

Regular Session, 2012

HOUSE BILL NO. 860

BY REPRESENTATIVE GREENE

FUNDS/FUNDING-BUDGET, ST: (Constitutional Amendment) Provides with respect to appropriations and use of funds for payment of certain obligations

A JOINT RESOLUTION

Proposing to add Article VII, Section 9(D) of the Constitution of Louisiana, to provide for the direct transfer of state funds by the treasurer; to provide authority for transfers of such funds; to provide for calculation of sums to be transferred; to provide restrictions relative to such transfers; to provide for termination of such transfers; to provide for alteration or submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 9(D) of the Constitution of Louisiana, to read as follows:

§9. State Funds

Section 9.

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(D) Transfer from Treasury. Beginning with Fiscal Year 2013-2014 and continuing every fiscal year thereafter, the difference between the employer normal cost in effect for a state retirement system for the given fiscal year and the employer normal cost for such state retirement system, or individualized subplan if applicable, in effect on January 1, 2012, shall be calculated by the office of the state treasurer. If a savings to the state general fund result from the difference between the two rates

1        an amount equal to such savings shall be transferred by the treasurer directly to the  
2        state retirement system. None of the funds so allocated may be used, directly or  
3        indirectly, to fund cost of living increases for any system. Funds dedicated pursuant  
4        to the provisions of this Paragraph shall not be available for expenditure or for  
5        purposes other than those provided in this Paragraph. Transfers made pursuant to  
6        this Paragraph may only be altered or prohibited by law enacted in an act intended  
7        solely for that purpose that receives the favorable vote of two-thirds of the elected  
8        members of each house of the legislature.

9        Section 2. Be it further resolved that this proposed amendment shall be submitted  
10       to the electors of the state of Louisiana at the statewide election to be held on November 6,  
11       2012.

12       Section 3. Be it further resolved that on the official ballot to be used at the election,  
13       there shall be printed a proposition, upon which the electors of the state shall be permitted  
14       to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
15       follows:

16                    Do you support an amendment to require the state treasurer to transfer  
17                    calculated sums from the general fund directly to state retirement systems if  
18                    the use of such funds is restricted except that the legislature may alter or  
19                    prohibit such transfers by a law receiving the favorable vote of two-thirds of  
20                    the members of each house of the legislature? (Adds Article VII, Section  
21                    9(D))

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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)]

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Greene

HB No. 860

**Abstract:** Provides for calculation of sums to be transferred from the general fund to state retirement systems.

Proposed constitution authorizes the state treasurer to calculate sums to be transferred from the state general fund directly to certain retirement systems at the start of each fiscal year.

Pursuant to proposed constitutional amendment, the calculation of such sums shall be as follows:

The employer normal cost for the current fiscal year minus the employer normal cost for the system in effect on Jan. 1, 2012.

If the result of the calculation is a savings to the general fund, then an amount equal to those savings shall be transferred by the treasurer to the retirement system. Systems receiving transfers of state general fund monies pursuant to proposed constitutional amendment may not use such funds to finance cost-of-living adjustments for retired members.

Further provides that funds dedicated pursuant to proposed constitutional amendment may not be expended or used for any purpose other than a transfer to a system unless altered or stopped by a law enacted solely for that purpose which receives the favorable vote of two-thirds of the elected members of each house of the legislature.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 6, 2012.

(Adds Art. VII, Sec. 9(D))