member's annuity" means monthly payments for life
10 derived from member contributions.

11 (13) "Membership service" means a period of employment
12 with an employer occurring after June 30, 1977, during which
13 the withholdings required by this chapter have been made
14 from a member's monthly compensation and credited to his
15 member contributions account. Pro rata credit shall be
16 granted for employment on a part-time basis or for
17 employment over a period of less than a complete fiscal
18 year.

19 (14) "Minimum retirement date" or "normal retirement
20 date" means the first day of the month coinciding with or
21 immediately following, if none coincides, the date on which
22 a member becomes both age 50 or older and completes 20 or
23 more years of credited service.

24 (15) "Monthly compensation" means the wage, excluding
25 overtime, holiday payments, shift differential payments,

1 compensation time payments, and payments in lieu of sick
2 leave and annual leave, a member receives as an active
3 police officer.

4 (16) Any reference to "municipality", "city", or "town"
5 includes those jurisdictions which, prior to the effective
6 date of a county-municipal consolidation, were incorporated
7 municipalities, subsequent districts created for urban law
8 enforcement services, or the entire county included in the
9 county-municipal consolidation.

10 (17) "Plan" means the municipal police officers'
11 retirement system created by this chapter.

12 (18) "Police officer" means a law enforcement officer
13 employed by an employer.

14 (19) "Prior plan" means the local police reserve or
15 retirement fund of a city which elects to join the plan
16 under 19-9-107 or the statewide police reserve fund
17 administered by the department of administration in
18 accordance with Chapter 335, Laws of 1974.

19 (20) "Prior service" means a period of employment as a
20 police officer for which credit was granted to a member
21 under a prior plan and has been transferred to this plan.

22 (21) "Retirement allowance" means the employer's
23 annuity plus the member's annuity.

24 (22) "Retirement date" means the date on which the
25 first payment of the retirement, disability, or survivor

1 benefits of a member or a beneficiary is payable.

2 (23) "Totally and permanently disabled" means that the
3 board, upon certification by a licensed and practicing
4 physician, has determined that a member's disability is of
5 such a nature as to permanently impair his ability to
6 discharge his normal duties as a police officer."

7 Section 6. Section 19-9-502, MCA, is amended to read:

8 "19-9-502. Management of funds by department of
9 administration. Except as otherwise provided in this
10 chapter, the department of administration, through the
11 administrator and the board of investments, shall
12 administer, invest, account for, and treat the funds
13 deposited with it under this chapter in accordance with the
14 rules dealing with the public employees' retirement system,
15 insofar as such rules are not inconsistent with those
16 promulgated and adopted by the board. The contributions of
17 the state-employees and members paid to the administrator
18 under this chapter may be commingled for investment
19 purposes."

20 Section 7. Section 19-9-503, MCA, is amended to read:

21 "19-9-503. Unfunded liabilities. (1) It is found and
22 declared by the legislature that many cities operating under
23 prior plans have excess and unfunded liabilities under such
24 prior plans, which liabilities cannot be amortized by the
25 percentage contributions set forth in 19-9-702 and 19-9-703.

1 (2) The administrator shall, on or before October 1,
2 1977, determine the excess and unfunded liability of each
3 city which participates in the plan created by this chapter.
4 The determination of the administrator, in the absence of
5 fraud, abuse of discretion, or arithmetic error, is final
6 and binding on each city. Each city found by the
7 administrator to have an excess and unfunded liability under
8 a prior plan which as of July 1, 1977, is not funded by sums
9 on deposit or funds available for deposit with the
10 administrator shall pay an additional sum over a period of
11 time to amortize its excess liability as determined by the
12 administrator. If any city and the administrator are unable
13 by January 1, 1978, to negotiate and reduce to writing the
14 terms of an agreement satisfactory to both of them for the
15 city to amortize its excess liability, the administrator
16 shall require such city to pay an additional sum to amortize
17 its excess liability on July 1, 1977, over a period of not
18 more than 40 years.

19 (3) Each city found by the administrator to be paying
20 an amount in excess of the amount necessary to amortize its
21 liabilities under the prior plan and under this chapter
22 shall receive a credit in the accounts of the administrator
23 for any such excess payments.

24 (4) The excess unfunded liability for each city shall
25 be revaluated by the administrator on July 1, 1980, as part

1 of the normal actuarial valuations required in 19-9-504
 2 reflecting the change in the contribution rates made in
 3 19-9-601, 19-9-702, and 19-9-703, as amended by Chapter 375,
 4 Laws of 1979, and each city's funding position will be
 5 changed using the procedures of 19-9-107. The resulting
 6 report will be made available to the cities no later than
 7 October 1, 1980.

8 (5) If a majority of the cities participating in the
 9 municipal police officers' retirement system do not agree
 10 with the results of the revaluation outlined in subsection
 11 (4), they may, by mutual agreement of the cities, select a
 12 qualified actuary, as defined in 19-9-504, to perform a
 13 second actuarial valuation as of July 1, 1980, with the
 14 conclusions of the second actuarial valuation to replace the
 15 actuarial valuation discussed in subsection (4). The cost of
 16 the second actuarial valuation shall be paid by all cities
 17 participating in the system in proportion to their active
 18 membership in the system as of July 1, 1980.

19 (6) The time and method of settlement on the unfunded
 20 liability will be as agreed on by the administrator and the
 21 city. The minimum allowable payment must be equal to or
 22 greater than the interest due at the interest rate used in
 23 the actuarial study for the unfunded balance.

24 ~~(7) If, under an agreement negotiated between the~~
 25 ~~administrator and a city, the city is required to make~~

1 ~~payments on or after July 1, 1983, to amortize its excess~~
 2 ~~and unfunded liability under a prior plan, these payments~~
 3 ~~must be made by the state auditor from the premium taxes on~~
 4 ~~insurance risks enumerated in 19-11-512."~~

5 Section 8. Section 19-9-505, MCA, is amended to read:

6 "19-9-505. Transfer of dormant member account. The
 7 board may, in its discretion, transfer member contributions
 8 to the employer's state's account if the member's
 9 contribution account has been dormant for a period of 10
 10 years. No right of the member may be jeopardized by such a
 11 transfer, and the member contributions shall be transferred
 12 back to the member's name upon his subsequent reinstatement
 13 as a member."

14 Section 9. Section 19-9-701, MCA, is amended to read:

15 "19-9-701. Payment of employer-----and state
 16 contributions. Employer-and-state State contributions shall
 17 be paid to the administrator who shall, as soon as
 18 practicable after their receipt, deposit them with the state
 19 treasurer."

20 Section 10. Section 19-9-702, MCA, is amended to read:

21 "19-9-702. State contribution. The state of Montana
 22 shall make its contributions through the state auditor out
 23 of the premium tax on motor vehicle property and casualty
 24 insurance policies. Such payments shall be made annually
 25 after the end of each fiscal year but no later than

1 September 1 from the gross premium tax after deduction for
 2 cancellations and returned premiums. The administrator shall
 3 notify the auditor by April 1 of each year of the annual
 4 compensation paid to all active members during the preceding
 5 year, and the state's contribution shall be ~~14.04%~~ 28.08% of
 6 such compensation."

7 Section 11. Section 19-9-705, MCA, is amended to read:

8 "19-9-705. Other moneys credited as employer
 9 contributions. All gifts, bequests, or emoluments given to
 10 an employer or member for the benefit of the plan or because
 11 of any member's service as a police officer, except when
 12 specifically allowed to be retained by the member by his
 13 employer, and all moneys withheld from the monthly
 14 compensation of a member for violation of the rules of his
 15 employer shall be paid to the administrator. The
 16 administrator shall credit them to the fund and, as soon as
 17 practicable after their receipt, deposit them with the state
 18 treasurer. Such amounts are ~~employer state~~ contributions but
 19 are in addition to the amounts required by ~~19-9-703~~
 20 19-9-702."

21 Section 12. Section 19-9-706, MCA, is amended to read:

22 "19-9-706. Contributions based on disability
 23 compensation. (1) When an officer receives compensation
 24 under 7-32-4132, the member contributions for retirement
 25 required under 19-9-601 will be paid on the total

1 compensation received under 7-32-4132 and ~~the employer~~
 2 ~~contribution paid by the municipalities under 19-9-703,~~ and
 3 the state contribution under 19-9-702 shall include as part
 4 of the salaries paid to police officers all compensation
 5 received under 7-32-4132. The service represented by these
 6 contributions will be credited in the same manner as
 7 provided in 19-9-401.

8 (2) When an injured officer accepts a transfer under
 9 7-32-4136 to a nonpolice position within the municipality
 10 covered under 19-3-401, all service and contributions
 11 previously credited with the municipal police officers'
 12 retirement system shall be transferred from the municipal
 13 police officers' retirement system retirement account in the
 14 agency fund along with the interest to the public employees'
 15 retirement system agency fund. The employer contributions
 16 and interest transferred will be equal to the amount that
 17 would have been contributed had the transferred service been
 18 normal employment covered under the public employees'
 19 retirement system."

20 Section 13. Section 19-9-1004, MCA, is amended to
 21 read:

22 "19-9-1004. Board's authority to refuse to make
 23 payments. The board may revoke, refuse to grant, or suspend
 24 a member's annuity for disability or death caused by
 25 wrongful conduct. If the disability causing a member to

1 retire or the death of a member is directly and proximately
2 caused by the member's immoral or intemperate conduct or
3 gross negligence, the board may refuse to grant, revoke, or
4 suspend the employer state annuity."

5 Section 14. Section 19-13-503, MCA, is amended to
6 read:

7 "19-13-503. Unfunded liabilities. (1) The legislature
8 finds and declares that many cities operating under prior
9 plans have excess and unfunded liabilities, and the
10 liabilities cannot be amortized by the percentage
11 contributions set forth in this chapter.

12 (2) The administrator shall, on or before October 1,
13 1984, determine the excess and unfunded liability of each
14 city participating in the plan created by this chapter. The
15 ~~determination must be negotiated between each city and the~~
16 ~~administrator. Each~~ For each city determined by the
17 administrator to have an excess and unfunded liability under
18 a prior plan that, as of July 1, 1984, is not funded by sums
19 on deposit or funds available for deposit with the
20 ~~administrator, the state auditor~~ shall pay an additional sum
21 over a period of time ~~from the premium taxes on insurance~~
22 ~~risks enumerated in 19-11-512~~ to amortize its each city's
23 excess liability ~~as determined by agreement between the city~~
24 ~~and the administrator.~~

25 (3) ~~Each city determined by~~ If the administrator to be

1 ~~determines that the state auditor is~~ paying an amount in
2 excess of the amount necessary to amortize its each city's
3 liabilities under the prior plan and under this chapter
4 ~~shall receive as the administrator shall~~ credit in the
5 accounts of the administrator for the excess payments.

6 (4) For each city with an unfunded liability, any
7 portion of the ~~members' employers~~ and state contributions
8 that exceeds the amount necessary to maintain the current
9 level of unfunded liability must be applied to the reduction
10 of the unfunded liability."

11 Section 15. Section 19-13-505, MCA, is amended to
12 read:

13 "19-13-505. Transfer of dormant member account. The
14 board may, in its discretion, transfer member contributions
15 to the employer's ~~state's~~ account if the member's
16 contribution account has been dormant for a period of 10
17 years. No right of the member may be jeopardized by such a
18 transfer, and the member contributions shall be transferred
19 back to the member's name upon his subsequent reinstatement
20 as an active member."

21 Section 16. Section 19-13-604, MCA, is amended to
22 read:

23 "19-13-604. State contribution. The state shall make
24 its contributions through the state auditor from the premium
25 taxes on the insurance risks enumerated in 19-11-512. These

1 payments shall be made annually to the administrator after
 2 the end of each fiscal year but no later than September 1
 3 from the gross premium taxes after deduction for
 4 cancellations and returned premiums. The administrator shall
 5 notify the auditor of the annual compensation, excluding
 6 overtime, holiday payments, shift differential payments,
 7 compensatory time payments, and payments in lieu of sick
 8 leave, paid to all active members during the preceding year,
 9 ~~and effective duty-1-1-1981, the state's contribution is 12%~~
 10 ~~of this compensation. This the state's contribution shall~~
 11 ~~increase to 15% effective duty-1-1-1982, and to 18%~~
 12 ~~effective July 1, 1983, is 36% of this compensation.~~ As soon
 13 as practicable after receipt of the state contribution, the
 14 administrator shall deposit it with the state treasurer."

15 Section 17. Section 19-13-607, MCA, is amended to
 16 read:

17 "19-13-607. Other money credited as employer
 18 contributions. All gifts, bequests, and emoluments given to
 19 an employer or member for the benefit of the plan or because
 20 of any member's service as a firefighter, except when
 21 specifically allowed to be retained by the member by his
 22 employer, shall be paid to the administrator. The
 23 administrator shall credit them to the fund and, as soon as
 24 practicable after their receipt, deposit them with the state
 25 treasurer. Such amounts are employer state contributions but

1 are in addition to the amounts required by ~~19-13-605~~
 2 ~~19-13-604."~~

3 NEW SECTION. Section 18. Repealer. Sections 19-7-404,
 4 19-9-703, 19-9-704, 19-13-605, and 19-13-606, MCA, are
 5 repealed.

6 NEW SECTION. Section 19. Codification instruction.
 7 Section 1 is intended to be codified as an integral part of
 8 Title 19, chapter 7, part 4, and the provisions of Title 19,
 9 chapter 7, apply to section 1.

10 NEW SECTION. Section 20. Effective date. This act is
 11 effective July 1, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 323-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 19 83, there is hereby submitted a Fiscal Note for House Bill 622 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:

House Bill 622 is an act to fund existing city and county employer contributions and excess unfunded liability payments for the Sheriffs, Municipal Police Officers and Firefighters' Unified Retirement Systems from taxes collected on insurance premiums.

ASSUMPTIONS:

- 1) Recent monthly payroll reports plus projected salary increases were used to develop the fiscal impact for FY 84 and FY 85.
- 2) Projected costs are based upon a 40 year valuation period and assumes a 5½% increase in salaries beyond FY 85.
- 3) The existing unfunded liabilities will be assumed by the state.
- 4) The potential fiscal impact related to locally administered police and fire departments, which may elect to join the unified retirement system upon passing of this act, has not been calculated.

FISCAL IMPACT:

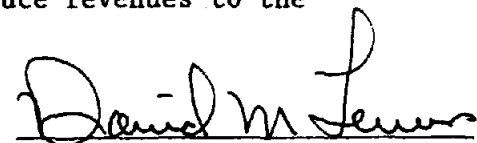
| | <u>FY 84</u> | <u>FY 85</u> |
|------------------------|--------------------|--------------------|
| <u>Sheriffs:</u> | | |
| Under Current Law | \$ -0- | \$ -0- |
| Under Proposed Law | 882,928 | 1,006,538 |
| Increase | <u>\$ 882,928</u> | <u>\$1,006,538</u> |
| <u>Police Officers</u> | | |
| Under Current Law | \$1,958,875 | \$2,108,560 |
| Under Proposed Law | 3,268,630 | 3,536,193 |
| Increase | <u>\$1,309,755</u> | <u>\$1,427,633</u> |
| <u>Firefighters:</u> | | |
| Under Current Law | \$2,375,038 | \$2,508,267 |
| Under Proposed Law | 3,906,947 | 4,132,091 |
| Increase | <u>\$1,531,909</u> | <u>\$1,623,824</u> |

The increased cost will be assumed by the state and will reduce revenues to the general fund in a like amount.

LOCAL IMPACT:

This bill will relieve county, city and town governments' general funds in employers' payroll contributions.

FISCAL NOTE 12:F/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-9-83

STATE OF MONTANA

REQUEST NO. 323-83

FISCAL NOTE

Revised Fiscal Note

Form BD-15

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DESCRIPTION OF PROPOSED LEGISLATION:

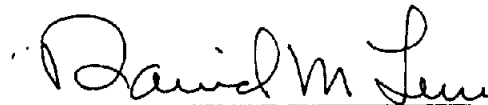
House Bill 622 is an act to fund existing city and county employer contributions and excess unfunded liability payments for the Sheriffs, Municipal Police Officers and Firefighters' Unified Retirement Systems from taxes collected on insurance premiums.

ASSUMPTIONS:

- 1) Recent monthly payroll reports plus projected salary increases were used to develop the fiscal impact for FY 84 and FY 85.
- 2) Projected costs are based upon a 40 year valuation period and assumes a 5½% increase in salaries beyond FY 85.
- 3) The existing unfunded liabilities will be assumed by the state.
- 4) The potential fiscal impact related to locally administered police and fire departments, which may elect to join the unified retirement system upon passing of this act, has not been calculated.

FISCAL IMPACT:

| | <u>FY 84</u> | <u>FY 85</u> |
|------------------------|--------------------|--------------------|
| <u>Sheriffs:</u> | | |
| Under Current Law | \$ -0- | \$ -0- |
| Under Proposed Law | 882,928 | 1,006,538 |
| Increase | <u>\$ 882,928</u> | <u>\$1,006,538</u> |
| <u>Police Officers</u> | | |
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| Under Current Law | \$2,375,038 | \$2,508,267 |
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| Increase | <u>\$1,531,909</u> | <u>\$1,623,824</u> |

Continued


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-83

EXCESS UNFUNDED LIABILITIES:

In addition to the contributions for the police system, \$131,032 dollars per year for ten years will be needed to fund the \$560,000 excess unfunded liability and \$356,654 in payment credits to the police system. No excess unfunded liabilities are calculated in the fire system prior to July 1, 1984 - 19-13-503 MCA.

The increased cost will be assumed by the state and will reduce revenues to the general fund in a like amount.

LOCAL IMPACT:

This bill will relieve county, city and town governments' general funds in employers' payroll contributions.

FISCAL NOTE 12:F/2

HB622