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BGR MEDIA RELEASE

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***On the Ballot* addresses amendments on pay, pension plans, property tax and term limits**

The Bureau of Governmental Research today releases *On the Ballot*, an analysis of four proposed amendments to the State constitution and one proposed amendment to the St. Tammany Parish home rule charter. The report covers amendments that will go before voters on October 20.

Two of the proposed constitutional amendments deal with State supplemental pay for local public safety employees. The third amendment would tighten funding requirements for future state pension benefits. The fourth would extend a property tax exemption to jewelers for consigned jewelry and artwork. The proposed amendment to the St. Tammany charter would remove the present term limit on the office of parish president.

Constitutional Amendments

Constitutional Amendment No. 1: Guaranteeing Supplemental Pay

The Louisiana Constitution requires the Legislature to provide supplemental pay to most local law enforcement officers and firefighters. It also prohibits the Legislature from reducing the amount of the supplement below \$300 per month without a two-thirds vote of both houses and the signature of the governor. This year the Legislature raised the supplemental compensation to \$425 per month. The proposed amendment would protect the recent increase and any future increase that the Legislature enacts.

BGR Recommendation: *Against*. The amount of supplemental pay should be determined through the State's appropriation process, rather than guaranteed in the constitution. BGR's "against" position is limited to the constitutional guarantee and should not be interpreted as a stance against the concept of supplemental pay.

Constitutional Amendment No. 2: Extending Supplemental Pay

Constitutional Amendment No. 2 would allow the Legislature to supplement the salaries of full-time law enforcement officers of the State and its agencies who patrol waterways and riverfront areas and of firefighters employed by a port authority. It would allow the Legislature to require the supplements from a department, agency or political subdivision. Separate legislation provides supplemental pay to eligible employees of the Port of New Orleans.

BGR Recommendation: *Against.* While BGR is not opposed to increased pay for public safety personnel, it believes that the amendment is inappropriate since funding for the pay could be provided through the appropriation process. Furthermore, the amendment would have the effect of weakening the State Civil Service Commission, by allowing the Legislature to intervene at its discretion in pay matters for a group of State classified employees.

Constitutional Amendment No. 3: Constraining New Pension Liabilities

Constitutional Amendment No. 3 would limit the Legislature's ability to provide new benefits to members of State retirement plans by requiring the Legislature to identify a funding source adequate to pay off any related unfunded accrued liability within a 10-year time frame. Currently, the Legislature may increase State pension liabilities without specifying a funding source and may spread costs over 30 years.

BGR Recommendation: *For.* BGR considers the proposed amendment an improvement over current law.

Constitutional Amendment No. 4: Addressing Consigned Jewelry

Last year voters passed a constitutional amendment exempting artwork consigned to an art dealer from property taxation. The proposed amendment would make jewelry and other artwork held on consignment by a jewelry dealer eligible for the exemption. It would not apply to any other type of consigned goods listed for sale by other types of businesses.

BGR Recommendation: *Against.* The taxation of consigned goods should be considered comprehensively rather than through ad hoc amendments for the benefit of specific types of business.

St. Tammany Charter Amendment

Eliminating Term Limit on Parish President

The proposed charter amendment would remove the term limit on the position of parish president. The present St. Tammany Parish home rule charter contains a provision that limits a

parish president to three consecutive four-year terms. The charter imposes no limit on the number of terms for councilmembers.

BGR Recommendation: *Against*. BGR is generally supportive of term limits for local government executives and legislators and believes that the issue of parity would be better addressed through term limits on parish council members than through the repeal of such limits for the parish president. It further notes that the eligibility of the sitting parish president distorts consideration of the term limit issue.

BGR's position is based on its appraisal of the proposition before the voters. It should not be interpreted as a position in favor of or against the current parish president.

Addressing the proposed constitutional amendments, BGR Chairman Lynes R. Sloss said the Legislature should deal with most of these issues by statute, rather than require a statewide vote. "For the most part, the proposed amendments continue the trend of needlessly cluttering the State constitution," he said.

On the Ballot is available on BGR's web site, www.bgr.org.

BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information call 525-4152 or visit BGR's website, www.bgr.org.