

HOUSE BILL NO. 796

INTRODUCED BY QUILICI, MENAHAN, DONALDSON, O'CONNELL

IN THE HOUSE

February 12, 1985	Introduced and referred to Committee on State Administration.
	Fiscal Note requested.
February 18, 1985	Fiscal Note returned.
February 21, 1985	Committee recommend bill do pass. Report adopted.
	Bill printed and placed on members' desks.
February 23, 1985	Second reading, do pass.
	Considered correctly engrossed.
February 25, 1985	Third reading, passed.
	Transmitted to Senate.

IN THE SENATE

March 4, 1985	Introduced and referred to Committee on State Administration.
March 25, 1985	Committee recommend bill be concurrent in. Report adopted.
March 28, 1985	Second reading, concurred in.
March 30, 1985	Third reading, concurred in. Ayes, 49; Noes, 0.
	Returned to House.

IN THE HOUSE

March 30, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 796  
 2 INTRODUCED BY Luisi Mendez  
 3 David O'Connell  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A  
 5 COST-OF-LIVING INCREASE IN SERVICE AND DISABILITY RETIREMENT  
 6 ALLOWANCES AND SURVIVORSHIP ALLOWANCES PAID TO CERTAIN  
 7 MEMBERS OF THE SHERIFFS' RETIREMENT SYSTEM OR THEIR  
 8 BENEFICIARIES; INCREASING THE COUNTIES' CONTRIBUTIONS TO THE  
 9 RETIREMENT SYSTEM; AMENDING SECTION 19-7-404, MCA; AND  
 10 PROVIDING AN EFFECTIVE DATE."  
 11

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

13 NEW SECTION. Section 1. Cost-of-living increase.  
 14 Effective July 1, 1985, a member of the sheriffs' retirement  
 15 system retired on or before July 1, 1985, or his beneficiary  
 16 is entitled to receive a 5% increase in his service or  
 17 disability retirement allowance or survivorship allowance.

18 Section 2. Section 19-7-404, MCA, is amended to read:

19 "19-7-404. Counties' contributions. (1) The various  
 20 counties of Montana shall pay monthly ~~7.62%~~ 7.67% of each  
 21 sheriff's gross salary into the retirement account created  
 22 by this chapter.

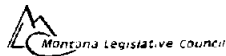
23 (2) If the required contribution to the retirement  
 24 system exceeds the funds available to a county from general  
 25 revenue sources, a county may budget, levy, and collect

1 annually a special tax on the assessable property within the  
 2 county that is sufficient to raise the amount of revenue  
 3 needed to meet the county's obligation. This tax may be in  
 4 addition to the annual rate of taxation allowed by law to be  
 5 levied by the county."

6 NEW SECTION. Section 3. Extension of authority. Any  
 7 existing authority of the sheriffs' retirement board to make  
 8 rules on the subject of the provisions of this act is  
 9 extended to the provisions of this act.

10 NEW SECTION. Section 4. Effective date. This act is  
 11 effective July 1, 1985.

-End-



## STATE OF MONTANA

## FISCAL NOTE

REQUEST NO. FNN411-85Form BD-15

In compliance with a written request received February 12 19 85, there is hereby submitted a Fiscal Note for H.B. 796 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 796 provides a 5% cost of living increase for certain Sheriffs' Retirement System retirees retired before July 1, 1985. The bill provides for a .05% increase in the counties contributions.

ASSUMPTIONS:

1. Annual salary increases of 5.6% based on experience of the actuarial valuation as of July 1, 1984. Annual payroll as of July 1, 1984 of \$10,593,975.
2. Annual increase in benefits of 9%; Benefits FY84, \$228,540.

FISCAL IMPACT ON LOCAL GOVERNMENT:

<u>County Contributions</u>	<u>FY1986</u>	<u>FY1987</u>	<u>Retirement Benefits</u>	<u>FY1986</u>	<u>FY1987</u>
Under Current Law 7.62%	\$900,206	\$950,617	Under Current Law	\$271,528	\$295,966
Under Proposed Law 7.67%	906,113	956,855	Under Proposed Law	283,983	306,966
Increase	\$ 5,907	\$ 6,238		\$ 12,455	\$ 11,000

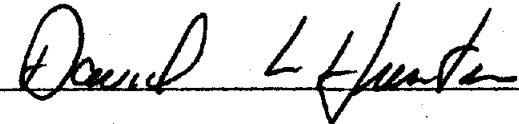
LONG-RANGE IMPACT:

Expenditures for this bill for county government will continue for the next 40 years and will increase each year in direct relationship to salary increases.

Benefit increases are expected to be greater than revenue during the next few years after which benefits will decline while revenues will continue to increase.

TECHNICAL NOTE:

Both House Bill 796 and Senate Bill 389 propose increase in the county contributions of .05% and 1.89% respectively. Neither bill contains a coordination section.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 18, 1985

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

1                                    HOUSE BILL NO. 796  
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 3                                    Samuel O'Connell  
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HOUSE BILL NO. 796

INTRODUCED BY

*Julius Mancini*

*David O'Connell*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A COST-OF-LIVING INCREASE IN SERVICE AND DISABILITY RETIREMENT ALLOWANCES AND SURVIVORSHIP ALLOWANCES PAID TO CERTAIN MEMBERS OF THE SHERIFFS' RETIREMENT SYSTEM OR THEIR BENEFICIARIES; INCREASING THE COUNTIES' CONTRIBUTIONS TO THE RETIREMENT SYSTEM; AMENDING SECTION 19-7-404, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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(2) If the required contribution to the retirement system exceeds the funds available to a county from general revenue sources, a county may budget, levy, and collect

annually a special tax on the assessable property within the county that is sufficient to raise the amount of revenue needed to meet the county's obligation. This tax may be in addition to the annual rate of taxation allowed by law to be levied by the county."

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