



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 175 SLS 13RS 233
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 10, 2013 6:20 PM Author: HEITMEIER
Dept./Agy.: Orleans Parish Assessor's Office Analyst: Steven Kraemer
Subject: Retired Employees Insurance Fund

ASSESSORS EG SEE FISC NOTE LF RV Page 1 of 1
Creates a fund to pay group insurance premiums for retired assessors and employees in Orleans Parish. (8/1/13)

Purpose of Bill: This measure creates the Orleans Parish Assessor's Office Retired Employees Insurance Fund (OPAREIF) to pay group insurance premiums for eligible retired assessors and employees of the Orleans Assessor's Office. The Assessor will be required to transfer money from the Assessor's general fund into the OPAREIF until the total amount of money deposited into the OPAREIF equals the accrued liability of retiree insurance benefits payable (approximately \$1.1 million as of 12/31/2011). However, no deposits will be required in years when available monies in the general fund is less than \$50,000 after annual operations have been paid. Monies deposited into the OPAREIF will be invested in the Louisiana Asset Management Pool. Earnings on the invested monies will be used to pay retiree insurance premium costs. However, the Assessor's office must fully pay these insurance premiums directly in any year following an actuarial determination that the fund balance of the OPAREIF is less than 50% of the accrued liability.

Table with 7 columns: EXPENDITURES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

The bill may increase local fund expenditures of the Orleans Assessor's Office as additional investment revenue is made available to finance payment of retiree insurance premiums.

This measure provides for a transfer of money from the Orleans Parish Assessor's Office's general fund to the Orleans Parish Assessor's Office Retired Employees Insurance Fund. If investment income is realized and withdrawn to pay insurance premiums of retirees, expenditures may increase accordingly.

In addition, the bill requires the accrued liability and funded status to be recalculated annually. This is more often than is currently required by governmental accounting standards. As a result, expenditures may increase if the government has to have more frequent calculations performed by professionals.

We were unable to obtain detailed fiscal information from the Orleans Parish Assessor's Office.

REVENUE EXPLANATION

This bill may increase local government revenues of the Orleans Parish Assessor's Office by an indeterminable amount.

This bill provides that monies are to be deposited in to the OPAREIF and then invested in the Louisiana Asset Management Pool (LAMP). The revenues of the Assessor may increase as these investments generate earnings. Therefore, any change in revenue will depend on the (1) timing and amounts of deposits, and (2) return on monies invested in LAMP (daily yield as of May 10, 2013 was .07%.)

We were unable to obtain detailed fiscal information from the Orleans Parish Assessor's Office.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services