SLS 19RS-92 REENGROSSED

2019 Regular Session

SENATE BILL NO. 9

1

BY SENATOR PETERSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

STATE EMPLOYEE RET. Removes certain future employees of the Regional Transit Authority from the system and state civil service. (6/30/19)

AN ACT

2	To amend and reenact R.S. 48:1653(18), (19), (20), (21), and (22), 1655(N) and 1656(2) and
3	to enact R.S. 48:1653(23), relative to the employees of the Regional Transit
4	Authority; to provide for classification of the employees; to provide for membership
5	in the Louisiana State Employees' Retirement System; to provide for calculation of
6	and payments for certain unfunded accrued liability attributable to the authority; to
7	provide for an effective date; and to provide for related matters.
8	Notice of intention to introduce this Act has been published.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 48:1653(18), (19), (20), (21), and (22), 1655(N) and 1656(2) are
11	hereby amended and reenacted and R.S. 48:1653(23) is hereby enacted to read as follows:
12	§1653. Definitions; terms defined
13	For purposes of this Chapter, the following words have the meanings ascribed
14	to them by this Section, except where the context clearly indicates otherwise:
15	* * *
16	(18) "Management class" or "class of position" means a definitely
17	recognized kind of employment designated to embrace positions that are so

29

1	nearly alike in the essential character of their duties, responsibilities, and
2	consequent qualification requirements that they can fairly and equitable be
3	treated alike under like conditions for all personnel purposes in which the
4	primary duty or responsibility of policy, planning, accounting, administration,
5	clerical, grants management compliance, engineering, finance, security, and
6	technology.
7	(19) "Civil service" means the state civil service system.
8	(19)(20) "Private transit and operator" means any privately owned and
9	operated transit operation that operates as a private enterprise within the authority's
10	geographic area.
11	(20)(21) "Transportation related taxes" may include, but not necessarily be
12	limited to gasoline tax, parking tax, licensed vehicle tax based upon vehicle weight
13	or horsepower, or both, airport head tax, and taxicabs tax.
14	(21)(22) "Parish eligible to participate" shall include the parishes of Orleans,
15	Jefferson, St. Tammany, St. Bernard, and any other parish adjacent to a member
16	parish whose local governing body has authorized application for membership in the
17	authority.
18	(22)(23) "Public transit revenue operating miles" means the miles which a
19	public transit vehicle travels when in revenue service. A public transit vehicle is in
20	revenue service only when the vehicle is available to the public and there is a
21	reasonable expectation of carrying passengers that either directly pay fares, are
22	subsidized through public policy, or provide payment through some contract
23	arrangement.
24	* * *
25	§1655. Board of commissioners; membership; terms
26	* * *
27	N.(1) Notwithstanding any other provisions of law to the contrary, the
28	authority shall not be considered an instrumentality of the state for purposes of

Article X, Section 1(A) of the Constitution of Louisiana. No employee that falls

29

1 under the management class of the authority hired on or after July 1, 2019, shall 2 be included in the state civil service system or the Louisiana State Employees' 3 **Retirement System.** (2)(a) All permanent employees of the authority hired on or before June 30, 4 5 **2019**, other than the commissioners, the secretary, the treasurer, the general counsel, the general manager and his assistant shall be classified employees in the state civil 6 7 service system and as such shall be eligible to participate in the Louisiana State 8 Employees' Retirement System; however, no part-time employee shall participate in 9 group insurance or retirement benefits; and, further provided, that the Authority 10 benefits. The authority shall pay the employer's share of all contributions to such 11 system. Consultants or other persons or groups furnishing services under contract, 12 including but not limited to managerial, engineering, planning, or legal services, 13 shall not be a part of the state civil service system regardless of the length of their contracts or the nature of the services rendered. 14 (b) Notwithstanding any other provision of law to the contrary, the 15 16 authority shall remit to the Louisiana State Employees' Retirement System that portion of the unfunded accrued liability existing on June 30, 2019, attributable 17 to the authority. The amount due shall be determined by the actuary employed 18 19 by the retirement system and shall be amortized over ten years. The amount 20 shall be paid in equal monthly payments, in the same manner as regular payroll 21 payments to the retirement system. 22 §1656. General powers The authority shall have all powers necessary or convenient to accomplish 23 24 the aforesaid purposes, including but not limited to the following: 25 (2) The power to appoint, select, and employ officers, agents, and employees, 26 27 including engineering, architectural, and construction experts, fiscal agents and attorneys, to contract for the services of individuals or organizations not employed 28

full time by the authority but who are engaged primarily in the rendition of personal

services and not the sale of goods or merchandise, including but not limited to the services of attorneys, accountants, engineers, architects, consultants, and advisors, allowing them suitable compensation. Except as provided in Subsection N of Section 1655 R.S. 48:1655(N), all personnel of the authority shall be employed in accordance with the constitutional provisions and rules and regulations pertaining to the state classified service and full-time employees of the authority shall be eligible to participate in the State Employees' Retirement System.

8 * * *

Section 2. This Act shall become effective on June 30, 2019; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on June 30, 2019, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Margaret M. Corley. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cathy R. Wells.

DIGEST

SB 9 Reengrossed

1

2

3

4

5

6

7

9

10

11

2019 Regular Session

Peterson

<u>Present law</u> provides for the Regional Transit Authority (RTA).

<u>Present law</u> further provides that all permanent employees of the RTA shall be classified employees in the state civil service system and as such shall be eligible to participate in the Louisiana State Employees' Retirement System (LASERS).

<u>Proposed law</u> defines "management class" or "class of position" as a definitely recognized kind of employment designated to embrace positions that are so nearly alike in the essential character of their duties, responsibilities, and consequent qualifications requirements that can fairly and equitable be treated alike under like conditions for all personnel purposes in which the primary duty or responsibility of policy, planning, accounting, administration, clerical, grants management compliance, engineering, finance, security and technology.

<u>Proposed law</u> retains <u>present law</u> for all permanent employees except those that fall under the management class hired on or before June 30, 2019.

<u>Present law</u> (La. Const. Art. X, Sec. 1(A)) establishes the state civil service. Provides that regardless of the source of funding used to pay for their employment, employees of certain entities including the state and any state instrumentality are in the state civil service.

<u>Proposed law retains present law</u> and provides that the RTA shall not be considered to be an instrumentality of the state for purposes of Article X, Section 1(A). Provides that no employee that falls under the management class of the authority, hired on or after July 1, 2019, shall be included in the state civil service system or LASERS.

<u>Proposed law</u> requires the RTA to remit that portion of LASERS' unfunded accrued liability existing on June 30, 2019, attributable to the RTA. <u>Proposed law</u> further provides that the amount due shall be determined by the actuary employed by LASERS and shall be

Page 4 of 5

amortized over ten years.

<u>Present law</u> provides for the general powers of the RTA, including the power to hire employees and to contract for services.

<u>Proposed law</u> retains <u>present law</u>.

<u>Present law</u> specifies that, except as provided in <u>present law</u>, all personnel of the RTA shall be employed in accordance with the constitutional provisions and rules and regulations pertaining to the state classified service.

Proposed law retains present law.

<u>Present law</u> provides that full-time employees of the RTA shall be eligible to participate in LASERS.

Proposed law deletes present law.

Effective June 30, 2019.

(Amends R.S. 48:1653(18), (19), (20), (21), and (22), 1655(N) and 1656(2); adds R.S. 48:1653(23))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

- 1. Adds definition of "management class" or "class of position".
- 2. Excludes employees that fall under the management class from being in the state civil service system or LASERS.