

## SENATE BILL NO. 72

INTRODUCED BY C. SQUIRES

BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT BOARD APPOINTED BY THE GOVERNOR BE CONFIRMED BY THE SENATE; AMENDING SECTION 2-15-1009, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

WHEREAS, the Public Employees' Retirement Board (PERB) administers and manages the assets of 10 separate retirement plans, with combined trust fund assets of over \$4.2 billion and benefit payments of over \$180 million to more than 18,000 retirees annually; and

WHEREAS, the PERB has a fiduciary obligation to its paying members, retirees, and taxpayers to adopt and implement investment, administrative, and other policies that safeguard the interests of the members, retirees, and taxpayers; and

WHEREAS, the Legislature has the obligation and authority to oversee and supervise those investment, administrative, and other policies; and

WHEREAS, Montana statutes now require that the Governor submit to the Montana Senate for confirmation by the Senate the appointments to at least 65 various boards, committees, councils, and commissions; and

WHEREAS, among the 65 entities for which Senate confirmation is now required are Title 37 licensing boards, such as the Board of Plumbers, and regulatory boards, such as the Board of Milk Control; and

WHEREAS, the process of investigation and confirmation used by the Senate helps ensure that appointees to the 65 boards, committees, councils, and commissions are sincerely interested in the appointment, that they are responsive to the constituencies that they serve, and that they are legally and otherwise qualified for the appointment that they seek; and

WHEREAS, the State Administration and Veterans' Affairs Interim Committee believes that the functions, responsibilities, and authority of the members of the PERB are at least equal to some of the other boards, committees, councils, and commissions for which Senate confirmation is now required; and

THEREFORE, the State Administration and Veterans' Affairs Interim Committee recommends that the

gubernatorial appointments to the PERB be made subject to confirmation by the Montana Senate.

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

**Section 1.** Section 2-15-1009, MCA, is amended to read:

**"2-15-1009. Public employees' retirement board -- terms -- allocation.** (1) There is a public employees' retirement board.

(2) The board consists of seven members appointed by the governor with the consent of the senate. The members are:

(a) three public employees who are active members of a public retirement system (not more than one of these members may be an employee of the same department and at least one of these members must, no later than July 1, 2003, be a member of the defined contribution plan created pursuant to Title 19, chapter 3, part 21);

(b) one retired public employee who is a member of the public employees' retirement system;

(c) two members at large; and

(d) one member who has experience in investment management, counseling, or financial planning or who has other similar experience.

(3) The term of office for each member is 5 years.

(4) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121. The board shall hire necessary employees as provided in 19-2-404.

(5) Members of the board must be compensated and receive travel expenses as provided for in 2-15-124."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. Applicability.** [This act] applies to members of the public employees' retirement board appointed after [the effective date of this act].

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