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)