



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 72 HLS 17RS 491
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 28, 2017 12:12 PM Author: LEOPOLD
Dept./Agy.: Plaquemines Parish Sheriff's Office Analyst: Sarah Futch
Subject: Retiree Insurance\Plaquemines Parish Retired Employees'

INSURANCE/GROUP-SHERIFFS EG +\$200,000 LF RV See Note Page 1 of 1
Provides relative to group insurance premiums of the Plaquemines Parish Sheriff's Office and distributions to the Plaquemines Parish Retired Employees' Insurance Fund

Purpose of the Bill: This bill changes insurance eligibility requirements for those retirees of the Plaquemines Parish Sheriff's Office hired by the Sheriff on or after July 1, 2017.

This bill also eliminates certain requirements related to contributions to, withdrawals from, and limitations on uses of the Plaquemines Parish Retired Employees' Insurance Fund and the requirement to have an investment advisory board, financial advisor, and legal counsel if the fund falls below \$10,000.

Table with 7 columns: EXPENDITURES/REVENUES, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total for both categories.

EXPENDITURE EXPLANATION

This bill may reduce expenditures of the Plaquemines Parish Sheriff's Office by \$160,000 per year.

Eligibility Changes: An official with the Plaquemines Parish Sheriff's Office indicated the change in eligibility requirements in this bill will have no immediate impact on expenditures because it changes benefits for employees hired on or after July 1, 2017 and those employees must work 15 years with the sheriff's office before any benefit is available.

Fund Changes: Current law requires the sheriff's office to contribute certain monies to the Plaquemines Parish Retired Employees' Insurance Fund, including: 1.5% of the monies received by the sheriff's office for their efforts collecting parish property tax and 50% of the revenues received by the sheriff's office from video poker proceeds. According to a representative from the sheriff's office, \$160,000 is contributed to the fund each year from the sheriff's operating account. This bill eliminates the contribution requirements and allows the sheriff's office to contribute to the fund at its discretion. According to the official, the sheriff will choose to no longer contribute to the fund, therefore reducing expenditures of his office by \$160,000 per year.

REVENUE EXPLANATION

This bill may increase revenue to the Plaquemines Parish Sheriff's Office by \$200,000 per year for the next five years.

Eligibility Changes: There is no anticipated direct material effect on governmental revenues as a result of the eligibility changes in this measure.

Fund Changes: Current law requires that only the earnings are available for withdrawal from the Plaquemines Parish Retired Employees' Insurance Fund for the purpose of paying the insurance premium costs for retired sheriffs and retired deputy sheriffs of Plaquemines Parish. Current law also prevents withdrawals from the fund if the fund falls below five million dollars. This bill allows the sheriff's office to withdraw all monies from the fund, including the principal and accumulated earnings, to pay insurance premiums or claim costs for retirees. According to a representative from the sheriff's office, the fund balance is approximately \$1 million dollars. The sheriff's office plans to withdraw all of the money from the fund in three to five years, depending on the cost of retiree health expenses. The representative estimated withdrawing \$200,000 per year for the next five years.

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services