
DIGEST

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HB 170 Original

2023 Regular Session

Turner

Abstract: Dedicates to the payment of Initial Unfunded Accrued Liability (IUAL) at the Teachers' Retirement System of La. (TRSL) the avails of the 0.45% state sales and use tax that are not otherwise dedicated to the Transportation Trust Fund and the Megaprojects Leverage Fund pursuant to present law.

Present law (R.S. 47:321.1) levies a temporary 0.45% state sales and use tax on the sale, use, consumption, storage, or lease of tangible personal property and certain services in La. The imposition of this tax expires on June 30, 2025. Present law further provides various exemptions from such levy. Proposed law retains present law.

Present law (R.S. 48:77) dedicates a portion of the 0.45% state sales and use tax avails to the Transportation Trust Fund and the Megaprojects Leverage Fund. Proposed law retains present law.

Proposed law dedicates the remainder of the 0.45% state sales and use tax avails to payment of the IUAL at TRSL. Beginning July 1, 2023, proposed law requires deposit of the remaining 0.45% tax avails into the Teachers' Retirement IUAL Fund. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Requires TRSL, subject to appropriation, to draw from the fund monthly and to apply the money to the system's IUAL as defined in present law. Proposed law further provides that monies drawn from the fund pursuant to proposed law shall in no way supplant payments otherwise made pursuant to present law and present constitution. Further prohibits any monies from the fund from being used, directly or indirectly, to fund cost-of-living increases for such systems.

Proposed law further provides that, notwithstanding any provision of law or proposed law to the contrary, no draws from the Teachers' Retirement IUAL Fund shall be approved until the Revenue Estimating Conference has adopted an official forecast with a projected balance for the fund. If such forecast is adopted after July 1, 2023, the first draw shall be for the accumulated balance and monthly draws in accordance with the provisions of proposed law shall commence thereafter.

Proposed law provides that draws may only be made on the account until the IUAL is liquidated. Requires the director of the TRSL to notify the state treasurer immediately if the system's IUAL is liquidated prior to expiration of the 0.45% state sales and use tax levy. If the IUAL is liquidated, requires deposits into the Teachers' Retirement IUAL Fund to cease and the monies that otherwise would have been deposited into the fund to be deposited into the state general fund. Upon notification by the director of TRSL of liquidation of the IUAL, proposed law directs the treasurer to transfer any remaining balances in the fund to the state general fund.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:321.1(G))