

Regular Session, 2014

HOUSE BILL NO. 5

BY REPRESENTATIVE PEARSON

RETIREMENT/MUNICIPAL EMP: Provides relative to the composition of the board of trustees of the Municipal Employees Retirement System

1 AN ACT

2 To amend and reenact R.S. 11:1821(B) and (G), relative to the board of trustees of the
3 Municipal Employees' Retirement System; to provide relative to the composition of
4 the board with respect to elected members; to provide relative to service as an
5 elected trustee; to provide restrictions relative to board composition; and to provide
6 for related matters.

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

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 11:1821(B) and (G) are hereby amended and reenacted to read as
12 follows:

13 §1821. Board of trustees; membership; term of office; oath of office; compensation;
14 voting power; vacancies

15 * * *

16 B. The board shall ~~consist~~ be composed of eleven trustees; as follows:

17 (1) ~~six~~ Three ~~of whom shall be~~ active and contributing members of the
18 system each of whom is an elected official elected to office in accordance with the
19 Louisiana Election Code and has ~~with~~ at least ten years of creditable service; ~~elected~~

1 by the members of this system in accordance with the election rules prescribed by
2 the board;.

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

6 (3) one of whom shall be the The president of the Louisiana Municipal
7 Association, who shall serve as an ex officio member during his tenure; or his
8 designee.

9 (4) one of whom shall be the The chairman of the Senate Committee on
10 Retirement, or his designee, who shall serve as a voting ex officio member; or his
11 designee.

12 (5) one of whom shall be the The chairman of the House Committee on
13 Retirement of the Legislature of Louisiana, or his designee, who shall serve as a
14 voting ex officio member; or his designee.

15 (6) one of whom shall be the The commissioner of administration, who shall
16 be a nonvoting member, or his designee;.

17 (7) and one of whom shall be the The state treasurer, who shall be a
18 nonvoting member, or his designee.

19 * * *

20 G.(1) No participating employer shall have more than two elected trustees
21 serving on the board at the same time.

22 (2) The members of the system shall elect each trustee in accordance with
23 the election rules prescribed by the board.

24 (3) A trustee elected pursuant to Paragraph (B)(1) or (2) of this Section may
25 continue to serve his full term if he remains a member of the system regardless of
26 change in employment which qualified him for such position.

27 (4) A vacancy in on the board in a position held by an elected trustee shall
28 be filled for the unexpired term by election by the members of the system, except
29 that if the unexpired term is less than two years, the board may fill the vacancy by

1 appointment, for the unexpired portion of the term. If a trustee retires, he may
2 continue to serve for the remainder of the term for which he was elected; however,
3 if he ~~otherwise separates from membership,~~ ceases to be a member, his term shall
4 expire.

5 * * *

6 Section 2. Elections to fill the trustee positions of members on the board shall be
7 filled as follows:

8 (A) The trustees elected in 2016, 2017, and 2020 shall be elected pursuant to R.S.
9 11:1821(B)(1) as provided in this Act. Once an election for any such trustee position has
10 been held in accordance with the provisions of this Act, subsequent vacancies in such
11 position shall be filled in accordance with R.S. 11:1821(B)(1).

12 (B) The trustees elected in 2015, 2018, and 2019 shall be elected pursuant to R.S.
13 11:1821(B)(2) as provided in this Act. Once an election for any such trustee position has
14 been held in accordance with the provisions of this Act, subsequent vacancies in such
15 position shall be filled in accordance with R.S. 11:1821(B)(2).

16 (C) Vacancies in positions that have not yet had an election pursuant to the
17 provisions of this Section may be filled by an elected or nonelected official.

18 (D) Notwithstanding any provision of law to the contrary, any vacancy filled after
19 the effective date of this Act shall comply with R.S. 11:1821(G).

20 Section 3. This Act shall become effective on February 27, 2015.

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)]

Pearson

HB No. 5

Abstract: Establishes the composition of elected trustees of the Municipal Employees' Retirement System (MERS) as three elected official trustees and three nonelected official trustees. Prohibits more than two trustees from the same municipality from serving on the board at the same time.

Present law creates the 11-member board of trustees of the MERS system. Of these 11 members, five are ex officio and six are active contributing members elected by the membership of the system. Proposed law retains present law.

Proposed law requires three of the active member trustees to be elected officials and the other three to not be elected officials (hereafter referred to as regular members).

Present law requires all elected trustees to be elected in accordance with the election rules prescribed by the board. Proposed law retains present law.

Present law authorizes all ex officio members of the board except the President of the La. Municipal Assoc. to designate someone to serve in their place. Proposed law retains present law and further authorizes the president of the La. Municipal Assoc. to designate someone to serve in his place.

Proposed law authorizes a trustee, once elected, to continue to serve on the board if he remains a member of the system, regardless of a change in employment which would otherwise render him ineligible for the position held.

Present law generally provides that a trustee's term shall expire if he separates from membership of the system. Proposed law provides that a trustee's term shall expire if he ceases to be a member of the system. Present law provides an exception for members who retire while serving on the board. Proposed law retains present law.

Present law (R.S. 11:1732(14)) defines "participating employer" for the laws of the system as:

- (1) Any incorporated city, town, or village in the state of Louisiana.
- (2) The Municipal Association of Louisiana.
- (3) The Louisiana Energy and Power Authority.
- (4) The Cajundome Commission.
- (5) The retirement system itself.
- (6) Any state planning and development commission that has entered into an agreement with the board for participation.
- (7) The West Calcasieu Parish Community Center Authority.
- (8) The Vinton Public Power Authority.

Proposed law retains present law. Proposed law prohibits more than two trustees from the same participating employer from serving on the board at the same time.

Proposed law provides for implementation of proposed law. Requires the trustees elected in 2016, 2017, and 2020 to be elected officials and the trustees elected in 2015, 2018, and 2019 to be regular members. Requires vacancies in a trustee position once the position is filled pursuant to proposed law to be filled according to the classification of the trustee who held the position immediately prior: elected official trustees shall be replaced with other elected officials and regular member trustees shall be replaced by other regular members. Authorizes a vacancy in a position that has not yet held an election pursuant to proposed law to be filled by either elected official or regular members.

Effective February 27, 2015.

(Amends R.S. 11:1821(B) and (G))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Retirement to the original bill.

1. Adds provision authorizing the president of the La. Municipal Assoc. to designate someone to serve in his place.
2. Adds provision allowing a trustee elected pursuant to proposed law to continue to serve if he remains a member of the system, regardless of change in employment which would otherwise disqualify him from such position.
3. Changes effective date of Act from upon signature of the governor to Feb. 27, 2015.
4. Adds provisions phasing-in elected official and nonelected official trustees through certain regularly scheduled elections in the future and provisions regarding filling vacancies in trustee positions.