

SENATE BILL NO. 353

INTRODUCED BY E. WALKER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING CERTAIN QUALIFICATIONS FOR MEMBERS OF
5 THE PUBLIC EMPLOYEES' RETIREMENT BOARD AND THE TEACHERS' RETIREMENT BOARD; REDUCING
6 THE SIZE OF THE MEMBERSHIP OF THE TEACHERS' RETIREMENT BOARD; PROVIDING FOR
7 TRANSITION; AMENDING SECTIONS 2-15-1009 AND 2-15-1010, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE AND APPLICABILITY DATES."

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

11
12 **Section 1.** Section 2-15-1009, MCA, is amended to read:

13 **"2-15-1009. Public employees' retirement board -- terms -- allocation.** (1) There is a public
14 employees' retirement board.

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

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

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

21 ~~—— (c) two members at large; and~~

22 ~~(d)(b) one member who has~~ At least three of the members must have experience in investment
23 management, investment or financial counseling, or financial planning, or ~~who has~~ other similar experience.

24 (c) None of the members may be:

25 (i) an active or inactive member or a retiree of any of the retirement systems or plans under the board's
26 purview; or

27 (ii) an individual who is receiving benefits as a beneficiary of a deceased member or retiree of any of the
28 retirement systems or plans under the board's purview.

29 (d) A member appointed to the board whose personal circumstances after being appointed change in
30 a manner that would disqualify the member from serving pursuant to subsection (2)(c) must immediately resign

1 from the board.

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

3 (4) (a) The board is allocated to the department for administrative purposes only as prescribed in
4 2-15-121.

5 (b) The board shall hire necessary employees as provided in 19-2-404.

6 (c) Consistent with its constitutional mandate to administer the retirement plans as a fiduciary of system
7 participants and their beneficiaries, the board shall appoint its own existing attorney in lieu of the person
8 appointed by the department, as provided for in 2-4-110, to have sole responsibility for the legal review of each
9 board rule proposal notice, adoption notice, or other notice related to administrative rulemaking.

10 (5) Members of the board must be compensated and receive travel expenses as provided for in
11 2-15-124."

12

13 **Section 2.** Section 2-15-1010, MCA, is amended to read:

14 **"2-15-1010. Teachers' retirement board -- terms -- allocation -- definition.** (1) There is a teachers'
15 retirement board.

16 (2) The board consists of ~~six~~ five members appointed by the governor, ~~as follows:~~

17 ~~— (a) three persons appointed from the teaching profession who, when appointed, are active members of~~
18 ~~the retirement system. At least one of the three appointees must be actively employed as a public school~~
19 ~~classroom teacher and shall hold a class 1, 2, or 4 certificate pursuant to 20-4-106.~~

20 ~~— (b) two persons appointed as representatives of the public;~~

21 ~~— (c) one member who must be a retired teacher who was a member of the retirement system at the time~~
22 ~~of retirement.~~

23 (3) At least two of the members must have experience in investment management, investment or
24 financial counseling, financial planning, or other similar experience.

25 ~~(3)(4)~~ (a) ~~Except as provided in subsection (3)(b), each~~ Each appointed member of the board shall serve
26 a term of 5 years. Each appointed member shall take and subscribe to the oath prescribed by Article III, section
27 3, of the Montana constitution. The oath must be filed in the office of the secretary of state.

28 (b) ~~The first appointment of a member of the public after March 16, 2001, is for a 4-year term. After that~~
29 ~~appointment, each appointment of a member of the public is for a 5-year term. None of the members may be:~~

30 (i) an active or inactive member or a retiree of any of the retirement systems or plans under the board's

1 purview; or

2 (ii) an individual who is receiving benefits as a beneficiary of a deceased member or retiree of any of the
3 retirement systems or plans under the board's purview.

4 (c) A member appointed to the board whose personal circumstances after being appointed change in
5 a manner that would disqualify the member from serving pursuant to subsection (4)(b) must immediately resign
6 from the board.

7 ~~(4)(5)~~ If a vacancy in an unexpired term occurs on the board, the governor shall appoint a person to fill
8 the unexpired portion of the term.

9 ~~(5)(6)~~ The board is allocated to the department for administrative purposes only as prescribed in
10 2-15-121. However, the board may hire its own personnel, and 2-15-121(2)(d) does not apply.

11 ~~(6) As used in this section, "classroom teacher" means a staff member who is assigned professional~~
12 ~~activities of instructing pupils in self-contained classes or courses or in classroom situations."~~

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14 **NEW SECTION. Section 3. Transition.** (1) Notwithstanding the provisions of 2-15-1009 and 2-15-1010,
15 a member of the public employees' retirement board or the teachers' retirement board who has been confirmed
16 by the senate prior to [the effective date of this act] may serve the remainder of the term for which the individual
17 was appointed.

18 (2) A member of the public employees' retirement board or the teachers' retirement board who serves
19 the remainder of the term for which the member is eligible to continue serving pursuant to subsection (1) may not
20 be reappointed if the individual is not eligible to serve on the board pursuant to 2-15-1009(2)(c) or
21 2-15-1010(4)(b).

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23 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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25 **NEW SECTION. Section 5. Applicability.** [This act] applies:

26 (1) to appointments made by the governor to the public employees' retirement board or the teachers'
27 retirement board on or after [the effective date of this act]; and

28 (2) retroactively, within the meaning of 1-2-109, to any individual appointed by the governor to the public
29 employees' retirement board or the teachers' retirement board prior to [the effective date of this act] but who has
30 not been confirmed by the senate prior to [the effective date of this act].

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