
DIGEST

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HB 29 Engrossed

2022 Regular Session

Nelson

Abstract: Requires a minimum of 50% of all nonrecurring state revenues be applied to the Unfunded Accrued Liability (UAL) of certain state retirement systems.

Present constitution limits the ability of the legislature to spend state nonrecurring revenue to six particular items. Proposed constitution retains present constitution.

Present constitution provides that one allowable use of nonrecurring revenue is extra payments toward the UAL of public retirement systems, above payments otherwise required by present constitution. Prohibits use of such funds to directly or indirectly finance a cost-of-living adjustments. Proposed constitution retains present constitution.

Present constitution further requires that for FY 13-14 and 14-15 the legislature appropriate no less than 5% of nonrecurring state revenues to the UAL of the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL) that existed on June 30, 1988 (IUAL). Proposed constitution repeals present constitution.

Present constitution further requires that for FY 2015-2016 and beyond, the legislature appropriate a minimum of 10% of nonrecurring state revenue to the IUAL of LASERS and TRSL. Proposed constitution terminates this required 10% minimum appropriation after FY 2022-23.

Proposed constitution requires that, beginning FY 2023-2024 and continuing each fiscal year thereafter, the legislature must appropriate a minimum of 50% of nonrecurring revenue to the UAL of the four state retirement systems: LASERS, TRSL, the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Police Retirement System (STPOL). Authorizes the legislature to provide by law for distribution of nonrecurring monies appropriated pursuant to the provisions of proposed constitution. Further provides that if the legislature has not provided for an alternative distribution formula, nonrecurring money shall be appropriated to each system in the proportion that the system's total unfunded accrued liability bears to the total of all state system unfunded accrued liability, using the most recent system valuations adopted by the Public Retirement Systems' Actuarial Committee or its successor. Further prohibits these extra debt payments from being used directly or indirectly to fund cost-of-living increases for such systems.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2022.

(Amends Art. VII, §10(D)(2)(b)(ii) and (iii))

