

2016 Regular Session

HOUSE BILL NO. 37

BY REPRESENTATIVE JONES AND SENATOR PEACOCK

1 AN ACT

2 To amend and reenact R.S. 11:1821(B)(1), (2), (6), and (7), (C), and (E) and 1842 and to  
3 enact R.S. 11:1823(A)(22), relative to the board of trustees of the Municipal  
4 Employees' Retirement System; to grant certain trustees and their designees the  
5 authority to vote; to provide relative to qualifications for service as an elected  
6 trustee; to provide for term duration; to provide for submission of reports to the  
7 legislature; to provide for trustee compensation; to provide for expenditure of system  
8 funds; to prohibit trustees from accepting certain things of economic value; and to  
9 provide for related matters.

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

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 11:1821(B)(1), (2), (6), and (7), (C), and (E) and 1842 are hereby  
15 amended and reenacted and R.S. 11:1823(A)(22) is hereby enacted to read as follows:

16 §1821. Board of trustees; membership; term of office; oath of office; compensation;  
17 voting power; vacancies

18 \* \* \*

1 B. The board shall be composed of eleven trustees as follows:

2 (1) Three active and contributing members of the system each of whom is  
3 an elected official elected to office in accordance with the Louisiana Election Code  
4 and has at least ~~ten~~ six years of creditable service.

5 (2) Three active and contributing members of the system who are not elected  
6 officials elected to office in accordance with the Louisiana Election Code, each of  
7 whom has at least ~~ten~~ six years of creditable service.

8 \* \* \*

9 (6) The commissioner of administration, who shall ~~be a nonvoting~~ serve as  
10 an ex officio member, or his designee.

11 (7) The state treasurer, who shall ~~be a nonvoting~~ serve as an ex officio  
12 member, or his designee.

13 C.~~(f)~~ Except as otherwise provided in this Subsection, the term of office for  
14 each of the six trustees who are active contributing members of the system shall be  
15 for a period of six years. No person who has been elected to serve as an active and  
16 contributing member for more than one and one-half terms shall be elected to the  
17 board for another term.

18 ~~(2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the~~  
19 ~~term of office for the person elected to serve on the board of trustees in 2003 shall~~  
20 ~~be five years, and the term of office for the person elected to serve on the board of~~  
21 ~~trustees in 2006 shall be seven years. Thereafter, the terms of their successors shall~~  
22 ~~be six years.~~

23 \* \* \*

24 E. The trustee shall serve without compensation but shall be reimbursed at  
25 ~~the rate of fifty dollars for each regularly scheduled meeting of the board and for~~  
26 ~~reasonable expenses in performing duties on behalf of the board as provided by R.S.~~  
27 11:181(D). Notwithstanding the exceptions provided in R.S. 42:1102(22) and  
28 1123(41), no trustee shall accept any thing of economic value from any person  
29 identified in R.S. 42:1115(A)(1) unless the thing of value is food, drink, or

1 refreshments consumed by the trustee while the personal guest of some person  
2 during an educational or professional development seminar or conference.

3 \* \* \*

4 §1823. Board responsibilities; powers and duties

5 A. Each board member shall discharge his fiduciary duties solely in the  
6 interest of the system's members and beneficiaries and for the exclusive purpose of  
7 providing benefits to the members and their beneficiaries, and defraying reasonable  
8 expenses of administering the system, with the care, skill, prudence and diligence  
9 under the circumstances then prevailing that a prudent man acting in a like capacity  
10 and familiar with such matters would use in the conduct of an enterprise of a like  
11 character and with like aims. The board shall have the following powers and duties  
12 in administering the system:

13 \* \* \*

14 (22) To include in the financial statement submitted to the legislature  
15 pursuant to R.S.11:171(A) an itemized schedule of all amounts paid by the system  
16 to or on behalf of the system's board members.

17 \* \* \*

18 §1842. Board of trustees as custodian of funds

19 A. The board of trustees shall be the custodian of the several funds. All  
20 expense vouchers and pension payrolls shall be certified by the administrative  
21 director. The administrative director shall furnish the board of trustees a surety bond  
22 in a company authorized to do business in Louisiana and in such an amount as shall  
23 be required by the board, the premium to be paid from the expenses of the fund.

24 B. The board shall not authorize the use of system funds to pay for a board  
25 member's attendance at more than one educational or professional development  
26 seminar or conference per fiscal year held outside of the state of Louisiana. The  
27 board shall not authorize the use of system funds to pay for a board member's  
28 attendance at any educational or professional development seminar or conference  
29 that is not affiliated with an association related to state retirement systems.

1           Section 2. It is the intent of the legislature that the provisions of Section 2 of Act No.  
2           225 of the 2014 Regular Session of the Legislature be applied in accordance with R.S.  
3           11:1821(B)(1) and (2) as amended by this Act for all trustee elections held in 2017 and  
4           thereafter.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_