

HOUSE BILL NO. 550
INTRODUCED BY B. RYAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING RURAL FIRE DISTRICTS TO PARTICIPATE IN THE FIREFIGHTERS' UNIFIED RETIREMENT SYSTEM; SPECIFYING TERMS AND CONDITIONS RELATED TO EMPLOYER AND FIREFIGHTER ELECTIONS TO PARTICIPATE; PROVIDING THAT STATE CONTRIBUTIONS TO THE RETIREMENT SYSTEM BE MADE DIRECTLY FROM CERTAIN INSURANCE PREMIUM TAXES AND BE STATUTORILY APPROPRIATED FROM A SPECIAL REVENUE ACCOUNT RATHER THAN FROM THE GENERAL FUND; AMENDING SECTIONS 19-13-104, 19-13-210, 19-13-604, AND 33-2-708, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 19-13-104, MCA, is amended to read:

"19-13-104. Definitions. Unless the context requires otherwise, the following definitions apply in this chapter:

(1) Any reference to "city" or "town" includes those jurisdictions that, before the effective date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban firefighting services, or the entire county included in the county-municipal consolidation.

(2) "Compensation" means:

(a) for a full-paid firefighter, the regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid for the firefighter's service as a firefighter out of funds controlled by an employer before any pretax deductions allowed under the Internal Revenue Code have been made;

(b) for a part-paid firefighter employed by a city of the second class:

(i) 15% of the regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to a newly confirmed, full-paid firefighter of the city that employs the part-paid firefighter; or

(ii) if that city does not employ a full-paid firefighter, 15% of the average regular remuneration, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid on July 1 of each year to all newly confirmed, full-paid firefighters employed by cities of the

second class.

(3) "Dependent child" means a child of a deceased member who is:

(a) unmarried and under 18 years of age; or

(b) unmarried, under 24 years of age, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.

(4) "Employer" means any city that is of the first or second class ~~or, a city~~ that elects to join ~~this~~ the retirement system under 19-13-211, the employing entity of firefighters in unincorporated areas that elects to join the retirement system pursuant to 19-13-210(3), or, with respect to firefighters covered in the retirement system pursuant to 19-13-210(2), the department of military affairs established in 2-15-1201.

(5) "Final average compensation" means the monthly compensation of a member averaged over the last 36 months of the member's active service or, if the member has not been a member that long, over the period of the member's service. Lump-sum payments for annual leave paid to the member upon termination of service may be used to replace, on a month-for-month basis, the normal compensation for a month or months included in the calculation of final average compensation.

(6) "Firefighter" means a person employed as a full-paid or part-paid firefighter by an employer.

(7) "Full-paid firefighter" means a person appointed as a firefighter under 7-33-4106.

(8) "Minimum retirement date" means the first day of the month coinciding with or immediately following, if none coincides, the date on which a member becomes both age 50 or older and completes 5 or more years of membership service.

(9) "Part-paid firefighter" means a person employed under 7-33-4109 who receives compensation in excess of \$300 a year for service as a firefighter.

(10) "Prior plan" means the fire department relief association plan of a city that elects to join the retirement system under 19-13-211 or the fire department relief association plan of a city of the first or second class.

(11) "Retirement date" means the date on which the first payment of benefits is payable.

(12) "Retirement system" means the firefighters' unified retirement system provided for in this chapter.

(13) "Surviving spouse" means the spouse married to a member at the time of the member's death."

Section 2. Section 19-13-210, MCA, is amended to read:

"19-13-210. Participation in retirement system. (1) Cities of the first and second class that employ full-paid firefighters shall participate in the retirement system. If a city of the first or second class is reduced to a

city of the third class or a town under 7-1-4118, it shall continue to participate in the retirement system as long as it has retired firefighters or survivors eligible to receive retirement benefits.

(2) Firefighters hired by the Montana air national guard on or after October 1, 2001, or on or after the date of the execution of an agreement between the department of military affairs and the board, whichever is later, shall participate in the retirement system.

(3) (a) An employer of firefighters in an unincorporated area may elect to participate in the retirement system by adopting a resolution or making a declaration stating that the employer agrees to be bound by the provisions of the retirement system. The resolution or declaration must specify the effective date of the election. The provisions of the retirement system become applicable on the effective date specified. A certified copy of the resolution must be provided to the board.

(b) A firefighter hired by the employer on or after the effective date of the election to join the retirement system shall participate in the retirement system.

(c) A firefighter who is a member of the public employees' retirement system on the effective date of the employer's election may remain a member of the public employees' retirement system or may elect to become a member of the retirement system by filing a one-time irrevocable election with the board no later than 30 days after the date of the employer's election. A firefighter who elects to become a member of the retirement system may purchase service credit pursuant to 19-13-404 for all or a portion of the firefighter's previous service."

Section 3. Section 19-13-604, MCA, is amended to read:

"19-13-604. State contribution -- special revenue account -- statutory appropriation. (1) The state shall make its contributions ~~from the general fund~~ through the state auditor from certain insurance premium taxes deposited to a special revenue account pursuant to subsection (2). The ~~general fund~~ contributions must be made annually after the end of each fiscal year but no later than November 1. The board shall notify the state auditor by September 1 of each fiscal year of the annual compensation, excluding overtime, holiday payments, shift differential payments, compensatory time payments, and payments in lieu of sick leave, paid to all active members during the preceding fiscal year. The state's contribution is 32.61% of this total compensation.

(2) There is an account in the state special revenue fund to the credit of the state auditor. Of the insurance premium taxes collected under 33-2-705(2) from insurers authorized to effect insurance against the risks enumerated in 50-3-109(2), an amount equal to the state contribution required in subsection (1) must be deposited in the account. Money in the account may be used only to make the state contributions required in subsection (1).

(3) The contributions are statutorily appropriated, as provided in 17-7-502."

Section 4. Section 33-2-708, MCA, is amended to read:

"33-2-708. Fees and licenses. (1) (a) Except as provided in 33-17-212(2), the commissioner shall collect a fee of \$1,900 from each insurer applying for or annually renewing a certificate of authority to conduct the business of insurance in Montana.

(b) The commissioner shall collect certain additional fees as follows:

(i) nonresident insurance producer's license:

(A) application for original license, including issuance of license, if issued.....100.00

(B) annual renewal of license.....10.00

(ii) surplus lines insurance producer license:

(A) application for original license and for issuance of license, if issued.....50.00

(B) annual renewal of license.....50.00

(iii) 50 cents for each page for copies of documents on file in the commissioner's office.

(2) (a) The commissioner shall charge a fee of \$75 for each course or program submitted for review as required by 33-17-1204 and 33-17-1205, but may not charge more than \$1,500 to a sponsoring organization submitting courses or programs for review in any biennium.

(b) Insurers and associations composed of members of the insurance industry are exempt from the charge in subsection (2)(a).

(3) ~~The~~ Except as provided in 19-13-604, the commissioner shall promptly deposit with the state treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to 33-2-311, 33-2-705, and 33-28-201. All other fees collected by the commissioner pursuant to Title 33 and the rules adopted under Title 33 must be deposited in the state special revenue fund to the credit of the state auditor's office.

(4) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of \$10 will be refunded."

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2003.

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