

Regular Session, 2012

HOUSE BILL NO. 352

BY REPRESENTATIVE BURFORD

INSURANCE/GROUP-SHERIFFS: Creates a fund to pay group insurance premiums for retired sheriffs and deputy sheriffs in DeSoto Parish

1 AN ACT

2 To enact R.S. 13:5557.1, relative to payment of group health insurance premiums for retired
3 sheriffs and deputy sheriffs; to create the DeSoto Parish Retired Employees'
4 Insurance Fund to fund premium costs for eligible retired sheriffs and retired deputy
5 sheriffs; to provide for the total amount of principal and earnings in the DeSoto
6 Parish Retired Employees' Insurance Fund; to provide for the limitations on
7 withdrawal and appropriation of monies; to provide for limitations of equity and
8 fixed income investments; to provide for the membership and election on the
9 investment advisory board; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 13:5557.1 is hereby enacted to read as follows:

12 §5557.1. DeSoto Parish; payment of group insurance premiums; retired sheriffs and
13 deputy sheriffs; creation of fund

14 A. There is hereby created the DeSoto Parish Retired Employees Insurance
15 Fund, hereinafter referred to as the "DREIF", to fund the payment by the sheriff's
16 office of DeSoto Parish of the premium costs for eligible retired sheriffs and retired
17 deputy sheriffs as provided in R.S. 13:5554(G).

18 B. The following monies shall be deposited into the DREIF until the total
19 amount of the monies including principal and earnings in the DREIF equals the sum
20 of four million dollars:

1 (1) One percent of the monies received in the DeSoto Parish sheriff's general
2 fund each year.

3 (2) Any other monies that the sheriff of DeSoto Parish may contribute to the
4 DREIF.

5 (3)(a) Once the total amount of the monies including principal and earnings
6 in the DREIF equals the sum of four million dollars, the deposited monies identified
7 in Paragraph (1) of this Subsection shall be reduced to one-half of one percent.

8 (b) If the monies in the DREIF should fall below four million dollars, the
9 deposited monies identified in Paragraph (1) of this Subsection shall revert to the
10 original amount of one percent.

11 C. Upon recommendation of the board established in Subsection G of this
12 Section, the sheriff of DeSoto Parish shall invest the monies in the DREIF as
13 follows:

14 (1) Not less than twenty-five percent in equities.

15 (2) At least twenty-five percent in fixed income investments, provided that
16 the average credit quality of the fixed income portion must be rated as investment
17 grade.

18 D. The earnings realized on the monies invested pursuant to Subsection C
19 of this Section shall be available for the sheriff to withdraw for the sole purpose of
20 paying the insurance premium costs provided in R.S. 13:5554(G) for retired sheriffs
21 and retired deputy sheriffs of DeSoto Parish or the legal representation costs for the
22 DREIF Board, provided that no such earnings shall be withdrawn until the amount
23 of principal and accumulated earnings in the DREIF is equal to the sum of four
24 million dollars. In the event that the total amount of monies derived from deposits
25 provided in Subsection B of this Section and investment earnings fall below the sum
26 of four million dollars, no earnings shall be withdrawn, and any balance owed for the
27 payment of insurance premium costs as required by R.S. 13:5554(G) or legal
28 representation costs for the DREIF Board shall be paid in full from the sheriff's
29 general fund.

1 E. The monies deposited pursuant to Subsection B of this Section and the
2 accumulated earnings up to a total of four million dollars shall not be appropriated
3 and shall only be used for making income-producing investments as provided in this
4 Section.

5 F. Any financial audit conducted of the sheriff's office of DeSoto Parish shall
6 specifically address compliance with the provisions of this Section.

7 G. To provide recommendations concerning the investment of funds as
8 provided in Subsection of this Section, the sheriff shall establish an investment
9 advisory board consisting of three members as follows:

10 (a) The comptroller of the sheriff's department.

11 (b) Two retired sheriffs or retired deputy sheriffs of the department,
12 appointed by the sheriff who shall serve a term determined by the sheriff.

13 (c) The members of the board shall elect a chairperson at its first board
14 meeting which shall be held within thirty days after the appointment of board
15 members.

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)]

Burford

HB No. 352

Abstract: Creates a permanent fund to pay group insurance premiums for retired sheriffs and deputy sheriffs in DeSoto Parish and provides for the deposit of certain monies into the fund, including limitations on investments and withdrawal of funds.

Proposed law creates the DeSoto Parish Retired Employees' Insurance Fund (DREIF), for payment of premium costs for eligible retired sheriffs and retired deputy sheriffs.

Proposed law provides that the following monies shall be deposited into DREIF until the total amount of the monies including principal and earnings in DREIF equals the sum of \$4 million:

- (1) 1% of the monies received in the DeSoto Parish sheriff's general fund each year, which shall be reduced to 1/2 of 1% once the DREIF equals \$4 million, but if the monies fall below \$4 million, the deposited monies will revert back to 1%.
- (2) Any other monies that the sheriff of DeSoto Parish may contribute to DREIF.

Proposed law provides that the monies in DREIF shall be invested by not less than 25% in equities and at least 25% in fixed-income investments, provided that the average credit quality of the fixed-income portion is rated investment grade.

Proposed law provides that the earnings on the invested monies shall be available for withdrawal for the sole purpose of paying the insurance premiums of retired sheriffs and deputy sheriffs and the legal representation costs for the DREIF Board, unless the earnings fall below \$4 million, then the premiums and legal representation costs shall be paid from the sheriff's general fund.

Proposed law requires that the deposited monies into the DREIF be used for the sole purpose of making income-producing investments.

Proposed law requires any financial audit by the sheriff's office to comply with all provisions of proposed law.

Proposed law requires the sheriff to establish a three-member investment advisory board consisting of the comptroller of the sheriff's department and two retired sheriffs or deputy sheriffs to be appointed by the sheriff who shall also determine their terms of office.

Proposed law requires the board to meet within 30 days after appointment of members and provides for election of a chairperson at the first meeting of the board.

(Adds R.S. 13:5557.1)