

# The **Association** report

## from the **Capitol**

February 7, 2006

MoDOT-related legislative activity continues at a quick pace this year at the capitol. On Thursday (Feb. 2) our “prior service purchase bill,” SB791, was placed on the Senate Consent Calendar. And, in somewhat of coincidence, similar “prior service” language appeared as part of a bill filed the same day in the house by Rep. Todd Smith. That bill, SB 1628, is likely to be somewhat controversial.

The thrust of HB1628 is twofold. It calls for the MoDOT retirement system to be taken over and administered by the MOSERS retirement system “no later than Dec. 31, 2006.” A second feature of the bill would authorize the MoDOT Commission to sell as much as \$780 million in “pension obligation bonds” with the proceeds of the bonds to “be deposited with and become assets of” the MOSERS retirement system.

Presumably the bond revenue is intended to strengthen the MOSERS system “funded ratio” after it assumes responsibility for the MoDOT retirement system. This is if HB1628 becomes law. Earlier this session, Rep. Smith introduced legislation, HB1305, which would prohibit any retirement system with a funded ratio of less than 80% from giving any additional member benefits. This provision would affect the MoDOT retirement system. HB1305 is being heard Wednesday (Feb. 8) at 6 p.m. in the House Retirement Committee.

HB1628 also specifies that the MoDOT commission would be responsible for paying off the pension obligation bonds within 20 years.

In other news of interest to Association members, the Senate Transportation Committee is expected to vote “do pass” a committee substitute that would include the highway worker safety bill, SB754. That committee vote is scheduled for Wednesday. A similar bill in the house is HB1379 is expected to be heard soon. The senate gave final approval this week to SB748 which would offer up to three years of extended health-care coverage for early retirees. If the bill becomes law, the MoDOT Commission would have to vote to offer the retiree benefit.

**From Harry Hill, Lobbyist  
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