

HOUSE BILL NO. 604

INTRODUCED BY O'CONNELL, DRISCOLL, REAM, WYATT, LYNCH,
WALKER, STRIZICH, NISBET, J. BROWN, PAVLOVICH, MCCORMICK,
SQUIRES, BACHINI, MCDONOUGH, CONNELLY, COCCHIARELLA,
KOEHNKE, DAVIS, BROOKE, MOORE, HANSEN, RUSSELL, STICKNEY,
KILPATRICK, WHALEN, GERVAIS, DEMARS, JOHNSON, QUILICI,
MENAHAN, SCHYE, DARKO, RANEY, T. NELSON, HARPER, STEPPLER,
MANNING, O'KEEFE, JACOBSON, PIPINICH, HOFFMAN

IN THE HOUSE

FEBRUARY 8, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
FEBRUARY 16, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 17, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 79; NOES, 18.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 11, 1989	SECOND READING, CONCURRED IN.
MARCH 14, 1989	THIRD READING, CONCURRED IN. AYES, 45; NOES, 4.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 15, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

HOUSE BILL NO. 604 Speech
 INTRODUCED BY W. R. [Signature] Wright
Nisbet Palmer
 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
Cochran Robert Sevier Beale Moore
 ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'
St. Louis St. Louis St. Louis Whalen
 RETIREMENT SYSTEM WHO RETIRED ON OR AFTER JULY 1, 1975;
Baras Baras Baras Baras Baras
 AMENDING SECTION 19-9-101, MCA; AND PROVIDING AN EFFECTIVE
 DATE. Baras Baras Baras Baras Baras
Richard E. Manning Jacaron Baras Baras

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

Section 1. Section 19-9-1011, MCA, is amended to read:

"19-9-1011. Allowance adjustment. (1) A monthly allowance paid under section 31(3), Chapter 456, Laws of 1977 (formerly section 11-1890(3), R.C.M. 1947), 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) 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)."

NEW SECTION. **Section 2.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 3.** Effective date. [This act] is effective July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB604, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing an allowance adjustment for members of the Municipal Police Officers' Retirement System who retired on or after July 1, 1985; amending Section 19-9-1011, MCA; and providing an effective date.

ASSUMPTIONS:

1. Supplemental benefits paid to police officers shall be paid by the State Auditor from the premium tax fund (risks enumerated in 19-11-512(3), MCA). Obligations for supplemental benefits will not accrue to the retirement trust fund.
2. Supplemental benefits paid to pre-July 1, 1975 retirees will not be affected by this bill.
3. Estimates of the additional supplemental benefits required to be paid from the tax premium fund during FY90 and FY91 are based on historical salary increases granted in cities belonging to the Municipal Police Officers' Retirement System and the current benefits paid to members retired after 7-1-85. 106 retirees will receive additional supplemental benefits in FY90 and 117 retirees will receive additional supplemental benefits in FY91.

FISCAL IMPACT:

	<u>FY90</u>			<u>FY91</u>		
	Current	Proposed		Current	Proposed	
<u>Expenditures:</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>
Benefits and Claims	\$ -0-	\$114,000	\$ 114,000	\$ -0-	\$151,800	\$ 151,800


Funding: Insurance Regulatory Account

Any balances remaining in the Insurance Regulatory Account, transfer to the General Fund.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The demand on this fund will increase as salaries of newly confirmed officers in member cities increase. As retirees and their beneficiaries die, supplemental benefits will decrease.

The annual unfunded liability payment of \$95,367 to the MPORS trust fund is scheduled to end after FY92; this will increase funds available to pay supplemental benefits and increase potential general fund revenue.

 DATE 3/7/89
 RAY SHACKLEFORD, BUDGET DIRECTOR
 OFFICE OF BUDGET AND PROGRAM PLANNING

 DATE 3/08/89
 HELEN G. O'CONNELL, PRIMARY SPONSOR

Fiscal Note for HB604, as introduced

HB 604

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

1 *Waller* HOUSE BILL NO. 604 *Synch*
2 INTRODUCED BY *O'Donnell* *Timothy Reamy* *Wheat*
3 *Nichols* *Palomil* *McKinich* *Bushnell*
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
5 ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'
6 RETIREMENT SYSTEM WHO RETIRED ON OR AFTER JULY 1, 1975;
7 AMENDING SECTION 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
8 DATE." *Darko Ravey* *Richard E. Manning* *Jacalson* *Spick* *Hoffman*
9 *Wife*

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

11 **Section 1.** Section 19-9-1011, MCA, is amended to read:

12 "19-9-1011. Allowance adjustment. (1) A monthly
13 allowance paid under section 31(3), Chapter 456, Laws of
14 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804,
15 19-9-903, or 19-9-911 to a member retired on or after July
16 1, 1975, but before July 1, 1985, or to his surviving spouse
17 or dependent child may not be less than one-half the monthly
18 compensation paid on July 1, 1985, to a newly confirmed,
19 active police officer of the city that last employed the
20 member as a police officer, as provided each year in the
21 budget of that city.

22 (2) At the beginning of each fiscal year, the
23 administrator shall request and the state auditor shall pay
24 to the administrator from the premium tax collected from
25 insurance sold in this state to insure against the risks

1 enumerated in 19-11-512(3) an amount sufficient to fund the
2 allowance adjustment provided for in subsection (1)."

3 NEW SECTION. **Section 2.** Extension of authority. Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 3.** Effective date. [This act] is
8 effective July 1, 1989.

-End-

1 *Walker* HOUSE BILL NO. 604 *Spuch*
 2 INTRODUCED BY *Phonetic* *Reynolds* *West*
 3 *Nickel* *Palmit* *Spuch* *Reynolds*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
 5 ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'
 6 RETIREMENT SYSTEM WHO RETIRED ON OR AFTER JULY 1, 1975;
 7 AMENDING SECTION 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
 8 DATE."
 9 *Richard E. Manning* *Jacobsen* *Spuch* *Reynolds*

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

11 **Section 1.** Section 19-9-1011, MCA, is amended to read:

12 "19-9-1011. Allowance adjustment. (1) A monthly
 13 allowance paid under section 31(3), Chapter 456, Laws of
 14 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804,
 15 19-9-903, or 19-9-911 to a member retired on or after July
 16 1, 1975, but before July 17, 1985, or to his surviving spouse
 17 or dependent child may not be less than one-half the monthly
 18 compensation paid on July 17, 1985, to a newly confirmed,
 19 active police officer of the city that last employed the
 20 member as a police officer, as provided each year in the
 21 budget of that city.

22 (2) At the beginning of each fiscal year, the
 23 administrator shall request and the state auditor shall pay
 24 to the administrator from the premium tax collected from
 25 insurance sold in this state to insure against the risks

1 enumerated in 19-11-512(3) an amount sufficient to fund the
 2 allowance adjustment provided for in subsection (1)."

3 NEW SECTION. **Section 2.** Extension of authority. Any
 4 existing authority to make rules on the subject of the
 5 provisions of [this act] is extended to the provisions of
 6 [this act].

7 NEW SECTION. **Section 3.** Effective date. [This act] is
 8 effective July 1, 1989.

-End-

1 HOUSE BILL NO. 604

2 INTRODUCED BY O'CONNELL, DRISCOLL, REAM, WYATT, LYNCH,
3 WALKER, STRIZICH, NISBET, J. BROWN, PAVLOVICH, MCCORMICK,
4 SQUIRES, BACHINI, MCDONOUGH, CONNELLY, COCCHIARELLA,
5 KOEHNKE, DAVIS, BROOKE, MOORE, HANSEN, RUSSELL, STICKNEY,
6 KILPATRICK, WHALEN, GERVAIS, DEMARS, JOHNSON, QUILICI,
7 MENAHAN, SCHYE, DARKO, RANEY, T. NELSON, HARPER, STEPLER,
8 MANNING, O'KEEFE, JACOBSON, PIPINICH, HOFFMAN

9
10 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN ALLOWANCE
11 ADJUSTMENT FOR MEMBERS OF THE MUNICIPAL POLICE OFFICERS'
12 RETIREMENT SYSTEM WHO RETIRED ON OR AFTER JULY 1, 1975;
13 AMENDING SECTION 19-9-1011, MCA; AND PROVIDING AN EFFECTIVE
14 DATE."

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 **Section 1.** Section 19-9-1011, MCA, is amended to read:

18 "19-9-1011. Allowance adjustment. (1) A monthly
19 allowance paid under section 31(3), Chapter 456, Laws of
20 1977 (formerly section 11-1890(3), R.C.M. 1947), 19-9-804,
21 19-9-903, or 19-9-911 to a member retired on or after July
22 1, 1975, ~~but before July 1, 1985~~, or to his surviving spouse
23 or dependent child may not be less than one-half the monthly
24 compensation paid ~~on July 1, 1985~~, to a newly confirmed,
25 active police officer of the city that last employed the

1 member as a police officer, as provided each year in the
2 budget of that city.

3 (2) At the beginning of each fiscal year, the
4 administrator shall request and the state auditor shall pay
5 to the administrator from the premium tax collected from
6 insurance sold in this state to insure against the risks
7 enumerated in 19-11-512(3) an amount sufficient to fund the
8 allowance adjustment provided for in subsection (1)."

9 **NEW SECTION. Section 2.** Extension of authority. Any
10 existing authority to make rules on the subject of the
11 provisions of [this act] is extended to the provisions of
12 [this act].

13 **NEW SECTION. Section 3.** Effective date. [This act] is
14 effective July 1, 1989.

-End-