

2026 Regular Session

HOUSE BILL NO. 27

BY REPRESENTATIVE MCMAKIN

APPROPRIATIONS/SUPPLEML: (Constitutional Amendment) Provides relative to application of nonrecurring state monies to state retirement system unfunded accrued liabilities

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(D)(2)(b)(iii) of the Constitution of Louisiana,

3 relative to application of certain state monies to state retirement system unfunded

4 accrued liability; to remove requirement that such monies be applied to the oldest

5 system liabilities first; to provide for submission of the proposed amendment to the

6 electors; and to provide for related matters.

7 Notice of intention to introduce this Act has been published

8 as provided by Article X, Section 29(C) of the Constitution

9 of Louisiana.

10 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

11 elected to each house concurring, that there shall be submitted to the electors of the state of

12 Louisiana, for their approval or rejection in the manner provided by law, a proposal to

13 amend Article VII, Section 10(D)(2)(b)(iii) of the Constitution of Louisiana, to read as

14 follows:

15 §10. Expenditure of State Funds

16 Section 10.

17 * * *

18 (D) Appropriations.

19 * * *

1 (2) Except as otherwise provided in this constitution, the appropriation or
2 allocation of any money designated in the official forecast as nonrecurring shall be
3 made only for the following purposes:

4 * * *

5 (b)

6 * * *

7 (iii) For Fiscal Year 2024-2025 and each fiscal year thereafter, the legislature
8 shall appropriate no less than twenty-five percent of any money designated in the
9 official forecast as nonrecurring to the state retirement systems for application to
10 their unfunded accrued liability. ~~Money appropriated pursuant to this Item shall be~~
11 ~~applied by the receiving system to its outstanding positive amortization bases in the~~
12 ~~order in which they were created, from oldest to newest.~~ The legislature may
13 provide by law for a formula to distribute the nonrecurring money between those
14 state retirement systems that have unfunded accrued liability. If the legislature has
15 not provided by law for a distribution formula, nonrecurring money shall be
16 appropriated pursuant to this Item to each system in the proportion that the system's
17 total unfunded accrued liability bears to the total of all state system unfunded
18 accrued liability, using the most recent system valuations adopted by the Public
19 Retirement Systems' Actuarial Committee or its successor. Any payment to a state
20 retirement system made pursuant to the provisions of this Item shall not be used,
21 directly or indirectly, to fund cost-of-living increases for such system.

22 * * *

23 Section 2. Be it further resolved that this proposed amendment shall be submitted
24 to the electors of the state of Louisiana at the statewide election to be held on November 3,
25 2026.

26 Section 3. Be it further resolved that on the official ballot to be used at the election,
27 there shall be printed a proposition, upon which the electors of the state shall be permitted
28 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
29 follows:

1 Do you support an amendment to authorize a state retirement system to apply
2 any nonrecurring state monies it receives to any of its unfunded accrued
3 liability rather than requiring application to its oldest unfunded accrued
4 liability? (Amends Article VII, Section 10(D)(2)(b)(iii))

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)]

HB 27 Original

2026 Regular Session

McMakin

Abstract: Removes requirement that a state retirement system receiving nonrecurring state monies apply those monies to its oldest outstanding unfunded accrued liability (UAL).

Present constitution requires the legislature to appropriate to state retirement systems at least 25% of any monies designated as nonrecurring in the Revenue Estimating Conference's official forecast. Further requires this money to be applied to the receiving system's UAL. Proposed constitutional amendment retains present constitution.

Present constitution requires the system to apply these nonrecurring monies to its oldest UAL first. Proposed constitutional amendment removes this requirement.

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 3, 2026.

(Amends Const. Art. VII, §10(D)(2)(b)(iii))