

GREEN SHEET REDIGEST

HB 37

2016 Regular Session

Jones

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

RETIREMENT/MUNICIPAL EMP: Provides relative to the board of trustees of the Municipal Employees' Retirement System

DIGEST

Present law provides that MERS is governed by an 11-member board of trustees.

Present law provides that the board is composed of six active and contributing members of the system, three of whom are elected officials and three of whom are not elected officials. Requires each such member to have at least 10 years of creditable service. Provides for a term of six years. Proposed law requires only six years of creditable service and implements a two-term limitation for these board members and otherwise retains present law.

Present law provides that the commissioner of administration and the state treasurer, or their designees, are members of this board; however, provides that they are nonvoting members. Proposed law provides that the commissioner of administration and the state treasurer, or their designees, serve as voting members of the MERS board.

Present law provides that the trustees shall serve without compensation but are entitled to a per diem and shall be reimbursed for reasonable expenses in performing duties on behalf of the board. Provides that trustees are subject to the Code of Governmental Ethics. Proposed law provides that no trustee shall accept anything of economic value, including food and drink and complementary admission to, lodging at, or reasonable transportation to and from educational or professional development seminars and conferences from a person who has or is seeking to obtain contractual or other business or financial relationship with the board. Proposed law provides that the prohibition on receipt of food and drink does not apply during educational or professional development seminars.

Present law imposes powers and duties upon the board of trustees and requires that the system submit an annual financial statement to the legislature. Proposed law requires the board to report, with the system's annual financial statement, an itemized schedule of all amounts paid by the system to or on behalf of the system's board members.

Present law makes the board of trustees the custodian of system funds and provides that expense vouchers shall be certified by the administrative director. Proposed law provides that the board may not authorize the use of system funds to pay for board member attendance at more than one seminar or conference out of state, and that any seminar or conference paid for by the board shall be affiliated with an association related to state retirement systems.

(Amends R.S. 11:1821(B)(1), (2), (6), and (7), (C), and (E) and 1842; adds R.S. 11:1823(A)(22))

Summary of Amendments Adopted by House

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

1. Reduce the term of office for the six trustees who are active contributing members of the system to three years.
2. Add provisions prohibiting trustees of MERS from accepting anything of economic value from any person seeking to obtain contractual or other business or financial relationships with MERS.

3. Add provisions requiring MERS to include certain disclosures in their annual financial report to the legislature.
4. Provide limitations on use of system funds regarding board member travel.

The House Floor Amendments to the engrossed bill:

1. Reduce the years of creditable service required for the six trustees who are active contributing members of the system from the proposed 12 years to six years.
2. Increase the term of office for the six trustees who are active contributing members of the system from the proposed three years to four years and impose a two term limitation.
3. Provide an exception to the food, drink and refreshment prohibition, which exception applies during an educational or professional development seminar or conference.
4. Remove the restriction that the association holding a conference attended by board members must be nationally recognized.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Retirement to the reengrossed bill

1. Changes terms of office for the six active member trustees from the proposed law four years back to present law six years and clarifies the two-term limitation.