

SENATE BILL NO. 427

INTRODUCED BY MANNING, HAFFEY, LYNCH, DANIELS,  
MOHAR, MCCALLUM, MCCORMICK, DRISCOLL, O'CONNELL

IN THE SENATE

February 16, 1985	Introduced and referred to Committee on State Administration.
February 18, 1985	Fiscal Note requested.
February 21, 1985	Committee recommend bill do pass as amended. Report adopted.
February 22, 1985	Fiscal Note returned.  Bill printed and placed on members' desks.
February 23, 1985	Second reading, pass consideration.
February 26, 1985	Second reading, do pass as amended.  Correctly engrossed.
February 27, 1985	Third reading, passed. Ayes, 50; Noes, 0.  Transmitted to House.

IN THE HOUSE

March 7, 1985	Introduced and referred to Committee on State Administration.
March 18, 1985	New Fiscal Note requested.
March 21, 1985	New Fiscal Note returned.

March 27, 1985                      Committee recommend bill be  
   concurred in as amended. Report  
   adopted.

March 30, 1985                      Second reading, concurred in.

April 1, 1985                        Third reading, concurred in.

   Returned to Senate with  
   amendments.

IN THE SENATE

April 1, 1985                        Received from House.

April 3, 1985                        Second reading, amendments not  
   concurred in. Ayes, 35; Noes,  
   11.

April 8, 1985                        On motion, Conference Committee  
   requested and appointed.

April 20, 1985                        Conference Committee reported.

   Conference Committee report  
   rejected by House.

April 22, 1985                        Second reading, Conference  
   Committee report rejected.

   On motion, Senate reconsider its  
   action taken on House amendments  
   to Senate Bill 427 and placed on  
   second reading. Motion adopted.

April 23, 1985                        Second reading, amendments  
   concurred in.

   Third reading, amendments  
   concurred in.

April 24, 1985                        Sent to enrolling.

   Reported correctly enrolled.

1 *Senate* BILL NO. *427*  
 2 INTRODUCED BY *Richard E. Manning, Ruffy, Lynch, and*  
 3 *Mohr, McCann, Melonick, Dyer, and*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A

5 SUPPLEMENTAL ALLOWANCE TO CERTAIN MEMBERS OF THE MONTANA  
 6 FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM HIRED ON OR AFTER  
 7 JULY 1, 1981; PROVIDING FUNDING FOR THE ALLOWANCE; AMENDING  
 8 SECTIONS 19-11-606 AND 19-13-1006, MCA; AND PROVIDING AN  
 9 EFFECTIVE DATE."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 19-11-606, MCA, is amended to read:  
 13 "19-11-606. Supplement to certain pensions. (1) In  
 14 addition to the taxes on premiums required by law to be paid  
 15 by each insurer doing business in this state that is  
 16 authorized to effect insurance on risks enumerated in  
 17 19-11-512, there is a tax of ~~1-1/2%~~ 0.4% on the fire-portion  
 18 of the direct premiums received during the calendar year of  
 19 1975 1985 and each succeeding year, with allowance for  
 20 cancellations and returned premiums. The insurance  
 21 commissioner shall collect the tax during March of each year  
 22 and deposit the moneys in the state special revenue fund.  
 23 The auditor shall pay claims as provided in subsection (2)  
 24 of this section and ~~19-13-1006~~ 19-13-1006(1). ~~As these~~  
 25 ~~persons who are to receive the fund die, the tax shall be~~

1 ~~reduced proportionately, and when no eligible person, as~~  
 2 ~~defined by subsection (2) and 19-13-1006, survives, the tax~~  
 3 ~~terminates and the remaining fund, if any, shall be~~  
 4 ~~transferred to the general fund.~~

5 (2) Effective January 1, 1976, each association shall  
 6 pay to the firefighters retired before July 1, 1973, or  
 7 their surviving spouses and children a monthly pension of  
 8 not less than one-half the regular monthly salary paid to a  
 9 confirmed active firefighter of that city, as provided each  
 10 year in the budget of that city. In the case of volunteer  
 11 firefighters, the pension may not exceed \$75 per month.  
 12 Distribution of the funds provided for this purpose under  
 13 subsection (1) shall be made as follows:

14 (a) At the beginning of each fiscal year the treasurer  
 15 of each association shall request and the state auditor  
 16 shall issue from the state special revenue fund and deliver  
 17 to the treasurer of the respective city or town an amount  
 18 certified to be equal to the total annual dollar difference  
 19 between what the retirees or their surviving spouses and  
 20 children received from the fund and one-half of the salary  
 21 paid by the respective city or town to a confirmed active  
 22 firefighter for the fiscal year just preceding. The state  
 23 auditor shall, at the same time, report to the treasurer of  
 24 the appropriate association the amount of any payment  
 25 delivered to the board of investments.



1 (b) The treasurer of a city or town receiving funds  
2 shall immediately disburse them to the treasurer of the  
3 respective association.

4 (c) The treasurer of the association shall utilize  
5 these funds to increase the monthly pension of retirees or  
6 their surviving spouses and children to an amount equal to  
7 one-half of the salary that was paid to a confirmed active  
8 firefighter in the city or town for the preceding year.

9 (3) If sufficient money remains in the fund after the  
10 payment of claims as provided in subsection (2) and  
11 19-13-1006(1), the state auditor shall maintain in the fund  
12 an amount equal to the payment of claims for that fiscal  
13 year and deposit any excess amount in a separate account  
14 within the pension trust fund provided for in 19-13-501. The  
15 amount transferred to this account must be used to pay the  
16 supplemental allowance provided for in 19-13-1006(2)."

17 Section 2. Section 19-13-1006, MCA, is amended to  
18 read:

19 "19-13-1006. Supplement to certain retirement  
20 allowances. (1) (a) The plan shall pay to each firefighter  
21 retired before July 1, 1973, or his surviving spouse or  
22 children a monthly retirement allowance of not less than  
23 one-half the regular monthly salary paid to a confirmed  
24 active firefighter of the city that last employed him as a  
25 firefighter, as provided each year in the budget of that

1 city. If the city that last employed him as a firefighter no  
2 longer employs a full-paid firefighter, the firefighter's or  
3 his beneficiary's allowance may not be less than one-half  
4 the average regular monthly salary paid to all newly  
5 confirmed full-paid firefighters, as provided each year in  
6 the budgets of those cities that participate in the plan and  
7 employ a full-paid firefighter. In the case of volunteer  
8 firefighters, the retirement allowance may not exceed \$75  
9 per month. Distribution of the money provided for this  
10 purpose under 19-11-606(1) shall be made according to  
11 subsection ~~(2)~~ (1)(b).

12 ~~(2)~~(b) At the beginning of each fiscal year the  
13 administrator shall request and the state auditor shall  
14 issue from the state special revenue fund and deliver to the  
15 administrator an amount certified to be equal to the total  
16 annual dollar difference between the total retirement  
17 allowances paid to all retirees or their surviving spouses  
18 or children in the previous fiscal year and the total  
19 benefits payable on June 30, 1973. The administrator shall  
20 deposit this money into the fund.

21 (2) (a) The administrator shall pay a supplemental  
22 allowance from the account provided for in 19-11-606(3) to  
23 each member hired on or after July 1, 1981, who has both  
24 completed 20 years of service and reached age 50 as an  
25 active firefighter. Except as provided in subsection (2)(b),

1 the supplemental allowance, when added to the member's  
2 service retirement allowance, must equal one-half the  
3 regular monthly compensation paid to a newly confirmed  
4 active firefighter of the city that last employed him as a  
5 firefighter as provided each year in the budget of that  
6 city. If after a member retires, the city that last employed  
7 him no longer employs a full-paid firefighter, the member's  
8 supplemental allowance must be calculated on the basis of  
9 the average monthly compensation paid to all newly confirmed  
10 full-paid firefighters, as provided each year in the budgets  
11 of those cities that participate in the plan and employ a  
12 full-paid firefighter.

13 (b) If the amount contained in the account is  
14 insufficient to fully fund the supplemental allowance  
15 provided for in subsection (2)(a), the supplemental  
16 allowance for each eligible member must be reduced by an  
17 equal percentage so that the amount contained in the account  
18 is not exceeded."

19 NEW SECTION. Section 3. Extension of authority. Any  
20 existing authority of the public employees' retirement board  
21 to make rules on the subject of the provisions of this act  
22 is extended to the provisions of this act.

23 NEW SECTION. Section 4. Effective date. This act is  
24 effective July 1, 1985.

-End-

STATE OF MONTANA  
FISCAL NOTE

AMENDED  
REQUEST NO. FNN 459-85

Form BD-15

In compliance with a written request received February 18, 19 85, there is hereby submitted a Fiscal Note for Senate Bill 427 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:

Provides supplemental allowance to certain members of Firefighter's Unified Retirement System hired on or after 7-8-81.

ASSUMPTIONS:

1. Fire insurance premiums for 1984 were \$49.6 million and will increase by 9.33% in FY 85, 8% in FY 86 and 8% in FY 87. (OBPP revenue estimates).
2. Any balance remaining in this fund after all benefits have been paid will not revert to the general fund. This provision is the same as the current law.
3. Any retirement benefits provided for under this bill will not be paid until the year 2001 or after.
4. Since this is a calendar year tax, the first impact on revenues will be FY 86.
5. The tax is figured on 1½% of fire premiums.

FISCAL IMPACT:

	<u>FY 85</u> <u>Estimated</u>	<u>FY 86</u> <u>Proposed Law</u>	<u>FY 87</u> <u>Proposed Law</u>
Revenue			
Tax on Insurance Premium	\$ 814,419	\$ 880,389	\$ 957,861
Disbursements	<u>934,122</u>	<u>980,828</u>	<u>1,029,869</u>
TOTAL	\$ (119,703)	\$ (100,441)	\$ (72,008)
Beginning Fund Balance	\$ 154,327	\$ 34,624	\$ (65,817)
Ending Fund Balance	\$ 34,624	\$ (65,817)	\$ (137,825)

*David L. Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: March 21, 1985  
SB 427 Amend.

## STATE OF MONTANA

REQUEST NO. FNN 459-85

## F I S C A L   N O T E

Form      BD-15

In compliance with a written request received February 18, 19 95, there is hereby submitted a Fiscal Note for S.B. 427 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:

Provides supplemental allowance to certain members of Firefighters' Unified Retirement System hired on or after 7-8-81.

ASSUMPTIONS:

1. Insurance premiums for 1984 were \$246,358,000 and will increase by 9.33% in FY 85, 8% in FY 86 and 8% in FY 87.
2. Any balance remaining in this fund after all benefits have been paid will not revert to the general fund. This provision is the same as the current law.
3. Any retirement benefits provided for under this bill will not be paid until the year 2001 or after.
4. Since this is a calendar year tax, the first impact on revenues will be FY 86.

FISCAL IMPACT:

	<u>FY 85</u> <u>Current Law</u>	<u>FY 85</u> <u>Proposed Law</u>	<u>FY 86</u> <u>Current Law</u>	<u>FY 86</u> <u>Proposed Law</u>	<u>FY 87</u> <u>Current Law</u>	<u>FY 87</u> <u>Proposed Law</u>
Revenue						
Tax on Insurance Premium	\$ 814,419	\$ 814,419	\$ 879,654	\$1,021,662	\$ 950,730	\$1,257,695
Disbursements	<u>934,122</u>	<u>N/A</u>	<u>980,828</u>	<u>980,828</u>	<u>1,029,869</u>	<u>1,029,869</u>
TOTAL	\$(119,703)		\$(101,174)	\$ 40,834	\$( 79,139)	\$ 227,826
Beginning Fund Balance	\$ 154,327		\$ 34,624	\$ 34,624	\$( 66,550)	\$ 75,458
Ending Fund Balance	\$ 34,624		\$( 66,550)	\$ 75,458	\$( 145,689)	\$ 303,284

*David L. Hunter*

BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 22, 1985

Request No. 459-85  
Form BD-15 page 2

LOCAL IMPACT:

None

LONG RANGE IMPACT:

None

TECHNICAL NOTE:

Even with the growth factor used for revenues under the current law this fund will not be solvent in FY 86. With the .4% tax under the proposed law and the growth in revenues, it appears the fund will be solvent through FY 87. The ratio between revenues and disbursements will have to be maintained in the future for the fund to be solvent and produce the results of increased disbursements after the year 2001. An actuarial study of the account should be undertaken.



APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

SENATE BILL NO. 427

INTRODUCED BY MANNING, HAPPEY, LYNCH, DANIELS,  
MOHAR, MCCALLUM, MCCORMICK, DRISCOLL, O'CONNELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A  
SUPPLEMENTAL ALLOWANCE TO CERTAIN MEMBERS OF THE MONTANA  
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM HIRED ON OR AFTER  
JULY 1, 1981; ~~PROVIDING FUNDING FOR THE ALLOWANCE;~~ AMENDING  
SECTIONS 19-11-606 AND 19-13-1006, MCA; AND PROVIDING AN  
EFFECTIVE DATE."

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

Section 1. Section 19-11-606, MCA, is amended to read:

"19-11-606. Supplement to certain pensions. (1) In  
addition to the taxes on premiums required by law to be paid  
by each insurer doing business in this state that is  
authorized to effect insurance on risks enumerated in  
19-11-512, there is a tax of ~~1-1/2%~~ ~~0-4%~~ 1 1/2% on the ~~fire~~  
~~portion--of~~ THE FIRE PORTION OF the direct premiums received  
during the calendar year of ~~1975~~ ~~1985~~ 1975 and each  
succeeding year, with allowance for cancellations and  
returned premiums. The insurance commissioner shall collect  
the tax during March of each year and deposit the moneys in  
the state special revenue fund. The auditor shall pay claims  
as provided in subsection (2) of this section and ~~19-13-1006~~

~~19-13-1006(1). As those persons who are to receive the fund  
die, the tax shall be reduced proportionately, and when no  
eligible person, as defined by subsection (2) and  
19-13-1006, survives, the tax terminates and the remaining  
fund, if any, shall be transferred to the general fund.~~

(2) Effective January 1, 1976, each association shall  
pay to the firefighters retired before July 1, 1973, or  
their surviving spouses and children a monthly pension of  
not less than one-half the regular monthly salary paid to a  
confirmed active firefighter of that city, as provided each  
year in the budget of that city. In the case of volunteer  
firefighters, the pension may not exceed \$75 per month.  
Distribution of the funds provided for this purpose under  
subsection (1) shall be made as follows:

(a) At the beginning of each fiscal year the treasurer  
of each association shall request and the state auditor  
shall issue from the state special revenue fund and deliver  
to the treasurer of the respective city or town an amount  
certified to be equal to the total annual dollar difference  
between what the retirees or their surviving spouses and  
children received from the fund and one-half of the salary  
paid by the respective city or town to a confirmed active  
firefighter for the fiscal year just preceding. The state  
auditor shall, at the same time, report to the treasurer of  
the appropriate association the amount of any payment



1 delivered to the board of investments.

2 (b) The treasurer of a city or town receiving funds  
3 shall immediately disburse them to the treasurer of the  
4 respective association.

5 (c) The treasurer of the association shall utilize  
6 these funds to increase the monthly pension of retirees or  
7 their surviving spouses and children to an amount equal to  
8 one-half of the salary that was paid to a confirmed active  
9 firefighter in the city or town for the preceding year.

10 (3) If sufficient money remains in the fund after the  
11 payment of claims as provided in subsection (2) and  
12 19-13-1006(1), the state auditor shall maintain in the fund  
13 an amount equal to the payment of claims for that fiscal  
14 year and deposit any excess amount in a separate account  
15 within the pension trust fund provided for in 19-13-501. The  
16 amount transferred to this account must be used to pay the  
17 supplemental allowance provided for in 19-13-1006(2)."

18 Section 2. Section 19-13-1006, MCA, is amended to  
19 read:

20 "19-13-1006. Supplement to certain retirement  
21 allowances. (1) (a) The plan shall pay to each firefighter  
22 retired before July 1, 1973, or his surviving spouse or  
23 children a monthly retirement allowance of not less than  
24 one-half the regular monthly salary paid to a confirmed  
25 active firefighter of the city that last employed him as a

1 firefighter, as provided each year in the budget of that  
2 city. If the city that last employed him as a firefighter no  
3 longer employs a full-paid firefighter, the firefighter's or  
4 his beneficiary's allowance may not be less than one-half  
5 the average regular monthly salary paid to all newly  
6 confirmed full-paid firefighters, as provided each year in  
7 the budgets of those cities that participate in the plan and  
8 employ a full-paid firefighter. In the case of volunteer  
9 firefighters, the retirement allowance may not exceed \$75  
10 per month. Distribution of the money provided for this  
11 purpose under 19-11-606(1) shall be made according to  
12 subsection ~~(2)~~ (1)(b).

13 ~~(2)~~(b) At the beginning of each fiscal year the  
14 administrator shall request and the state auditor shall  
15 issue from the state special revenue fund and deliver to the  
16 administrator an amount certified to be equal to the total  
17 annual dollar difference between the total retirement  
18 allowances paid to all retirees or their surviving spouses  
19 or children in the previous fiscal year and the total  
20 benefits payable on June 30, 1973. The administrator shall  
21 deposit this money into the fund.

22 (2) (a) The administrator shall pay a supplemental  
23 allowance from the account provided for in 19-11-606(3) to  
24 each member hired on or after July 1, 1981, who has both  
25 completed 20 years of service and reached age 50 as an

1 active firefighter. Except as provided in subsection (2)(b),  
2 the supplemental allowance, when added to the member's  
3 service retirement allowance, must equal one-half the  
4 regular monthly compensation paid to a newly confirmed  
5 active firefighter of the city that last employed him as a  
6 firefighter as provided each year in the budget of that  
7 city. If after a member retires, the city that last employed  
8 him no longer employs a full-paid firefighter, the member's  
9 supplemental allowance must be calculated on the basis of  
10 the average monthly compensation paid to all newly confirmed  
11 full-paid firefighters, as provided each year in the budgets  
12 of those cities that participate in the plan and employ a  
13 full-paid firefighter.

14 (b) If the amount contained in the account is  
15 insufficient to fully fund the supplemental allowance  
16 provided for in subsection (2)(a), the supplemental  
17 allowance for each eligible member must be reduced by an  
18 equal percentage so that the amount contained in the account  
19 is not exceeded."

20 NEW SECTION. Section 3. Extension of authority. Any  
21 existing authority of the public employees' retirement board  
22 to make rules on the subject of the provisions of this act  
23 is extended to the provisions of this act.

24 NEW SECTION. Section 4. Effective date. This act is  
25 effective July 1, 1985.

-End-

## SENATE BILL NO. 427

INTRODUCED BY MANNING, HAFPEY, LYNCH, DANIELS,  
MOHAR, MCCALLUM, MCCORMICK, DRISCOLL, O'CONNELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A  
SUPPLEMENTAL ALLOWANCE TO CERTAIN MEMBERS OF THE MONTANA  
FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM HIRED ON OR AFTER  
JULY 1, 1981; ~~PROVIDING FUNDING FOR THE ALLOWANCE; PROVIDING~~  
FUNDING FOR THE ALLOWANCE; AMENDING SECTIONS 19-11-606 AND  
19-13-1006, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-11-606, MCA, is amended to read:

"19-11-606. Supplement to certain pensions. (1) In  
addition to the taxes on premiums required by law to be paid  
by each insurer doing business in this state that is  
authorized to effect insurance on risks enumerated in  
19-11-512, there is a tax of ~~1-1/2%~~ ~~0.4%~~ 1 1/2% on the fire  
~~portion of THE FIRE PORTION OF~~ the direct premiums received  
during the calendar year of ~~1975~~ ~~1985~~ 1975 and each  
succeeding year, with allowance for cancellations and  
returned premiums. The insurance commissioner shall collect  
the tax during March of each year and deposit the moneys in  
the state special revenue fund. The auditor shall pay claims  
as provided in subsection (2) of this section and ~~19-13-1006~~

~~19-13-1006(1). As those persons who are to receive the fund  
die, the tax shall be reduced proportionately, and when no  
eligible person, as defined by subsection (2) and  
19-13-1006, survives, the tax terminates and the remaining  
fund, if any, shall be transferred to the general fund.~~

(2) Effective January 1, 1976, each association shall  
pay to the firefighters retired before July 1, 1973, or  
their surviving spouses and children a monthly pension of  
not less than one-half the regular monthly salary paid to a  
confirmed active firefighter of that city, as provided each  
year in the budget of that city. In the case of volunteer  
firefighters, the pension may not exceed \$75 per month.  
Distribution of the funds provided for this purpose under  
subsection (1) shall be made as follows:

(a) At the beginning of each fiscal year the treasurer  
of each association shall request and the state auditor  
shall issue from the state special revenue fund and deliver  
to the treasurer of the respective city or town an amount  
certified to be equal to the total annual dollar difference  
between what the retirees or their surviving spouses and  
children received from the fund and one-half of the salary  
paid by the respective city or town to a confirmed active  
firefighter for the fiscal year just preceding. The state  
auditor shall, at the same time, report to the treasurer of  
the appropriate association the amount of any payment

1 delivered to the board of investments.

2 (b) The treasurer of a city or town receiving funds  
3 shall immediately disburse them to the treasurer of the  
4 respective association.

5 (c) The treasurer of the association shall utilize  
6 these funds to increase the monthly pension of retirees or  
7 their surviving spouses and children to an amount equal to  
8 one-half of the salary that was paid to a confirmed active  
9 firefighter in the city or town for the preceding year.

10 (3) If sufficient money remains in the fund after the  
11 payment of claims as provided in subsection (2) and  
12 19-13-1006(1), the state auditor shall maintain in the fund  
13 an amount equal to the payment of claims for that fiscal  
14 year and deposit any excess amount in a separate account  
15 within the pension trust fund provided for in 19-13-501. The  
16 amount transferred to this account must be used to pay the  
17 supplemental allowance provided for in 19-13-1006(2)."

18 Section 2. Section 19-13-1006, MCA, is amended to  
19 read:

20 "19-13-1006. Supplement to certain retirement  
21 allowances. (1) (a) The plan shall pay to each firefighter  
22 retired before July 1, 1973, or his surviving spouse or  
23 children a monthly retirement allowance of not less than  
24 one-half the regular monthly salary paid to a confirmed  
25 active firefighter of the city that last employed him as a

1 firefighter, as provided each year in the budget of that  
2 city. If the city that last employed him as a firefighter no  
3 longer employs a full-paid firefighter, the firefighter's or  
4 his beneficiary's allowance may not be less than one-half  
5 the average regular monthly salary paid to all newly  
6 confirmed full-paid firefighters, as provided each year in  
7 the budgets of those cities that participate in the plan and  
8 employ a full-paid firefighter. In the case of volunteer  
9 firefighters, the retirement allowance may not exceed \$75  
10 per month. Distribution of the money provided for this  
11 purpose under 19-11-606(1) shall be made according to  
12 subsection ~~(2)~~ (1)(b).

13 ~~(2)(b)~~ (I) At the beginning of each fiscal year the  
14 administrator shall request and, EXCEPT AS PROVIDED IN  
15 SUBSECTION (1)(B)(II), the state auditor shall issue from  
16 the state special revenue fund and deliver to the  
17 administrator an amount certified to be equal to the total  
18 annual dollar difference between the total retirement  
19 allowances paid to all retirees or their surviving spouses  
20 or children in the previous fiscal year and the total  
21 benefits payable on June 30, 1973. The administrator shall  
22 deposit this money into the fund.

23 (II) IF INSUFFICIENT MONEY IS CONTAINED IN THE STATE  
24 SPECIAL REVENUE FUND TO PAY THE AMOUNT REQUESTED IN  
25 SUBSECTION (1)(B)(I), THE AUDITOR SHALL PAY TO THE

1 ADMINISTRATOR THE BALANCE CONTAINED IN THE STATE SPECIAL  
 2 REVENUE FUND. THE ADMINISTRATOR SHALL CONTINUE TO REQUEST  
 3 ANY PORTION OF THE AMOUNT REQUESTED UNDER SUBSECTION  
 4 (1)(B)(I) NOT PAID IN PREVIOUS FISCAL YEARS PLUS SUFFICIENT  
 5 INTEREST TO REIMBURSE THE FUND AS DEFINED IN 19-13-104, AND  
 6 THE AUDITOR SHALL PAY THE REQUESTS AS MONEY IN THE STATE  
 7 BECOMES AVAILABLE.

8 (2) (a) The administrator shall pay a supplemental  
 9 allowance from the account provided for in 19-11-606(3) to  
 10 each member hired on or after July 1, 1981, who has both  
 11 completed 20 years of service and reached age 50 as an  
 12 active firefighter. Except as provided in subsection (2)(b),  
 13 the supplemental allowance, when added to the member's  
 14 service retirement allowance, must equal one-half the  
 15 regular monthly compensation paid to a newly confirmed  
 16 active firefighter of the city that last employed him as a  
 17 firefighter as provided each year in the budget of that  
 18 city. If after a member retires, the city that last employed  
 19 him no longer employs a full-paid firefighter, the member's  
 20 supplemental allowance must be calculated on the basis of  
 21 the average monthly compensation paid to all newly confirmed  
 22 full-paid firefighters, as provided each year in the budgets  
 23 of those cities that participate in the plan and employ a  
 24 full-paid firefighter.

25 (b) If the amount contained in the account is

1 insufficient to fully fund the supplemental allowance  
 2 provided for in subsection (2)(a), the supplemental  
 3 allowance for each eligible member must be reduced by an  
 4 equal percentage so that the amount contained in the account  
 5 is not exceeded."

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

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

-End-

HOUSE

STANDING COMMITTEE REPORT

Page 1 of 2

March 27 19 85

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Bill No. 427

Third reading copy (Blue color)

SUPP. ALLOWANCE FOR CERTAIN RETIRED FIREFIGHTERS COVERED BY STATE PLAN

Respectfully report as follows: That Senate Bill No. 427

BE AMENDED AS FOLLOWS:

1) Title, line 5. Following: "PROVIDING A" Insert: "METHOD FOR FUNDING THE"

2) Title, line 6. Following: "ALLOWANCE" Insert: "GRANTED"

3) Title, lines 7 and 8. Strike: "HIRED" on line 7 through "1981;" on line 8

Continued on page 2

887423

Chairman.

State Administration SB 427

Page 2 of 2

March 27 19 85

4) Title, lines 8 and 9. Strike: "PROVIDING" on line 8 through "ALLOWANCE" on line 9 Insert: "IF INSUFFICIENT MONEY IS AVAILABLE"

5) Title, line 9. Strike: "SECTIONS" through "AND" Insert: "SECTION"

6) Page 1, line 13 through line 17, page 3. Strike: section 1 in its entirety Renumber: subsequent sections

7) Page 3, line 21. Strike: "(a)"

8) Page 4, line 12. Strike: "(1)(b)" Insert: "(2)"

9) Page 4, line 13. Strike: "(b)(I)" Insert: "(2)(a)"

10) Page 4, line 15. Strike: "(1)(B)(II)" Insert: "(2)(b)"

11) Page 4, line 23. Strike: "(II)" Insert: "(b)"

12) Page 4, line 25. Strike: "(1)(B)(I)" Insert: "(2)(a)"

13) Page 5, line 4. Strike: "(1)(B)(I)" Insert: "(2)(a)"

14) Page 5, line 6. Following: "STATE" Insert: "special revenue fund"

15) Page 5, line 8 through line 5, page 6. Strike: "(2)" on line 8 through "." on line 5, page 6

AND AS AMENDED BE CONCURRED IN

su 3/27

Walter R. Sales, Chairman.

## 1 SENATE BILL NO. 427

2 INTRODUCED BY MANNING, HAFPEY, LYNCH, DANIELS,  
3 MOHAR, MCCALLUM, MCCORMICK, DRISCOLL, O'CONNELL

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A METHOD FOR  
6 FUNDING THE SUPPLEMENTAL ALLOWANCE GRANTED TO CERTAIN  
7 MEMBERS OF THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT  
8 SYSTEM HIRED ON OR AFTER JULY 17, 1981; PROVIDING FUNDING FOR  
9 THE ALLOWANCE; PROVIDING FUNDING FOR THE ALLOWANCE IF  
10 INSUFFICIENT MONEY IS AVAILABLE; AMENDING SECTIONS 19-11-606  
11 AND SECTION 19-13-1006, MCA; AND PROVIDING AN EFFECTIVE  
12 DATE."  
13

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

15 Section 17, Section 19-11-606, MCA, is amended to read:  
16 "19-11-606. Supplement to certain pensions. (1) In  
17 addition to the taxes on premiums required by law to be paid  
18 by each insurer doing business in this state that is  
19 authorized to effect insurance on risks enumerated in  
20 19-11-512, there is a tax of 1 1/2% 0.4% 1 1/2% on the fire  
21 portion of THE FIRE PORTION OF the direct premiums received  
22 during the calendar year of 1975 1985 1975 and each  
23 succeeding year, with allowance for cancellations and  
24 returned premiums. The insurance commissioner shall collect  
25 the tax during March of each year and deposit the moneys in

1 the state special revenue fund. The auditor shall pay claims  
2 as provided in subsection (2) of this section and 19-13-1006  
3 19-13-1006(1). As those persons who are to receive the fund  
4 die, the tax shall be reduced proportionately, and when no  
5 eligible person, as defined by subsection (2) and  
6 19-13-1006, survives, the tax terminates and the remaining  
7 fund, if any, shall be transferred to the general fund.

8 (2) Effective January 17, 1976, each association shall  
9 pay to the firefighters retired before July 17, 1973, or  
10 their surviving spouses and children a monthly pension of  
11 not less than one-half the regular monthly salary paid to a  
12 confirmed active firefighter of that city, as provided each  
13 year in the budget of that city. In the case of volunteer  
14 firefighters, the pension may not exceed \$75 per month.  
15 Distribution of the funds provided for this purpose under  
16 subsection (1) shall be made as follows:

17 (a) At the beginning of each fiscal year the treasurer  
18 of each association shall request and the state auditor  
19 shall issue from the state special revenue fund and deliver  
20 to the treasurer of the respective city or town an amount  
21 certified to be equal to the total annual dollar difference  
22 between what the retirees or their surviving spouses and  
23 children received from the fund and one-half of the salary  
24 paid by the respective city or town to a confirmed active  
25 firefighter for the fiscal year just preceding. The state



1 auditor shall, at the same time, report to the treasurer of  
2 the appropriate association the amount of any payment  
3 delivered to the board of investments.

4 (b) The treasurer of a city or town receiving funds  
5 shall immediately disburse them to the treasurer of the  
6 respective association.

7 (c) The treasurer of the association shall utilize  
8 these funds to increase the monthly pension of retirees or  
9 their surviving spouses and children to an amount equal to  
10 one-half of the salary that was paid to a confirmed active  
11 firefighter in the city or town for the preceding year.

12 (3) If sufficient money remains in the fund after the  
13 payment of claims as provided in subsection (2) and  
14 19-13-1006(1), the state auditor shall maintain in the fund  
15 an amount equal to the payment of claims for that fiscal  
16 year and deposit any excess amount in a separate account  
17 within the pension trust fund provided for in 19-13-501. The  
18 amount transferred to this account must be used to pay the  
19 supplemental allowance provided for in 19-13-1006(2)."

20 Section 1. Section 19-13-1006, MCA, is amended to  
21 read:

22 "19-13-1006. Supplement to certain retirement  
23 allowances. (1) (a) The plan shall pay to each firefighter  
24 retired before July 1, 1973, or his surviving spouse or  
25 children a monthly retirement allowance of not less than

1 one-half the regular monthly salary paid to a confirmed  
2 active firefighter of the city that last employed him as a  
3 firefighter, as provided each year in the budget of that  
4 city. If the city that last employed him as a firefighter no  
5 longer employs a full-paid firefighter, the firefighter's or  
6 his beneficiary's allowance may not be less than one-half  
7 the average regular monthly salary paid to all newly  
8 confirmed full-paid firefighters, as provided each year in  
9 the budgets of those cities that participate in the plan and  
10 employ a full-paid firefighter. In the case of volunteer  
11 firefighters, the retirement allowance may not exceed \$75  
12 per month. Distribution of the money provided for this  
13 purpose under 19-11-606(1) shall be made according to  
14 subsection (2) (1)(b) (2).

15 (2)(b) (1)(2) (A) At the beginning of each fiscal  
16 year the administrator shall request and, EXCEPT AS PROVIDED  
17 IN SUBSECTION (1)(B)(1)(2)(B), the state auditor shall  
18 issue from the state special revenue fund and deliver to the  
19 administrator an amount certified to be equal to the total  
20 annual dollar difference between the total retirement  
21 allowances paid to all retirees or their surviving spouses  
22 or children in the previous fiscal year and the total  
23 benefits payable on June 30, 1973. The administrator shall  
24 deposit this money into the fund.

25 (1)(B) IF INSUFFICIENT MONEY IS CONTAINED IN THE

1 STATE SPECIAL REVENUE FUND TO PAY THE AMOUNT REQUESTED IN  
 2 SUBSECTION (1)(b)(1) (2)(A), THE AUDITOR SHALL PAY TO THE  
 3 ADMINISTRATOR THE BALANCE CONTAINED IN THE STATE SPECIAL  
 4 REVENUE FUND. THE ADMINISTRATOR SHALL CONTINUE TO REQUEST  
 5 ANY PORTION OF THE AMOUNT REQUESTED UNDER SUBSECTION  
 6 (1)(b)(1) (2)(A) NOT PAID IN PREVIOUS FISCAL YEARS PLUS  
 7 SUFFICIENT INTEREST TO REIMBURSE THE FUND AS DEFINED IN  
 8 19-13-104, AND THE AUDITOR SHALL PAY THE REQUESTS AS MONEY  
 9 IN THE STATE SPECIAL REVENUE FUND BECOMES AVAILABLE.

10 (2)(a) The administrator shall pay a supplemental  
 11 allowance from the account provided for in 19-11-606(3) to  
 12 each member hired on or after July 1, 1981, who has both  
 13 completed 20 years of service and reached age 50 as an  
 14 active firefighter. Except as provided in subsection (2)(b),  
 15 the supplemental allowance, when added to the member's  
 16 service retirement allowance, must equal one-half the  
 17 regular monthly compensation paid to a newly confirmed  
 18 active firefighter of the city that last employed him as a  
 19 firefighter as provided each year in the budget of that  
 20 city. If after a member retires, the city that last employed  
 21 him no longer employs a full-paid firefighter, the member's  
 22 supplemental allowance must be calculated on the basis of  
 23 the average monthly compensation paid to all newly confirmed  
 24 full-paid firefighters, as provided each year in the budgets  
 25 of those cities that participate in the plan and employ a

1 full-paid firefighter.

2 (b) If the amount contained in the account is  
 3 insufficient to fully fund the supplemental allowance  
 4 provided for in subsection (2)(a), the supplemental  
 5 allowance for each eligible member must be reduced by an  
 6 equal percentage so that the amount contained in the account  
 7 is not exceeded."

8 NEW SECTION. Section 2. Extension of authority. Any  
 9 existing authority of the public employees' retirement board  
 10 to make rules on the subject of the provisions of this act  
 11 is extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is  
 13 effective July 1, 1985.

-End-

# CONFERENCE COMMITTEE REPORT

Report No. 1

APR 18, 1985

MR. SPEAKER

We, your \_\_\_\_\_ Conference Committee on

SENATE BILL NO. 427, reference copy,

met and considered on April 18, the House Amendments to

SENATE BILL NO. 427.

We recommend as follows:

That SENATE BILL NO. 427, reference copy, be amended as follows:

House State Administration Standing Committee Report of March 27.

Strike: Amendment Nos. 1 through 15 in their entirety

CCSB427

And that this Conference Committee report be adopted.

FOR THE SENATE

Richard E. Manning  
MANNING, CHM

Esther M. Harding  
HARDING

Ray Lybeck  
LYBECK

FOR THE HOUSE

Driscoll  
DRISCOLL

Compton  
COMPTON

Harbin  
HARBIN

ADOPT REJECT

SALES

SENATE BILL NO. 427

INTRODUCED BY MANNING, HAPFEY, LYNCH, DANIELS,  
MOHAR, MCCALLUM, MCCORMICK, DRISCOLL, O'CONNELL

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A METHOD FOR  
FUNDING THE SUPPLEMENTAL ALLOWANCE GRANTED TO CERTAIN  
MEMBERS OF THE MONTANA FIREFIGHTERS' UNIFIED RETIREMENT  
SYSTEM HIRED ON OR AFTER JULY 17, 1981; PROVIDING FUNDING FOR  
THE ALLOWANCE; PROVIDING FUNDING FOR THE ALLOWANCE IF  
INSUFFICIENT MONEY IS AVAILABLE; AMENDING SECTIONS 19-11-606  
AND SECTION 19-13-1006, MCA; AND PROVIDING AN EFFECTIVE  
DATE."

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

Section 1. Section 19-11-606, MCA, is amended to read:  
"19-11-606. Supplement to certain pensions. (1) In  
addition to the taxes on premiums required by law to be paid  
by each insurer doing business in this state that is  
authorized to effect insurance on risks enumerated in  
19-11-512, there is a tax of 1-1/2% ~~0.4%~~ 1-1/2% on the fire  
portion of ~~THE FIRE PORTION OF~~ the direct premiums received  
during the calendar year of 1975 ~~1985~~ 1975 and each  
succeeding year, with allowance for cancellations and  
returned premiums. The insurance commissioner shall collect  
the tax during March of each year and deposit the moneys in

~~the state special revenue fund. The auditor shall pay claims  
as provided in subsection (2) of this section and 19-13-1006  
19-13-1006(1). As those persons who are to receive the fund  
die, the tax shall be reduced proportionately, and when no  
eligible person, as defined by subsection (2) and  
19-13-1006, survives, the tax terminates and the remaining  
fund, if any, shall be transferred to the general fund.  
(2) Effective January 17, 1976, each association shall  
pay to the firefighters retired before July 17, 1973, or  
their surviving spouses and children a monthly pension of  
not less than one-half the regular monthly salary paid to a  
confirmed active firefighter of that city, as provided each  
year in the budget of that city. In the case of volunteer  
firefighters, the pension may not exceed \$75 per month.  
Distribution of the funds provided for this purpose under  
subsection (1) shall be made as follows:  
(a) At the beginning of each fiscal year the treasurer  
of each association shall request and the state auditor  
shall issue from the state special revenue fund and deliver  
to the treasurer of the respective city or town an amount  
certified to be equal to the total annual dollar difference  
between what the retirees or their surviving spouses and  
children received from the fund and one-half of the salary  
paid by the respective city or town to a confirmed active  
firefighter for the fiscal year just preceding. The state~~



1 auditor shall, at the same time, report to the treasurer of  
2 the appropriate association the amount of any payment  
3 delivered to the board of investments.

4 (b) The treasurer of a city or town receiving funds  
5 shall immediately disburse them to the treasurer of the  
6 respective association.

7 (c) The treasurer of the association shall utilize  
8 these funds to increase the monthly pension of retirees or  
9 their surviving spouses and children to an amount equal to  
10 one-half of the salary that was paid to a confirmed active  
11 firefighter in the city or town for the preceding year.

12 (3) If sufficient money remains in the fund after the  
13 payment of claims as provided in subsection (2) and  
14 19-13-1006(1), the state auditor shall maintain in the fund  
15 an amount equal to the payment of claims for that fiscal  
16 year and deposit any excess amount in a separate account  
17 within the pension trust fund provided for in 19-13-501. The  
18 amount transferred to this account must be used to pay the  
19 supplemental allowance provided for in 19-13-1006(2)."

20 Section 1. Section 19-13-1006, MCA, is amended to  
21 read:

22 "19-13-1006. Supplement to certain retirement  
23 allowances. (1) (a) The plan shall pay to each firefighter  
24 retired before July 1, 1973, or his surviving spouse or  
25 children a monthly retirement allowance of not less than

1 one-half the regular monthly salary paid to a confirmed  
2 active firefighter of the city that last employed him as a  
3 firefighter, as provided each year in the budget of that  
4 city. If the city that last employed him as a firefighter no  
5 longer employs a full-paid firefighter, the firefighter's or  
6 his beneficiary's allowance may not be less than one-half  
7 the average regular monthly salary paid to all newly  
8 confirmed full-paid firefighters, as provided each year in  
9 the budgets of those cities that participate in the plan and  
10 employ a full-paid firefighter. In the case of volunteer  
11 firefighters, the retirement allowance may not exceed \$75  
12 per month. Distribution of the money provided for this  
13 purpose under 19-11-606(1) shall be made according to  
14 subsection (2) (b) (2).

15 (2) (b) (i) (2) (A) At the beginning of each fiscal  
16 year the administrator shall request and, EXCEPT AS PROVIDED  
17 IN SUBSECTION (i) (B) (2) (B), the state auditor shall  
18 issue from the state special revenue fund and deliver to the  
19 administrator an amount certified to be equal to the total  
20 annual dollar difference between the total retirement  
21 allowances paid to all retirees or their surviving spouses  
22 or children in the previous fiscal year and the total  
23 benefits payable on June 30, 1973. The administrator shall  
24 deposit this money into the fund.

25 (i) (B) IF INSUFFICIENT MONEY IS CONTAINED IN THE

1 STATE SPECIAL REVENUE FUND TO PAY THE AMOUNT REQUESTED IN  
 2 SUBSECTION (1)(B)(1) (2)(A), THE AUDITOR SHALL PAY TO THE  
 3 ADMINISTRATOR THE BALANCE CONTAINED IN THE STATE SPECIAL  
 4 REVENUE FUND. THE ADMINISTRATOR SHALL CONTINUE TO REQUEST  
 5 ANY PORTION OF THE AMOUNT REQUESTED UNDER SUBSECTION  
 6 (1)(B)(1) (2)(A) NOT PAID IN PREVIOUS FISCAL YEARS PLUS  
 7 SUFFICIENT INTEREST TO REIMBURSE THE FUND AS DEFINED IN  
 8 19-13-104, AND THE AUDITOR SHALL PAY THE REQUESTS AS MONEY  
 9 IN THE STATE SPECIAL REVENUE FUND BECOMES AVAILABLE.

10 (2)(a) The administrator shall pay a supplemental  
 11 allowance from the account provided for in 19-11-606(3) to  
 12 each member hired on or after July 1, 1981, who has both  
 13 completed 20 years of service and reached age 50 as an  
 14 active firefighter. Except as provided in subsection (2)(b),  
 15 the supplemental allowance, when added to the member's  
 16 service retirement allowance, must equal one-half the  
 17 regular monthly compensation paid to a newly confirmed  
 18 active firefighter of the city that last employed him as a  
 19 firefighter as provided each year in the budget of that  
 20 city. If after a member retires, the city that last employed  
 21 him no longer employs a full-paid firefighter, the member's  
 22 supplemental allowance must be calculated on the basis of  
 23 the average monthly compensation paid to all newly confirmed  
 24 full-paid firefighters, as provided each year in the budgets  
 25 of those cities that participate in the plan and employ a

1 full-paid firefighter.

2 (b) If the amount contained in the account is  
 3 insufficient to fully fund the supplemental allowance  
 4 provided for in subsection (2)(a), the supplemental  
 5 allowance for each eligible member must be reduced by an  
 6 equal percentage so that the amount contained in the account  
 7 is not exceeded."

8 NEW SECTION. Section 2. Extension of authority. Any  
 9 existing authority of the public employees' retirement board  
 10 to make rules on the subject of the provisions of this act  
 11 is extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is  
 13 effective July 1, 1985.

-End-