

2021 Regular Session

HOUSE BILL NO. 163

BY REPRESENTATIVE BRASS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

RETIREMENT/SHERIFFS FUND: Provides relative to the creation of a retirement fund for retired sheriffs and deputy sheriffs of St. James Parish

1 AN ACT

2 To enact R.S. 13:5554.6, relative to the payment of group insurance premiums for retired
3 sheriffs and deputy sheriffs in St. James Parish; to create a permanent fund; to
4 require the depositing of certain monies into the fund; to provide for investment of
5 monies in the fund; to authorize the withdrawal of earnings; to provide for
6 limitations on appropriations from the fund; to provide for audits of the fund; to
7 provide for the membership and election on the investment advisory board; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 13:5554.6 is hereby enacted to read as follows:

11 §5554.6. St. James Parish; payment of group insurance premiums; retired sheriffs
12 and deputy sheriffs; creation of fund

13 A. There is hereby created the St. James Parish Retired Employees Insurance
14 Fund, hereinafter referred to as the "SJREIF", to fund the payment by the sheriff's
15 office of St. James Parish of the premium costs for eligible retired sheriffs and retired
16 deputy sheriffs as provided in R.S. 13:5554(G).

17 B. The following monies shall be deposited by the sheriff of St. James Parish
18 into the SJREIF until the total amount of the monies including principal and earnings
19 equals the sum of four million dollars:

1 (1) One percent of the tax revenue received in the St. James Parish Sheriff's
2 general fund each year.

3 (2) Any other monies that the sheriff of St. James Parish may contribute to
4 the SJREIF.

5 C. Upon recommendation of the board established in Subsection F of this
6 Section, the sheriff of St. James Parish shall invest the monies in the SJREIF as
7 follows:

8 (1) Not less than twenty-five percent in equities.

9 (2) At least twenty-five percent in fixed income investments, provided that
10 a minimum of twenty-five percent of the fixed income portion is rated as investment
11 grade by a nationally recognized rating agency.

12 D.(1) The monies deposited pursuant to Subsection B of this Section and the
13 monies invested pursuant to Subsection C of this Section and the accumulated
14 earnings shall be available for the sheriff to withdraw for the purpose of paying the
15 insurance costs, claims or premiums for retired sheriffs and retired deputy sheriffs
16 of St. James Parish and all costs associated with administering the SJREIF.

17 (2) In the event that the total amount of monies derived from deposits
18 provided in Subsection B of this Section and investment earnings fall below the sum
19 of four million dollars, no earnings shall be withdrawn, and any balance owed for the
20 payment of insurance premium costs or legal representation costs for the SJREIF
21 Board shall be paid in full from the sheriff's general fund.

22 E. Any financial audit conducted of the sheriff's office of St. James Parish
23 shall specifically address compliance with the provisions of this Section.

24 F.(1) To provide oversight, control, and general management of the affairs
25 of the funds as provided in Subsection C of this Section, the sheriff shall establish
26 an investment advisory board consisting of five members as follows:

27 (a) The controller, the chief financial officer, or the finance manager of the
28 sheriff's office, regardless of years of service.

1 (b) The four remaining positions shall be a combination of active deputy
2 sheriffs, retired sheriffs, or retired deputy sheriffs of the office, appointed by the
3 sheriff with at least one position designated for a retired sheriff or deputy sheriff. The
4 minimum eligibility requirements of a board member appointed to any of these four
5 remaining positions shall be at least fifteen years of full-time service.

6 (2) The controller, chief financial officer, or finance manager shall serve as
7 the chairperson for the board. The first meeting shall be held within thirty days after
8 the board members are appointed.

9 (3) Within sixty days of the date a vacancy occurs, the sheriff shall appoint
10 a member who is eligible to serve on the board as provided in Subparagraphs (a) and
11 (b) of Paragraph (1) of this Subsection to fill the vacancy for the unexpired term.

12 (4) The members of the board shall retain a financial advisor and legal
13 counsel to provide recommendations and legal consultation concerning the
14 investment of the funds. The board shall adopt rules governing their selection and
15 compensation. The board may retain the sheriff's office in-house legal counsel.

16 (5) Members of the board shall serve terms concurrent with that of the
17 sheriff.

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)]

HB 163 Engrossed

2021 Regular Session

Brass

Abstract: Creates a permanent fund to pay group insurance premiums for retired sheriffs and deputy sheriffs in St. James Parish. Provides for depositing of certain monies into the fund, including limitations on investments and withdrawal of funds.

Present law (R.S. 13:5554(G)) applicable to the sheriff's office of St. James Parish provides that the premium costs of group hospital, surgical, medical expense, and dental insurance and the first \$10,000 of life insurance shall be paid in full from the sheriff's general fund for all sheriffs and deputy sheriffs retired with at least either:

- (1) 15 years of service who are at least 55 years of age.
- (2) 30 years of service at any age.

Proposed law retains present law and creates the St. James Parish Retired Employees Insurance Fund (SJREIF), to fund the payment by the St. James Parish sheriff's office for the premium costs of insurance for retired sheriffs and deputy sheriffs as provided in present law.

Proposed law provides that the following monies shall be deposited by the sheriff of St. James Parish into the SJREIF until the total amount of the monies including principal and earnings equals the sum of \$4 million:

- (1) 1% of the monies received in the St. James Parish sheriff's general fund each year.
- (2) Any other monies that the sheriff of St. James Parish may contribute to the SJREIF.

Proposed law provides for the investment of monies in the SJREIF as follows:

- (1) Not less than 25% in equities.
- (2) At least 25% in fixed income investments, provided that a minimum of 25% of the fixed income portion is rated as investment grade by a nationally recognized rating agency.

Proposed law provides that earnings realized from investments shall be available for the sheriff to withdraw for the purpose of paying the insurance premium costs, provided that no such earnings shall be withdrawn until the amount of principal and accumulated earnings in the SJREIF is equal to the sum of \$4 million. Provides that if the deposits and earnings on investments falls below \$4 million, no earnings shall be withdrawn and any balance owed for the payment of insurance premium costs shall be paid in full from the sheriff's general fund.

Proposed law requires any financial audit by the sheriff's office to comply with the provisions of proposed law.

Proposed law requires the sheriff to establish a five-member investment advisory board consisting of five members as follows:

- (1) The controller, the chief financial officer, or the finance manager of the sheriff's office, regardless of years of service.
- (2) A combination of active deputy sheriffs, retired sheriffs, or retired deputy sheriffs of the office, appointed by the sheriff, with at least one position designated for a retired sheriff or deputy sheriff. The minimum eligibility requirements of a board member appointed to any of these four remaining positions shall be at least 15 years of full-time service.

Proposed law requires the board to meet within 30 days after appointment of members and provides for the controller, chief financial officer, or finance manager to serve as a chairperson at the first meeting of the board. Provides that members of the board shall serve terms concurrent with that of the sheriff.

Proposed law requires the sheriff to appoint a qualified replacement to fill a vacancy on the board, within 60 days of the date the vacancy occurs.

Proposed law requires the board to retain a financial advisor and legal counsel to provide recommendations and legal consultation concerning the investment of the funds. Provides the board shall adopt rules governing their selection and compensation.

(Adds R.S. 13:5554.6)

Summary of Amendments Adopted by House

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

1. Increase the monies deposited into the St. James Parish Retired Employees Insurance Fund from \$2 million to \$4 million.