

RÉSUMÉ DIGEST

ACT 107 (HB 47)

2023 Regular Session

Nelson

Existing constitution limits the ability of the legislature to spend state nonrecurring revenue to six particular items. Further provides that one allowable use of nonrecurring revenue is extra payments toward the Unfunded Accrued Liability (UAL) of public retirement systems, above payments otherwise required by existing constitution. Additionally prohibits use of such funds to directly or indirectly finance cost-of-living adjustments.

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 La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL) that existed on June 30, 1988 (IUAL). Proposed constitutional amendment 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 constitutional amendment terminates the required 10% minimum appropriation after FY 2023-24.

Proposed constitutional amendment further requires the legislature —beginning FY 2024-2025 and continuing each fiscal year thereafter—to appropriate a minimum of 25% of nonrecurring revenue to the UAL of the state retirement systems: LASERS, TRSL, the La. School Employees' Retirement System, and the La. State Police Retirement System. Authorizes the legislature to provide by law for distribution of nonrecurring monies appropriated pursuant to the provisions of proposed constitutional amendment. 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 UAL bears to the total of all state system UAL, 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 October 14, 2023.

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