

HOUSE BILL NO. 754

INTRODUCED BY FRITZ, JACK MOORE, O'CONNELL, PECK,
BACHINI, ZABROCKI, O'HARA, MCCORMICK, PISTORIA,
GARCIA, MANNING, PHILLIPS, DRISCOLL, C. SMITH, JONES,
HARRINGTON, D. BROWN, BRADLEY, HARBIN, CODY, NISBET,
MILES, HARPER, VINCENT, HANSEN, HARP, GOULD, NELSON,
KEYSER, PETERSON, MANUEL, SCHYE, MONTAYNE, ECK, THOMAS

IN THE HOUSE

February 9, 1985	Introduced and referred to Committee on State Administration. Fiscal Note requested.
February 15, 1985	Fiscal Note returned.
February 20, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 22, 1985	Second reading, do not pass. Second reading, segregated from Committee of the Whole report.
February 23, 1985	On motion, taken from second reading and rereferred to Committee on State Administration.
March 6, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.

March 7, 1985

Second reading, do pass.

On motion, taken from engrossing and rereferred to Committee on Appropriations.

April 1, 1985

Committee recommend bill do pass. Report adopted.

Bill printed and placed on members' desks.

Second reading, do pass.

Third reading, passed.

Transmitted to Senate.

IN THE SENATE

April 3, 1985

Introduced and referred to Committee on Finance and Claims.

April 11, 1985

New Fiscal Note requested.

April 16, 1985

New Fiscal Note returned.

April 18, 1985

Committee recommend bill be concurred in. Report adopted.

April 22, 1985

Second reading, concurred in.

April 23, 1985

Third reading, concurred in. Ayes, 47; Noes, 1.

Returned to House.

IN THE HOUSE

April 23, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

Special
HOUSE BILL NO. 754

INTRODUCED BY *Sen. Mark O'Connell*

Beahm, O'Hara, Pistorio, Richardson, Manning, Hamilton, Carlsson

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE

ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'

RETIREMENT SYSTEM RETIRED ON OR AFTER JULY 1, 1975, OR THEIR

BENEFICIARIES; PROVIDING FUNDING FOR THE ADJUSTMENT;

AMENDING SECTIONS 19-9-601 AND 19-9-702, MCA; AND PROVIDING

AN EFFECTIVE DATE."

HARP

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

NEW SECTION. Section 1. Allowance adjustment.

(1) Subject to the restriction contained in subsection (2), a monthly allowance paid under 19-9-804, 19-9-903, or 19-9-911 to a member retired on or after July 1, 1975, or to his surviving spouse or dependent child may not be less than one-half the monthly compensation paid to a newly confirmed, active police officer of the city that last employed the member as a police officer, as provided each year in the budget of that city.

(2) An adjustment in a monthly allowance under subsection (1) may not exceed 5% of the current monthly allowance paid to a member or to his surviving spouse or dependent child.

Section 2. Section 19-9-601, MCA, is amended to read:

1 "19-9-601. Member contributions. The treasurer or
2 other appropriate official of each employer shall retain
3 from the monthly compensation of each active member a sum
4 equal to 6% 7% or, in the case of a member first employed by
5 an employer as a police officer after June 30, 1979, ~~7-1/2%~~
6 8 1/2% of his monthly compensation, excluding overtime,
7 holiday payments, shift differential payments, compensation
8 time payments, and payments in lieu of sick leave and annual
9 leave, for his services as a police officer. The monthly
10 deduction from the salaries of police officers shall be paid
11 to the administrator for the purpose of paying the
12 retirement allowances of retired police officers."

13 Section 3. Section 19-9-702, MCA, is amended to read:
14 "19-9-702. State contribution. The state of Montana
15 shall make its contributions through the state auditor out
16 of the premium tax on motor vehicle property and casualty
17 insurance policies. Such payments shall be made annually
18 after the end of each fiscal year but no later than
19 September 1 from the gross premium tax after deduction for
20 cancellations and returned premiums. The administrator shall
21 notify the auditor by April 1 of each year of the annual
22 compensation paid to all active members during the preceding
23 year. Before July 1, 1985, the state's contribution shall be
24 14.04% of such compensation and ~~15.06%~~ 23.86% on and after
25 July 1, 1985."



-2- INTRODUCED BILL
HB 754

1 NEW SECTION. Section 4. Extension of authority. Any
2 existing authority of the public employees' retirement board
3 to make rules on the subject of the provisions of this act
4 is extended to the provisions of this act.

5 NEW SECTION. Section 5. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 19, chapter 9, and the provisions of Title 19, chapter
8 9, apply to section 1.

9 NEW SECTION. Section 6. Effective date. This act is
10 effective July 1, 1985.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 387-85Form BD-15

In compliance with a written request received February 9, 19 85, there is hereby submitted a Fiscal Note for House Bill 754 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 754 provides for allowance adjustments to police officers retired after July 1, 1975 or their beneficiaries.

ASSUMPTIONS:

1. 2% salary adjustments per year.
2. 145 retirees not receiving allowance adjustments (these are retirees since July 1, 1975).
3. FY 84 average adjustment of \$3,810 per retiree/yr. for people who retired prior to July 1, 1975.

FISCAL IMPACT:Increase in Employee Contributions 1%

	<u>FY 86</u>	<u>FY 87</u>
Under Current Law	\$ 607,940	\$ 620,098
Under Proposed Law	<u>703,303</u>	<u>717,368</u>
Increase	\$ 95,363	\$ 97,270

*Increase in State Contributions 8.8%

Under Current Law 15.06%	\$1,436,168	\$1,464,891
Under Proposed Law 23.86%	<u>2,275,363</u>	<u>2,320,870</u>
Increase	\$ 839,195	\$ 855,979

Retirement Benefits

Under Current Law	\$3,044,308	\$3,105,194
Under Proposed Law	<u>3,712,773</u>	<u>3,840,506</u>
Increase	\$ 668,465	\$ 735,312

*Revenue to the general fund will be decreased by: \$ 839,195 \$ 855,979

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 15, 1985

HB 754

Request No. FNN 387-85
Form BD-15 Page 2

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

None.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The state's contribution from the premium tax fund will increase 8.8% over the next 40 years. The allowance adjustment paid out of the premium tax fund of \$1.4 million will continue to increase in proportion to salary increases.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

None.

STATE OF MONTANA
FISCAL NOTE

Amended
REQUEST NO. FNN 387-85
Form BD-15

In compliance with a written request received April 11, 19 85, there is hereby submitted a Fiscal Note for H.B. 754 Amended 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:

As amended HB 754 would provide an allowance adjustment for members of the Municipal Police Officers' retirement system retired on or after July 1, 1975, but before July 1, 1985, or their beneficiaries; providing funding for the adjustment; and providing an effective date.

ASSUMPTIONS:

- (1) Only retirees with 20 years of service or more as a police officer will receive the adjustment unless they retired for disability or the benefit is on account of death.
- (2) 73 retirees eligible
- (3) Average benefit increase/retiree of \$1,644/year, based on the 7-1-84 actuarial valuation.

FISCAL IMPACT:

<u>Retirement Benefits</u>	<u>FY 86</u>	<u>FY 87</u>
Under Current Law	\$ 3,044,308	\$ 3,105,194
Under Proposed Law	<u>3,164,308</u>	<u>3,125,194</u>
Revenue to the general fund will decrease by	\$ 120,000	\$ 120,000

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date:

April 16, 1985

H.B. 754 Amended

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 754

INTRODUCED BY *Rep. Thore O'Connell*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'

RETIREMENT SYSTEM RETIRED ON OR AFTER JULY 1, 1975, OR THEIR
BENEFICIARIES; PROVIDING FUNDING FOR THE ADJUSTMENT;
AMENDING SECTIONS 19-9-601 AND 19-9-702, MCA; AND PROVIDING
AN EFFECTIVE DATE."

HARP

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

NEW SECTION. Section 1. Allowance adjustment.

(1) Subject to the restriction contained in subsection (2),
a monthly allowance paid under 19-9-804, 19-9-903, or
19-9-911 to a member retired on or after July 1, 1975, or to
his surviving spouse or dependent child may not be less than
one-half the monthly compensation paid to a newly confirmed,
active police officer of the city that last employed the
member as a police officer, as provided each year in the
budget of that city.

(2) An adjustment in a monthly allowance under
subsection (1) may not exceed 5% of the current monthly
allowance paid to a member or to his surviving spouse or
dependent child.

Section 2. Section 19-9-601, MCA, is amended to read:

"19-9-601. Member contributions. The treasurer or
other appropriate official of each employer shall retain
from the monthly compensation of each active member a sum
equal to 6% 7% or, in the case of a member first employed by
an employer as a police officer after June 30, 1979, 7-1/2%
8 1/2% of his monthly compensation, excluding overtime,
holiday payments, shift differential payments, compensation
time payments, and payments in lieu of sick leave and annual
leave, for his services as a police officer. The monthly
deduction from the salaries of police officers shall be paid
to the administrator for the purpose of paying the
retirement allowances of retired police officers."

Section 3. Section 19-9-702, MCA, is amended to read:

"19-9-702. State contribution. The state of Montana
shall make its contributions through the state auditor out
of the premium tax on motor vehicle property and casualty
insurance policies. Such payments shall be made annually
after the end of each fiscal year but no later than
September 1 from the gross premium tax after deduction for
cancellations and returned premiums. The administrator shall
notify the auditor by April 1 of each year of the annual
compensation paid to all active members during the preceding
year. Before July 1, 1985, the state's contribution shall be
14.04% of such compensation and ~~15.86%~~ 23.86% on and after
July 1, 1985."

1 NEW SECTION. Section 4. Extension of authority. Any
2 existing authority of the public employees' retirement board
3 to make rules on the subject of the provisions of this act
4 is extended to the provisions of this act.

5 NEW SECTION. Section 5. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 19, chapter 9, and the provisions of Title 19, chapter
8 9, apply to section 1.

9 NEW SECTION. Section 6. Effective date. This act is
10 effective July 1, 1985.

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

AS AMENDED

HOUSE BILL NO. 754

INTRODUCED BY FRITZ, JACK MOORE, O'CONNELL, PECK,
BACHINI, ZABROCKI, O'HARA, MCCORMICK, PISTORIA,
GARCIA, MANNING, PHILLIPS, DRISCOLL, C. SMITH, JONES,
HARRINGTON, D. BROWN, BRADLEY, HARBIN, CODY, NISBET,
MILES, HARPER, VINCENT, HANSEN, HARP, GOULD, NELSON,
KEYSER, PETERSON, MANUEL, SCHYE, MONTAYNE, ECK, THOMAS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'
RETIREMENT SYSTEM RETIRED ON OR AFTER JULY 1, 1975, BUT
BEFORE JULY 1, 1985, OR THEIR BENEFICIARIES; PROVIDING
FUNDING FOR THE ADJUSTMENT; ~~AMENDING SECTIONS 19-9-601 AND~~
~~19-9-702, MCA,~~ AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION: Section 1. Allowance adjustment.

(1) ~~Subject to the restriction contained in subsection (2),~~
a monthly allowance paid under 19-9-804, 19-9-903, or
19-9-911 to a member retired on or after July 1, 1975, BUT
BEFORE JULY 1, 1985, or to his surviving spouse or dependent
child may not be less than one-half the monthly compensation
paid ON JULY 1, 1985, to a newly confirmed, active police
officer of the city that last employed the member as a
police officer, as provided each year in the budget of that

city.

(2) ~~An adjustment in a monthly allowance under~~
~~subsection (1) may not exceed 5% of the current monthly~~
~~allowance paid to a member or to his surviving spouse or~~
~~dependent child; AT THE BEGINNING OF EACH FISCAL YEAR, THE~~
~~ADMINISTRATOR SHALL REQUEST AND THE STATE AUDITOR SHALL PAY~~
~~TO THE ADMINISTRATOR FROM THE PREMIUM TAX COLLECTED FROM~~
~~INSURANCE SOLD IN THIS STATE TO INSURE AGAINST THE RISKS~~
~~ENUMERATED IN 19-11-512(3) AN AMOUNT SUFFICIENT TO FUND THE~~
~~ALLOWANCE ADJUSTMENT PROVIDED FOR IN SUBSECTION (1).~~

~~Section 2. Section 19-9-601, MCA, is amended to read:~~

~~"19-9-601. Member contributions. The treasurer or~~
~~other appropriate official of each employer shall retain~~
~~from the monthly compensation of each active member a sum~~
~~equal to 6% 7% or, in the case of a member first employed by~~
~~an employer as a police officer after June 30, 1979, 7-1/2%~~
~~8-1/2% of his monthly compensation, excluding overtime,~~
~~holiday payments, shift differential payments, compensation~~
~~time payments, and payments in lieu of sick leave and annual~~
~~leave, for his services as a police officer. The monthly~~
~~deduction from the salaries of police officers shall be paid~~
~~to the administrator for the purpose of paying the~~
~~retirement allowances of retired police officers."~~

~~Section 3. Section 19-9-702, MCA, is amended to read:~~

~~"19-9-702. State contribution. The state of Montana~~

SECOND READING

HB 754

SECOND PRINTING



1 shall make its contributions through the state auditor out
2 of the premium tax on motor vehicle property and casualty
3 insurance policies. Such payments shall be made annually
4 after the end of each fiscal year but no later than
5 September 1 from the gross premium tax after deduction for
6 cancellations and returned premiums. The administrator shall
7 notify the auditor by April 1 of each year of the annual
8 compensation paid to all active members during the preceding
9 year. Before July 1, 1985, the state's contribution shall be
10 14.04% of such compensation and 15.06% ~~23.86%~~ on and after
11 July 1, 1985."

12 NEW-SECTION. Section 2. Extension of authority. Any
13 existing authority of the public employees' retirement board
14 to make rules on the subject of the provisions of this act
15 is extended to the provisions of this act.

16 NEW-SECTION. Section 3. Codification instruction.
17 Section 1 is intended to be codified as an integral part of
18 Title 19, chapter 9, and the provisions of Title 19, chapter
19 9, apply to section 1.

20 NEW-SECTION. Section 4. Effective date. This act is
21 effective July 1, 1985.

-End-

HOUSE BILL NO. 754

INTRODUCED BY FRITZ, JACK MOORE, O'CONNELL, PECK, BACHINI, ZABROCKI, O'HARA, MCCORMICK, PISTORIA, GARCIA, MANNING, PHILLIPS, DRISCOLL, C. SMITH, JONES, HARRINGTON, D. BROWN, BRADLEY, HARBIN, CODY, NISBET, MILES, HARPER, VINCENT, HANSEN, HARP, GOULD, NELSON, KEYSER, PETERSON, MANUEL, SCHYE, MONTAYNE, ECK, THOMAS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM RETIRED ON OR AFTER JULY 1, 1975, BUT BEFORE JULY 1, 1985, OR THEIR BENEFICIARIES; PROVIDING FUNDING FOR THE ADJUSTMENT; AMENDING SECTIONS 19-9-601 AND 19-9-702, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION: Section 1. Allowance adjustment.

(1) Subject to the restriction contained in subsection (2), a monthly allowance paid under 19-9-804, 19-9-903, or 19-9-911 to a member retired on or after July 1, 1975, BUT BEFORE JULY 1, 1985, or to his surviving spouse or dependent child may not be less than one-half the monthly compensation paid ON JULY 1, 1985, to a newly confirmed, active police officer of the city that last employed the member as a police officer, as provided each year in the budget of that

city.

(2) An adjustment in a monthly allowance under subsection (1) may not exceed 5% of the current monthly allowance paid to a member or to his surviving spouse or dependent child. AT THE BEGINNING OF EACH FISCAL YEAR, THE ADMINISTRATOR SHALL REQUEST AND THE STATE AUDITOR SHALL PAY TO THE ADMINISTRATOR FROM THE PREMIUM TAX COLLECTED FROM INSURANCE SOLD IN THIS STATE TO INSURE AGAINST THE RISKS ENUMERATED IN 19-11-512(3) AN AMOUNT SUFFICIENT TO FUND THE ALLOWANCE ADJUSTMENT PROVIDED FOR IN SUBSECTION (1).

Section 2 of Section 19-9-601, MCA, is amended to read: "19-9-601. Member contributions. The treasurer or other appropriate official of each employer shall retain from the monthly compensation of each active member a sum equal to 6 7/8% or, in the case of a member first employed by an employer as a police officer after June 30, 1979, 7 1/2% of his monthly compensation, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, for his services as a police officer. The monthly deduction from the salaries of police officers shall be paid to the administrator for the purpose of paying the retirement allowances of retired police officers."

Section 3 of Section 19-9-702, MCA, is amended to read: "19-9-702. State contribution. The state of Montana



1 shall make its contributions through the state auditor out
 2 of the premium tax on motor vehicle property and casualty
 3 insurance policies. Such payments shall be made annually
 4 after the end of each fiscal year but no later than
 5 September 1 from the gross premium tax after deduction for
 6 cancellations and returned premiums. The administrator shall
 7 notify the auditor by April 1 of each year of the annual
 8 compensation paid to all active members during the preceding
 9 year. Before July 1, 1985, the state's contribution shall be
 10 14.04% of such compensation and 15.06% ~~23.06%~~ on and after
 11 July 1, 1985."

12 NEW-SECTION. Section 2. Extension of authority. Any
 13 existing authority of the public employees' retirement board
 14 to make rules on the subject of the provisions of this act
 15 is extended to the provisions of this act.

16 NEW-SECTION. Section 3. Codification instruction.
 17 Section 1 is intended to be codified as an integral part of
 18 Title 19, chapter 9, and the provisions of Title 19, chapter
 19 9, apply to section 1.

20 NEW-SECTION. Section 4. Effective date. This act is
 21 effective July 1, 1985.

-End-

HOUSE BILL NO. 754

INTRODUCED BY FRITZ, JACK MOORE, O'CONNELL, PECK, BACHINI, ZABROCKI, O'HARA, MCCORMICK, PISTORIA, GARCIA, MANNING, PHILLIPS, DRISCOLL, C. SMITH, JONES, HARRINGTON, D. BROWN, BRADLEY, HARBIN, CODY, NISBET, MILES, HARPER, VINCENT, HANSEN, HARP, GOULD, NELSON, KEYSER, PETERSON, MANUEL, SCHYE, MONTAYNE, ECK, THOMAS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM RETIRED ON OR AFTER JULY 1, 1975, BUT BEFORE JULY 1, 1985, OR THEIR BENEFICIARIES; PROVIDING FUNDING FOR THE ADJUSTMENT; AMENDING SECTIONS 19-9-601 AND 19-9-702, MCA, AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION Section 1. Allowance adjustment.

(1) Subject to the restriction contained in subsection (2), a monthly allowance paid under 19-9-804, 19-9-903, or 19-9-911 to a member retired on or after July 1, 1975, BUT BEFORE JULY 1, 1985, or to his surviving spouse or dependent child may not be less than one-half the monthly compensation paid ON JULY 1, 1985, to a newly confirmed, active police officer of the city that last employed the member as a police officer, as provided each year in the budget of that

city.

(2) An adjustment in a monthly allowance under subsection (1) may not exceed 5% of the current monthly allowance paid to a member or to his surviving spouse or dependent child. AT THE BEGINNING OF EACH FISCAL YEAR, THE ADMINISTRATOR SHALL REQUEST AND THE STATE AUDITOR SHALL PAY TO THE ADMINISTRATOR FROM THE PREMIUM TAX COLLECTED FROM INSURANCE SOLD IN THIS STATE TO INSURE AGAINST THE RISKS ENUMERATED IN 19-11-512(3) AN AMOUNT SUFFICIENT TO FUND THE ALLOWANCE ADJUSTMENT PROVIDED FOR IN SUBSECTION (1).

Section 2 Section 19-9-601, MCA, is amended to read: "19-9-601 Member contributions: The treasurer or other appropriate official of each employer shall retain from the monthly compensation of each active member a sum equal to 6% or, in the case of a member first employed by an employer as a police officer after June 30, 1979, 7 1/2% of his monthly compensation, excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave, for his services as a police officer. The monthly deduction from the salaries of police officers shall be paid to the administrator for the purpose of paying the retirement allowances of retired police officers."

Section 3 Section 19-9-702, MCA, is amended to read: "19-9-702 State contribution: The state of Montana



1 shall make its contributions through the state auditor out
2 of the premium tax on motor vehicle property and casualty
3 insurance policies. Such payments shall be made annually
4 after the end of each fiscal year but no later than
5 September 1 from the gross premium tax after deduction for
6 cancellations and returned premiums. The administrator shall
7 notify the auditor by April 1 of each year of the annual
8 compensation paid to all active members during the preceding
9 year. Before July 17, 1985, the state's contribution shall be
10 14.04% of such compensation and 15.06% ~~23.06%~~ on and after
11 July 17, 1985."

12 NEW SECTION: Section 2. Extension of authority. Any
13 existing authority of the public employees' retirement board
14 to make rules on the subject of the provisions of this act
15 is extended to the provisions of this act.

16 NEW SECTION: Section 3. Codification instruction.
17 Section 1 is intended to be codified as an integral part of
18 Title 19, chapter 9, and the provisions of Title 19, chapter
19 9, apply to section 1.

20 NEW SECTION: Section 4. Effective date. This act is
21 effective July 1, 1985.

-End-