

Regular Session, 2013

HOUSE BILL NO. 40

BY REPRESENTATIVE ARNOLD

RETIREMENT/LOCAL: Provides for the rate of judicial interest for delinquent payments owed to the Firefighters' Pension and Relief Fund in the city of New Orleans

1 AN ACT

2 To enact R.S. 11:3392, relative to the Firefighters' Pension and Relief Fund in the city of
3 New Orleans; to provide relative to the collection and enforcement of certain debts
4 owed the fund; to establish a rate of interest due on such debts; to provide relative
5 to the authority of the state treasurer; and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article III, Section 13 and Article X, Section
8 29(C) of the Constitution of Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 11:3392 is hereby enacted to read as follows:

11 §3392. Debts; interest, collection, and enforcement

12 A. Any outstanding amount owed to the Firefighters' Pension and Relief
13 Fund in the city of New Orleans by the city of New Orleans or a political subdivision
14 or instrumentality thereof may be recovered by action in a court of competent
15 jurisdiction against the city of New Orleans, the delinquent political subdivision or
16 instrumentality, or any natural or juridical person liable for such debt.
17 Notwithstanding any provision of law to the contrary, including R.S. 13:4202,
18 interest on such debts shall be equal to the greater of the following and be due from
19 the date of judgment until paid.

20 (1) The system's actuarial valuation rate.

21 (2) An amount equal to the market rate of return of the system's investment
22 portfolio.

1 B. The board may certify all delinquent amounts attributable to the city of
 2 New Orleans or any of its political subdivisions or instrumentalities to the state
 3 treasurer. In support of such certification, the board shall submit to the treasurer a
 4 resolution certifying the name of the governmental entity, its failure to pay, and the
 5 amount owed and shall name a designee or designees to act on the board's behalf.
 6 Upon receipt of such certification, the treasurer shall deduct from monies payable to
 7 the city of New Orleans, the political subdivision or the instrumentality, as
 8 applicable, the certified amount due and shall remit such deducted amounts directly
 9 to the Firefighters' Pension and Relief Fund in the city of New Orleans.

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)]

Arnold

HB No. 40

Abstract: Establishes a judicial rate of interest for certain outstanding debts owed the Firefighters' Pension and Relief Fund in the city of New Orleans (NOFF) and further authorizes the board of trustees of such system to claim any state funds owed to the city of New Orleans or any of its political subdivisions or instrumentalities to satisfy an outstanding debt owed to it by such an entity.

Present law (R.S. 13:4202) provides for the rate of judicial interest owed on judgements rendered in courts of competent jurisdiction. The interest rate is calculated each year based on the Federal Reserve Board's discount rate.

Proposed law establishes an exception to present law. Under proposed law, any outstanding debt owed to NOFF may be recovered by the system in a court of competent jurisdiction and the rate of judicial interest on such debt shall be the greater of:

- (1) The system's actuarial valuation rate.
- (2) The market rate of return of the system's investment portfolio.

Proposed law further authorizes the board of trustees of NOFF to certify to the state treasurer the amount due of any outstanding debts owed by the city of New Orleans or any of its political subdivisions or instrumentalities. Requires the board to submit a resolution to the treasurer certifying the name of the governmental entity, its failure to pay, and the amount owed and to name a designee or designees authorized to act on the board's behalf. Upon receipt of such resolution, the treasurer shall deduct from any state monies due the city of New Orleans or any political subdivision or instrumentality, as applicable, an amount equal to the certified debt and remit such amount directly to NOFF.

(Adds R.S. 11:3392)