

Unofficial Draft Copy

As of: February 24, 2006 (2:40pm)

LC9999

**** Bill No. ****

Introduced By *****

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 must be confirmed by the senate; amending section 2-15-1009, MCA; and providing 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, according to the PERB; and

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

WHEREAS, Montana statues 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

Unofficial Draft Copy

As of: February 24, 2006 (2:40pm)

LC9999

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 they serve, and that they are legally and otherwise qualified for the appointment they seek; and

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

WHEREAS, the State Administration and Veterans' Affairs Interim Committee therefore 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

Unofficial Draft Copy

As of: February 24, 2006 (2:40pm)

LC9999

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."

{ *Internal References to 2-15-1009:*

x2-15-1808 x7-33-2313 x19-2-303 x19-17-102
x19-50-101 }

NEW SECTION. **Section 2. Applicability.** [This act] applies to members of the public employees' retirement board appointed after [the effective date of this act].

- END -

{Name : David S. Niss

Unofficial Draft Copy
As of: February 24, 2006 (2:40pm)

LC9999

Title : Staff Attorney
Agency: Legislative Services Division
Phone : (406) 444-3064
E-Mail: dniss@state.mt.us }

C12196 6055dnxg.