

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 584** HLS 08RS 719

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2008	5:45 PM	Author: DOWNS
Dept./Agy.: Political Subdivisions		Analyst: Charley Rome
Subject: Post Employment Benefit Funds		

EMPLOYMENT

EG NO IMPACT LF RV See Note

Page 1 of 1

(Constitutional Amendment) Provides relative to contributions to post-employment benefit funds for public employees

The Louisiana Constitution currently prohibits the loan, pledge, or donation of the funds, credit, property, or things of value of the state or of a political subdivision. This proposed Constitutional amendment provides exceptions for the investment in equities of certain public monies. The bill also provides that monies of a political subdivision which have been reserved for post-employment benefits other than pensions may be invested in equities. The bill provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2008. This is a companion bill to HB 668.

EXPENDITURES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Legislative Auditor's Office reports that an official with the Police Jury Association stated that the establishment of the irrevocable post-employment benefit trust is discretionary. The Auditor also reported that the establishment of such trusts and the investment of those funds is intended to offset the accounting requirements under GASB 45 to account for the liability created by the provision of post-employment benefits. As such, there will be no direct effect on expenditures. The Auditor also stated that an official with the Louisiana Asset Management Pool confirmed the assertion that the bill will not affect governmental expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The Legislative Auditor's Office reported that an official with the Policy Jury Association stated that earnings on the investments of funds in irrevocable post-employment benefit trusts are captured within the trust and do not affect governmental revenues. Furthermore, the Auditor reported that an official with the Louisiana Asset Management Pool stated that the bill has no affect on governmental revenues because money is contained in the fund and are not available to local governments as revenue.

Senate

Dual Referral Rules

House

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk

H. Gordon Monk
Legislative Fiscal Officer