

2023 Regular Session

HOUSE BILL NO. 589

BY REPRESENTATIVE ZERINGUE

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

FUNDS/FUNDING: Provides relative to the Judges' Supplemental Compensation Fund

1 AN ACT

2 To amend and reenact R.S. 13:10.3, relative to fees for supplemental compensation for the  
3 judiciary; to provide for uses of the fees; to provide relative to the Judges'  
4 Supplemental Compensation Fund; to provide for changes to the administration of  
5 the fund; to provide relative to collection of filing fees for deposit into the fund; to  
6 provide for supplemental compensation for judicial officers; to provide relative to  
7 adjustment of the supplemental pay rate; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 13:10.3 is hereby amended and reenacted to read as follows:

10 §10.3. Judges' Supplemental Compensation Fund; creation; sources of funds

11 A. The Judges' Supplemental Compensation Fund, hereinafter referred to in  
12 this Section as "the fund", is hereby created as a special fund in the state treasury.  
13 The fund shall be comprised solely of the filing fee provided in Subsection C of this  
14 Section. It is the intent of the legislature that the fund be completely self-sufficient  
15 and self-sustaining from the filing fee proceeds and that no state general funds are  
16 used for the purposes of the fund. The proceeds from the fund shall be used solely  
17 and exclusively for necessary and associated administrative expenses related to the  
18 operation and administration of the fund, for related costs of state retirement funds  
19 and Medicare contributions, and for salary supplements to judges and

1           commissioners, for related costs of state or municipal retirement funds, and for  
2           necessary and associated administrative expenses.

3           ~~B.(1) The Judges' Supplemental Compensation Fund Board is hereby~~  
4           ~~created. The members of the commission shall serve two-year terms, unless~~  
5           ~~otherwise specified. A member may not serve more than two successive terms. The~~  
6           ~~board shall be domiciled in Baton Rouge. The members shall serve without pay.~~

7           ~~(2) The board shall be composed of five members to be selected as follows:~~

8           ~~(a) The chief justice of the supreme court or his designee.~~

9           ~~(b) One court of appeal judge selected by the Conference of Court of Appeal~~  
10          ~~judges in a manner to be determined by that conference.~~

11          ~~(c) Two district court judges selected by the Louisiana District Judges~~  
12          ~~Association in a manner to be determined by that association, one of whom shall~~  
13          ~~serve an initial term expiring December 31, 1986.~~

14          ~~(d) One member of the Louisiana City Judges Association selected by that~~  
15          ~~association in a manner to be determined by it.~~

16          ~~(3)B.~~ B. The judicial administrator of the supreme court shall be responsible for  
17          the distribution of the proceeds of the fund. ~~He~~ The judicial administrator shall keep  
18          detailed and accurate records to be examined by the legislative auditor ~~fiscal office~~  
19          annually.

20          C.(1) In addition to any other filing fee imposed by law, a nonrefundable  
21          base fee of ten dollars twenty-seven dollars and fifty cents for every civil filing in the  
22          office of each clerk of city, parish, juvenile, family, district, appellate, and supreme  
23          court is hereby levied. Each July, the judicial administrator shall adjust the base fee  
24          by an amount equal to the percent of increase in the average consumer price index  
25          (CPI-U) between the two complete calendar years preceding July of the year in  
26          which the adjustment is made, as published by the United States Department of  
27          Labor, Bureau of Labor Statistics. The amount of increase shall be rounded off to  
28          the nearest half-dollar. Each clerk of court shall electronically remit ~~all costs so~~  
29          ~~collected~~ the filing fee collected pursuant to this Section to the ~~state treasurer~~ office

1 of the judicial administrator monthly on or before the tenth day of each calendar  
2 month to be reconciled and transmitted to the state treasurer monthly. After meeting  
3 the requirements of Article VII, Section 9 of the Constitution of Louisiana, the state  
4 treasurer shall credit the fees to ~~be credited to~~ the Judges' Supplemental  
5 Compensation Fund, ~~after meeting the requirements of Article VII, Section 9 of the~~  
6 ~~Constitution of Louisiana.~~ The disbursement of the proceeds from the fund may be  
7 authorized only by a majority of the members of the board and shall be made on the  
8 warrant of the ~~judicial administrator of the supreme court drawn on the state~~  
9 ~~treasury.~~

10 (2) The supreme court shall establish a portal for the clerks to remit the filing  
11 fees and associated documentation electronically.

12 D. ~~After making provisions for necessary and associated administrative~~  
13 ~~expenses, the board shall authorize the judicial administrator to set aside and transmit~~  
14 ~~monthly an amount to provide the additional employer's retirement contribution due~~  
15 ~~by the state on the supplemental compensation to the State Employees' Retirement~~  
16 ~~System on behalf of the judges who are members of the system. The board, through~~  
17 ~~the judicial administrator, shall then distribute the proceeds from the fund monthly,~~  
18 ~~as follows:~~ On a quarterly basis, the judicial administrator shall review the rate of  
19 supplemental pay for all judges and commissioners receiving supplemental pay from  
20 the fund. The supplemental pay rate shall be based on actual collections and  
21 distributed as provided in this Subsection. If in any month the judicial administrator  
22 determines that the fund does not have sufficient balances to pay the full  
23 supplemental rate, the supplement shall be decreased.

24 (1) Justices of the supreme court, appellate court judges, and district, family,  
25 and juvenile court judges, including the magistrate of the criminal district court for  
26 Orleans Parish, shall receive equal supplemental compensation.

27 (2) City, traffic, municipal, and parish court judges and commissioners shall  
28 receive supplemental compensation in the proportion that their current state-paid  
29 salary bears to the current state-paid salary of a district judge.

1           ~~E. The additional filing fee of ten dollars shall be considered the base~~  
2           ~~additional fee for purposes of this Subsection. Beginning in July, 1986, the base fee~~  
3           ~~shall be increased an amount equal to the percent of increase in the average~~  
4           ~~consumer price index (all items-city average) as published by the United States~~  
5           ~~Department of Labor, bureau of labor statistics, between the figures for the calendar~~  
6           ~~years 1984 and 1985. The amount of increase so calculated shall be rounded off to~~  
7           ~~the nearest half-dollar. Each succeeding July, a similar adjustment shall be made to~~  
8           ~~the base fee, as adjusted, based upon the percent of change to the nearest half-dollar~~  
9           ~~in the average consumer price index between the two complete calendar years~~  
10           ~~preceding July of the year in which the adjustment is made. Under no circumstances~~  
11           ~~shall the base fee or any escalation thereof, pursuant to the provisions of this~~  
12           ~~Paragraph, be reduced.~~

13           E.(1) A minimum cash balance reserve of seven hundred fifty thousand  
14           dollars shall be maintained in the fund. If in any quarter actual collections do not  
15           meet the established quarterly rate, the cash reserve may be utilized to make up any  
16           shortage. However, if any of the balance is utilized, proceeds collected subsequent  
17           to the utilization of the balance shall be used to restore the fund balance to the seven  
18           hundred fifty thousand dollar minimum prior to determining the amount available  
19           for supplemental payments. Any and all necessary and associated administrative  
20           expenses related to the management and operation of the fund incurred by the  
21           supreme court shall be paid in priority from the fund to the supreme court and  
22           accepted by the supreme court prior to distributing the amount available for  
23           supplemental payments.

24           (2) The judicial administrator shall distribute remaining proceeds from the  
25           fund monthly as follows:

26           (a) Justices of the supreme court, appellate court judges, and district, family,  
27           and juvenile court judges, including the magistrate of the criminal district court for  
28           Orleans Parish in the amount identified by the judicial administrator.

1           (b) City, traffic, municipal, and parish court judges and commissioners in the  
2           amount identified by the judicial administrator.

3           (c) An amount to provide the additional employer's retirement contribution  
4           due by the state on the supplemental compensation to the State Employees'  
5           Retirement System on behalf of the judges who are members of the system.

6           (d) An amount to provide the additional employer's Medicare contribution  
7           due by the state on the supplemental compensation.

8           F. Expenses associated with the administration of the fund shall not exceed  
9           one and one-half percent of monies collected each year. The payment portal required  
10          pursuant to this Section shall be considered an administrative expense.

11          G. The legislative auditor shall review the fund as he determines to be  
12          necessary.

13          F.H. Nothing in this Section shall be construed to require a filing fee of the  
14          state or a state agency.

15          Section 2. The obligation of the Judges' Supplemental Compensation Fund  
16          established in Section 1 of this Act to pay necessary and associated administrative expenses  
17          to the supreme court is an existing obligation of the fund. Nothing in this Act shall be  
18          construed as a change to the obligation of the fund to pay these expenses.

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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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HB 589 Original

2023 Regular Session

Zeringue

**Abstract:** Provides for changes to the Judges' Supplemental Compensation Fund.

Present law provides that the Judges' Supplemental Compensation Fund proceeds shall be used solely and exclusively for salary supplements to judges and commissioners, for related costs of state or municipal retirement funds and for necessary and associated administrative expenses.

Proposed law retains present law but removes municipal retirement fund payments, adds Medicare contributions, and limits administrative expenses to those provided in proposed law as eligible uses of the fund.

Proposed law provides that it is the intent of the legislature that the fund be completely self-sufficient and self-sustaining from the filing fee proceeds and that no state general funds are used for the purposes of the fund.

Present law creates the Judges' Supplemental Compensation Fund Board.

Proposed law repeals present law.

Present law provides that disbursement of the proceeds from the fund may be authorized only by a majority of the members of the board.

Proposed law repeals present law.

Proposed law requires the judicial administrator to review the rate of supplemental pay for all judges and commissioners receiving supplemental pay from the fund on a quarterly basis.

Proposed law further requires the supplemental pay rate to be based on actual collections.

Present law established a base filing fee in 1985 which is adjusted annually based on the consumer price index.

Proposed law adjusts the base filing fee to the amount currently collected.

Present law requires payment of administrative expenses from the fund prior to the judicial administrator distributing supplemental compensation payments.

Proposed law retains present law and adds that necessary and associated administrative expenses related to the management and operation of the fund incurred by the supreme court shall be paid in priority from the fund to the supreme court and accepted by the supreme court prior to distributing the amount available for supplemental payments.

Proposed law further adds that administrative expenses shall not exceed one and one-half percent of monies collected each year.

Proposed law requires the supreme court to develop an online payment portal for clerks of court to remit the filing fee. Proposed law further provides that the portal shall be considered an administrative expense.

Proposed law requires a minimum cash balance reserve of \$750,000 to be maintained in the fund. Proposed law further authorizes the cash reserve to be utilized in certain circumstances but requires the balances to be restored prior to determining the amount available for supplemental payments.

Present law provides for the distribution of supplemental payments to judges and commissioners and for associated retirement benefits.

Proposed law retains present law but adds Medicare contributions as a payable expense from the fund.

Provides law provides that a judge of any court that fails to timely remit the filing fee shall not be eligible to receive the supplemental payment for the month following the month in which the court failed to remit payment.

(Amends R.S. 13:10.3)