

2016 First Extraordinary Session

HOUSE BILL NO. 77

BY REPRESENTATIVE AMEDEE

FUNDS/FUNDING: Establishes the Payments Toward State Debt Fund as a special treasury fund (Item #7)

1 AN ACT

2 To enact Subpart P-4 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana  
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.111, relative to statutory  
4 dedications; to create the Payments Toward State Debt Fund as a special treasury  
5 fund; to provide for the deposit, use, and investment of monies in the fund; to  
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart P-4 of Part II-A of Chapter 1 of Subtitle I of Title 39 of the  
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.111, is hereby enacted to read  
10 as follows:

11 SUBPART P-4. PAYMENTS TOWARD STATE DEBT FUND

12 §100.111. Payments Toward State Debt Fund

13 A. There is hereby established in the state treasury, a special fund, the  
14 Payments Toward State Debt Fund, hereinafter referred to as the "fund".

15 B. The source of monies deposited into the fund shall be any monies  
16 received by the state as a result of grants or donations when the terms or conditions  
17 require deposit into the fund and any monies appropriated annually by the legislature  
18 including donations, gifts, grants, or any other monies that may be provided by law.  
19 All unexpended and unencumbered monies in the fund at the end of the fiscal year

1       shall remain in the fund. The monies in the fund shall be invested by the state  
2       treasurer in the same manner as monies in the state general fund, and interest earned  
3       on the investment of monies shall be credited to the fund.

4               (C) Allocation of Monies in the fund. All monies in the fund shall be  
5       appropriated annually as follows:

6               (1) For deposit into the Budget Stabilization Fund. At a minimum, twenty-  
7       five percent shall be deposited into the Budget Stabilization Fund unless deposits  
8       into the fund are prohibited.

9               (2) At a minimum, ten percent of the monies in the fund shall be  
10       appropriated to the Louisiana State Employees' Retirement System and the Teachers'  
11       Retirement System of Louisiana for application to the balance of the unfunded  
12       accrued liability of such systems existing as of June 30, 1988, in proportion to the  
13       balance of such unfunded accrued liability of each such system. Any such payments  
14       to the public retirement systems shall not be used, directly or indirectly, to fund cost-  
15       of-living increases for such systems.

16               (3) Retiring or defeasance of bonds in advance and in addition to the existing  
17       amortization requirements of the state.

18       Section 2. This Act shall become effective on July 1, 2016.

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#### 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)]

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HB 77 Original

2016 First Extraordinary Session

Amedee

**Abstract:** Creates the Payment Towards State Debt Fund and allows the fund to be appropriated for certain UAL payments and debt defeasance.

Proposed law creates the Payments Towards State Debt Fund (the fund) as a special treasury fund, to be funded by grants, donations, and legislative appropriations.

Proposed law provides for the following uses of the fund:

- (1) At least 25% be appropriated for the Budget Stabilization Fund, unless deposits into the fund are prohibited.

- (2) At least 10% to pay the balance of the unfunded accrued liability (UAL) of La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) as of June 30, 1988.
- (3) The remainder to be appropriated for retiring or defeasing debt.

Effective July 1, 2016.

(Adds R.S. 39:100.111)