HLS 14RS-321 ORIGINAL

Regular Session, 2014

HOUSE BILL NO. 5

1

BY REPRESENTATIVE PEARSON

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

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 restrictions relative to board 5 composition; and to provide for related matters. 6 Notice of intention to introduce this Act has been published 7 as provided by Article X, Section 29(C) of the Constitution 8 of Louisiana. 9 Be it enacted by the Legislature of Louisiana: 10 Section 1. R.S. 11:1821(B) and (G) are hereby amended and reenacted to read as 11 follows: 12 §1821. Board of trustees; membership; term of office; oath of office; compensation; 13 voting power; vacancies 14 15 B. The board shall <del>consist</del> be composed of eleven trustees, as follows: 16 (1) six Three of whom shall be active and contributing members of the 17 system each of whom is an elected official elected to office in accordance with the 18 Louisiana Election Code and has with at least ten years of creditable service, elected 19 by the members of this system in accordance with the election rules prescribed by 20 the board;

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(2) Three active and contributing members of the system who are not elected
2	officials elected to office in accordance with the Louisiana Election Code, each of
3	whom has at least ten years of creditable service.
4	(3) one of whom shall be the The president of the Louisiana Municipal
5	Association, who shall serve as an ex officio member during his tenure;.
6	(4) one of whom shall be the The chairman of the Senate Committee on
7	Retirement, or his designee, who shall serve as a voting ex officio member; or his
8	designee.
9	(5) one of whom shall be the The chairman of the House Committee on
0	Retirement of the Legislature of Louisiana, or his designee, who shall serve as a
1	voting ex officio member; or his designee.
12	(6) one of whom shall be the The commissioner of administration, who shall
13	be a nonvoting member, or his designee;
14	(7) and one of whom shall be the The state treasurer, who shall be a
15	nonvoting member, or his designee.
16	* * *
17	G. (1) No participating employer shall have more than two elected trustees
18	serving on the board at the same time.
19	(2) The members of the system shall elect each trustee in accordance with
20	the election rules prescribed by the board.
21	(3) A vacancy in on the board in a position held by an elected trustee shall
22	be filled for the unexpired term by election by the members of the system, except
23	that if the unexpired term is less than two years, the board may fill the vacancy by
24	appointment, for the unexpired portion of the term. If a trustee retires, he may
25	continue to serve for the remainder of the term for which he was elected, however,
26	if he otherwise separates from membership, his term shall expire.
27	* * *
28	Section 2. Vacancies in the office of each elected trustee serving on the effective
29	date of this Act shall be filled as follows:

1 (A) The first vacancy created by a trustee who is not an elected official shall be 2 filled by a trustee elected pursuant to R.S. 11:1821(B)(1) as provided in this Act.

- 3 (B) All other vacancies on the board shall be filled according to the classification
- 4 of the trustee who held the position immediately prior. All trustees who are elected officials
- 5 shall be succeeded by trustees elected pursuant to R.S. 11:1821(B)(1) as provided in this
- 6 Act. All trustees who are not elected officials shall be succeeded by trustees elected
- 7 pursuant to R.S. 11:1821(B)(2) as provided in this Act.
- 8 (C) All vacancies filled pursuant to the provisions of this Section shall comply with
- 9 R.S. 11:1821(G) as amended by this Act.
- Section 3. This Act shall become effective upon signature by the governor or, if not
- signed by the governor, upon expiration of the time for bills to become law without signature
- by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
- vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 14 effective on the day following such approval.

## 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.

<u>Present law</u> creates the 11-member board of trustees of the MERS system. Of these 11 members, six are active contributing members elected by the membership of the system. <u>Proposed law</u> retains <u>present law</u>.

<u>Proposed law</u> requires three of the active member trustees to be elected officials (elected to their office in accordance with Title 18 of the La. Revised Statutes of 1950) and the other three to not be elected officials (hereafter referred to as regular members).

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

<u>Present law</u> (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.

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- (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.

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

<u>Proposed law</u> provides for implementation of <u>proposed law</u>. Presently there are two elected official trustees and four regular member trustees serving on the board. <u>Proposed law</u> provides that the first regular member trustee whose term expires shall be replaced by an elected official trustee elected pursuant to <u>proposed law</u>. Further requires that all other vacancies on the board 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.

Effective upon signature of governor or lapse of time for gubernatorial action.

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