

Amendments to House Bill No. 454
2nd Reading Copy

Requested by Representative Rob Cook
For the House Appropriations Committee

Prepared by Sheri Scurr
March 22, 2013 (3:06pm)

1. Title, page 1, line 6 through line 13.
Strike: "PROVIDING" on line 6 through "FUND;" on line 13.

2. Title, page 1, line 15 through line 16.
Strike: "PROVIDING" on line 15 through "BIENNIUM;" on line 16

3. Title, page 1, line 17.
Strike: "15-35-108, 17-5-703,"
Insert: "17-7-502,"

4. Title, page 1, line 17 through line 18.
Strike: "AMENDING" on line 17 through "2011;" on line 18
Insert: "REPEALING SECTION 19-3-319, MCA;"

5. Page 2, line 25 through page 9, line 20.
Strike: section 1 through section 2 in their entirety
Insert: "**Section 1.** Section 17-7-502, MCA, is amended to read:
 "**17-7-502. Statutory appropriations -- definition --
requisites for validity.** (1) A statutory appropriation is an
appropriation made by permanent law that authorizes spending by a
state agency without the need for a biennial legislative
appropriation or budget amendment.
 (2) Except as provided in subsection (4), to be effective,
a statutory appropriation must comply with both of the following
provisions:
 (a) The law containing the statutory authority must be
listed in subsection (3).
 (b) The law or portion of the law making a statutory
appropriation must specifically state that a statutory
appropriation is made as provided in this section.
 (3) The following laws are the only laws containing
statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403;
7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203;
10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218;
15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;
15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112;
17-3-212; 17-3-222; 17-3-241; 17-6-101; 18-11-112; ~~19-3-319~~; 19-
3-316; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301;
19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203;
20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105;

23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-416; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 8, Ch. 330, L. 2009, the inclusion of 87-1-621 terminates June 30, 2013; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30, 2013; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019; pursuant to sec. 47, Ch. 19, L. 2011, the inclusion of 87-1-621 terminates June 30, 2013; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; and pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017.)"

{Internal References to 17-7-502:

X TO ALL

2-17-105	5-11-120	5-11-407	5-13-403
7-4-2502	10-1-108	10-1-1202	10-1-1303
10-2-603	10-3-203	10-3-310	10-3-312
10-3-312	10-3-314	10-4-301	15-1-121
15-1-218	15-31-906	15-35-108	15-35-108
15-36-332	15-36-332	15-37-117	15-39-110
15-65-121	15-70-101	15-70-369	15-70-601
16-11-509	17-1-508	17-3-106	17-3-112
17-3-212	17-3-222	17-3-241	17-6-101
17-7-501	18-11-112	19-3-319	19-6-404
19-6-410	19-9-702	19-13-604	19-17-301

19-18-512	19-19-305	19-19-506	19-20-604
19-20-607	19-21-203	20-8-107	20-9-534
20-9-622	20-26-1503	22-3-1004	23-4-105
23-4-105	23-5-306	23-5-409	23-5-612
23-7-301	23-7-402	30-10-1004	37-43-204
37-51-501	39-71-503	41-5-2011	42-2-105
44-4-1101	44-12-206	44-13-102	50-4-623
53-1-109	53-9-113	53-24-108	53-24-108
53-24-206	60-11-115	61-3-415	69-3-870
75-1-1101	75-5-1108	75-6-214	75-11-313
76-13-416	77-1-108	77-2-362	80-2-222
80-4-416	80-11-518	81-1-112	81-7-106
81-10-103	82-11-161	82-11-161	85-20-1504
85-20-1505	87-1-230	87-1-603	87-1-621
90-1-115	90-1-115	90-1-205	90-1-504
90-3-1003	90-6-331	90-9-306 }"	

Renumber: subsequent sections

6. Page 10, line 24.

Following: "rates"

Insert: "-- supplemental employer and general fund contributions
-- statutory appropriation"

7. Page 10, line 24 through line 25.

Strike: "Except" on line 24 through "the" on line 25

Insert: "The"

8. Page 10, line 25.

Strike: "6.9%"

Insert: "6.8%"

9. Page 10, line 26.

Strike: "additional"

Insert: "supplemental employer"

Strike: "(3)"

Insert: "(2)"

10. Page 11, line 1 through line 16.

Strike: subsection (2) through (4) in their entirety

Insert: "(2) Subject to subsection (3), each employer and the general fund shall contribute to the system a supplemental contribution equal to a percentage of the compensation paid to all of the employer's employees, except those employees properly excluded from membership, as follows:

(a) on the compensation of state agency employees, including the university system:

(i) beginning July 1, 2013, through June 30, 2015, 1.37% by the employer and 3.5% by the general fund;

(ii) beginning July 1, 2015, through June 30, 2016, 2.07% by the employer and 2.8% by the general fund;

(iii) beginning July 1, 2016, through June 30, 2017, 2.77% by the employer and 2.1% by the general fund;

(iv) beginning July 1, 2017, through June 30, 2018, 3.47% by the employer and 1.4% by the general fund;

(v) beginning July 1, 2018, through June 30, 2019, 4.17% by the employer and 0.7% by the general fund; and

(vi) beginning July 1, 2019, 4.87% by the employer;

(b) on the compensation of local government employees:

(i) beginning July 1, 2013, through June 30, 2015, 1.27% by the employer and 3.6% by the general fund;

(ii) beginning July 1, 2015, through June 30, 2016, 1.47% by the employer and 3.4% by the general fund;

(iii) beginning July 1, 2016, through June 30, 2017, 1.67% by the employer and 3.2% by the general fund;

(iv) beginning July 1, 2017, through June 30, 2018, 1.87% by the employer and 3.0% by the general fund;

(v) beginning July 1, 2018, through June 30, 2019, 2.07% by the employer and 2.8% by the general fund; and

(vi) beginning July 1, 2019, 2.27% by the employer and 2.6% by the general fund;

(c) on the compensation of school district employees:

(i) beginning July 1, 2013, through June 30, 2015, 1.0% by the employer and 3.87% by the general fund;

(ii) beginning July 1, 2015, through June 30, 2016, 1.2% by the employer and 3.67% by the general fund;

(iii) beginning July 1, 2016, through June 30, 2017, 1.4% by the employer and 3.47% by the general fund;

(iv) beginning July 1, 2017, through June 30, 2018, 1.6% by the employer and 3.27% by the general fund;

(v) beginning July 1, 2018, through June 30, 2019, 1.8% by the employer and 3.07% by the general fund; and

(vi) beginning July 1, 2019, 2.0% by the employer and 2.87% by the general fund.

(3) (a) When the system is 90% funded as of the latest actuarial valuation and the guaranteed annual benefit adjustment has been increased to the maximum allowed under 19-3-1605, the board shall decrease the contribution percentages provided in subsection (2) by a total percentage that will provide that the system is not less than 85% funded. Two-thirds of the total percentage decrease must be applied to the general fund contribution and one-third of the total percentage decrease must be applied to the employer contribution. If the general fund contribution is too low to be reduced by the two-thirds, the general fund contribution must be decreased to zero and the remainder of the total reduction must be applied to the employer contribution. If the general fund contribution is zero, the total percentage reduction must be applied entirely to the employer contribution.

(4) The general fund supplemental contributions under subsection (2) are statutorily appropriated, as provided in 17-7-502, on an annual basis from the general fund to the system's pension trust fund."

11. Page 13, line 25 through line 26.

Strike: "on" on line 25 through "order" on line 26

Insert: "the employer portion of the supplemental contribution provided for in 19-3-316(2) must be allocated as follows"

12. Page 13, line 27.

Following: "(i)"

Insert: "0.27% of compensation must be allocated"

13. Page 13, line 27.

Following: "liability"

Insert: "until it has been fully paid"

14. Page 13, line 28.

Following: "(ii)"

Insert: "when the plan choice rate unfunded actuarial liability has been fully paid, 0.27% must be allocated"

15. Page 13, line 29 through line 30.

Strike: "on" on line 29 through "compensation" on line 30

Insert: "the remainder of the employer supplemental contribution and the general fund supplemental contribution under 19-3-316(2)"

16. Page 14, line 5 through page 15, line 2.

Strike: section 7 through section 10 in their entirety

Insert: "NEW SECTION. Section 6. {standard} Repealer. The following section of the Montana Code Annotated is repealed: 19-3-319. State contributions for local government and school district employers.

{Internal References to 19-3-319: x17-7-502 x19-3-316 }"

Renumber: subsequent sections

- END -

Explanation -

1. Eliminates use of coal severance tax revenue.
2. Provides for a supplemental contribution totaling 4.87%, which will be shared by the employer and the general fund. The employer portion of the contribution will be a net increase of 1% for the next two fiscal years, while the general fund contribution will make up the rest. The employer's share of the supplemental contribution will gradually increase by 0.7%, while the general fund share will decrease.
3. Provides that the supplemental contribution may be decreased if the GABA has been fully reinstated, the system is 90% funded, and the decrease will not cause the funded ratio to drop below 85%. The amount of any decrease will be applied two-thirds to the general fund contribution and one-third to the employer contribution.