

2024 Regular Session

HOUSE BILL NO. 42

BY REPRESENTATIVES FIRMENT AND BUTLER

RETIREMENT/MUNICIPAL POL: Provides relative to membership in the Municipal Police Employees' Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:2225(A)(2)(a) and 2227(D)(2), relative to the Municipal
3 Police Employees' Retirement System; to provide for the composition of the board
4 of trustees of the system; to provide relative to collection of delinquent payments;
5 to provide for an effective date; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article X, Section 29(C) of the Constitution
8 of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:2225(A)(2)(a) and 2227(D)(2) are hereby amended and reenacted
11 to read as follows:

12 §2225. Administration

13 A.

14 * * *

15 (2)(a) The board shall consist of ~~fifteen~~ sixteen trustees as follows: Seven
16 members, three of whom shall not be chiefs of police but shall be active contributing
17 members of the system with ten or more years of creditable service, and four of
18 whom shall be active contributing chiefs of police, with four or more years of
19 creditable service provided that no municipal police department shall have more than
20 one member and one chief of police on the board at the same time; two regular

1 retirees of the system, one retired from Chiefs District I and one retired from Chiefs
 2 District II as those districts are comprised in Subparagraphs (b) and (c) of this
 3 Paragraph; three ex officio trustees to include the chairman of the Senate Committee
 4 on Retirement or his designee, the commissioner of administration or his designee,
 5 and the state treasurer or his designee; a member of the House Committee on
 6 Retirement appointed by the speaker of the House of Representatives or the
 7 member's designee; and ~~two~~ three mayors appointed by the Louisiana Municipal
 8 Association from municipalities having police departments participating in the
 9 system, to serve at the pleasure of the Louisiana Municipal Association. At least one
 10 mayor appointed by the Louisiana Municipal Association shall be the mayor of a
 11 town or village. The retired trustees shall be elected by the retired members of the
 12 system for a term of five years with the first retired trustees' terms to commence on
 13 July 1, 1997. Whenever the term of a board member expires, the term of the newly
 14 elected board member shall be for a term of five years. The director of the
 15 retirement system shall be selected by the board of trustees. Election of members
 16 shall be under such rules and regulations as the board of trustees shall establish.

17 * * *

18 §2227. Method of financing

19 * * *

20 D. Pension accumulation fund:

21 The pension accumulation fund shall be the fund in which shall be
 22 accumulated all reserves for the payment of all pension and benefits payable from
 23 contributions made by employers. Contributions to and payments from the pension
 24 accumulation fund shall be made as follows:

25 * * *

26 (2) Delinquent payments due under ~~R.S. 11:2227(B)(1) and 2227(D)(1)~~
 27 Paragraph (B)(1) or (D)(1) of this Section may be recovered through ~~either~~ of the
 28 following actions:

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (a) Through an action initiated in a court of competent jurisdiction against
2 the political subdivision or instrumentality liable therefor together with interest
3 charged at the legal rate computed from the date the payment became delinquent.
4 Any action instituted by the retirement system or its board of trustees against any
5 employer or member included in the system to recover delinquent payments or
6 damages associated with delinquent payments is subject to a liberative prescription
7 of three years and is subject to the provisions of the Louisiana Governmental Claims
8 Act.

9 (a)(b) ~~Upon certification presentation~~ to the state treasurer ~~and written notice~~
10 ~~to the municipality by the director that a municipality's monthly report and payment~~
11 ~~of contributions is delinquent,~~ of a final judgment from a court of competent
12 jurisdiction, the state treasurer shall deduct the amount of the delinquent
13 contributions in the judgement from any monies then available for distribution to or
14 for the benefit of that municipality and shall transmit said amount directly to the
15 board of trustees of the retirement system. Upon making such a deduction, the state
16 treasurer shall immediately notify the municipality that the deduction has been made
17 and that the funds available for distribution to it are reduced accordingly. In like
18 manner, the director of the system, upon receipt of said funds, shall credit such funds
19 to the proper account affected thereby and shall notify the municipality thereof; or

20 (b) ~~Through an action initiated in a court of competent jurisdiction against~~
21 ~~the political subdivision or instrumentality liable therefor together with interest~~
22 ~~charged at the legal rate computed from the date the payment became delinquent.~~

23 * * *

24 Section 2. This Act shall become effective on January 1, 2025.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 42 Engrossed

2024 Regular Session

Firmen

Abstract: Provides relative to the composition of the MPERS board of trustees and relative to the collection of delinquent payments to the system.

Present law provides that the MPERS board of trustees is composed of 15 members as follows:

- (1) Three active contributing members of the system with 10 or more years of service credit.
- (2) Four active contributing chiefs of police with 4 or more years of service credit.
- (3) Two regular retirees of the system.
- (4) The chairman of the Senate Committee on Retirement or his designee.
- (5) The commissioner of administration or his designee.
- (6) The state treasurer or his designee.
- (7) A member of the House Committee on Retirement appointed by the Speaker.
- (8) Two mayors appointed by the La. Municipal Assoc. (LMA).

Proposed law increases membership to 16 members by adding an additional mayor appointed by the LMA from a town or village (a municipality with a population of less than 5,000).

Present law provides legal procedures by which MPERS collects delinquent payments. Provides for the treasurer to withhold certain funds otherwise owed to a municipality in order to satisfy the municipality's delinquent payments.

Proposed law retains present law and provides that any action instituted by the retirement system to recover delinquent payments or damages associated with delinquent payments is subject to a liberative prescription of three years and is subject to the La. Governmental Claims Act.

Effective January 1, 2025.

(Amends R.S. 11:2225(A)(2)(a) and 2227(D)(2))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Retirement to the original bill:

1. Remove proposed law limiting MPERS membership to municipalities that enter an agreement with the system.

2. Remove proposed law that would have removed option, available to employees who are in Social Security, to not be members of MPERS.
3. Reduce number of new mayors on the board of trustees from three to one and require at least one mayor to be from a town or village.