

Voters to decide four amendments next week

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BATON ROUGE -- Tucked at the bottom of the statewide election ballot Saturday will be "FOR" and "AGAINST" buttons for voters to press to determine whether the state Constitution should be amended again.

This time the decision is on four low-profile issues that cleared the Legislature with little opposition and have not stirred much public debate. In recent years, the trend has been for voters to pass constitutional changes; none has been defeated since 2003.

"These (four proposals) are not hot-button issues," said Jim Brandt, president of the Public Affairs Research Council, an issues-oriented, governmental watchdog group.

"These are issues that affect a small part of the population. Most of the citizens of the state will not notice if some or all pass or not."

The four proposals

The proposals would:

- Protect from state budget cuts current and future increases in the state portion of pay allocated to police officers, sheriff's deputies and firefighters. Lawmakers raised the pay at the last session from \$300 to \$425 a month, costing the state treasury more than \$98 million this fiscal year.
- Expand the state supplemental pay to include police officers and firefighters of the Harbor Police, an agency operated by the state-run Port of New Orleans. The council estimates that will cost the state \$275,400 a year.
- Require lawmakers to designate a revenue source to finance any new retirement benefits for members of the four state retirement systems and mandate those benefits be paid off within 10 years, 20 years less than existing law requires.
- Provide a property tax exemption for jewelry held on consignment, an expansion of a measure approved last year that authorizes a tax break for artwork held by dealers on consignment.

The Bureau of Governmental Research in New Orleans has recommended voting against three of the four, and favored passage only of Constitutional Amendment No. 3, to require financing to be identified to pay for increases in retirees' benefits before enacted.

BGR opposes 3 proposals

BGR said it opposed Constitutional Amendment No. 1 because it would make it harder to cut state pay to police, firefighters and deputy sheriffs no matter how much the state pay grows over the years. It also opposes the proposal to extend the supplemental pay -- now at \$425 a month -- to Harbor Board police officers and firefighters, as proposed in Amendment No. 2.

Janet Howard, president of BGR, said that the proposal weakens the authority of the state Civil Service Commission, the agency charged with granting pay raises to state employees, and puts it more in the hands of lawmakers, subjecting state civil service pay rates to politics. The Harbor Police personnel are state workers.

The Council for a Better Louisiana, another government policy group, joined with BGR in urging voters to reject the two proposals on supplemental pay, saying Louisiana spends "far too much at the state level" for expenditures that should be financed by local government.

Extending the added state pay to the Harbor Police Department in New Orleans, CABL President Barry Erwin said, is a misstep and a bad precedent. "It may be harbor police today, but who knows who it will be tomorrow?" he said.

Erwin said his organization backs the retirement system amendment because it would make sure the politically popular rush to increase employee benefits "doesn't outrun our ability to pay for them."

He said that CABL was not taking a position on the property tax amendment on consigned jewelry. He said it is not clear to what degree these taxes are even collected. BGR opposed the property tax exemption, saying that the lawmakers should have a more comprehensive approach to taxing or exempting consigned goods and not do it on a piecemeal basis.

Here are the amendments:

CONSTITUTIONAL AMENDMENT No.1

In 2002, the Legislature placed supplemental pay in the state charter to protect it from the frequent threats of budget cuts. The proposal by Sen. Heulette "Clo" Fontenot, R-Livingston, would protect that amount -- and all future increases in the pay -- in the Constitution without having to resubmit the measures to voters.

In its analysis, PAR said that the amendment would prohibit lawmakers from cutting the pay even in tough financial times -- except by a two-thirds vote of the House and Senate, and the approval of the governor.

Mike Ranatza, assistant director of the Louisiana Sheriffs Association, said that the guarantee of better pay means better qualified and more professional law enforcement and firefighting personnel. "It raises the edge of training," he said.

Opponents say police and firefighters' pay is a local responsibility, and setting pay scales is a function of local government.

CONSTITUTIONAL AMENDMENT No.2

The state Constitution now bars state agencies -- such as State Police and Harbor Police -- from receiving supplemental pay. The amendment is designed to place the department on the same footing as sheriffs' offices, police departments and firefighting units.

Officials say the harbor police is now short eight officers because the pay is relatively low and some officers have left for better-paying law enforcement jobs.

Since the measure applies to municipalities with a population of 450,000 or more, based on the 2000 census, it would apply only to New Orleans. The PAR report said that population may be lower in 2010 because of hurricane-driven shifts, and the port personnel "could lose their eligibility for the supplemental pay program" at that time.

BGR says the amendment affects a small group of people and "continues the trend of cluttering what should be a broadly crafted document," and could lead to other state agencies seeking the same perk.

CONSTITUTIONAL AMENDMENT No.3

The proposal would require lawmakers to designate a revenue source to pay for any new retirement benefits for members of the Louisiana State Employees Retirement System, which includes most state workers; the State Police Retirement System; the Teachers Retirement System of Louisiana; and the Louisiana School Employees Retirement System, which includes nonclassroom school personnel, such as maintenance workers and bus drivers.

As of June, the four systems had 109,435 retirees and 164,098 active members and about an \$11 billion shortfall to finance all benefits.

Officials of the teachers and state employees retirement systems said their boards have endorsed the proposal; the boards of the State Police and school employees systems will meet in the next few days to make a recommendation.

In its report, PAR said proponents say it is "fiscally irresponsible to increase debt" without new benefits that are not tied to financing sources sufficient to retire the debt within 10 years. PAR said that opponents argue that shortening the payoff time by 20 years may create more fiscal problems. "Additionally, there is fear that this requirement will reduce the Legislature's willingness to grant benefits in the future due to legislative concerns about the 10-year payoff requirement."

Erwin said the proposal is not "a perfect solution to our retirement system woes, but it's more fiscally prudent than what we're doing now."

CONSTITUTIONAL AMENDMENT No.4

The Legislative Fiscal Office, the arm of the Legislature that estimates the costs of legislation, said this proposed property tax exemption for jewelry held on consignment would cause a minimal loss of revenue for local government. Local governments receive the proceeds on property taxes, but the PAR reports said it is not known how much is received. Lobbying organizations for parish and city governments that normally oppose granting exemptions from local taxes said they will not oppose the measure.

"I don't believe anyone knows what revenues are being generated" by property taxes on consigned jewelry, said Jefferson Parish Assessor Lawrence Chehardy. "Is it going to be a huge revenue loss? Probably not."

Backers of the exemption, such as the Jewelers of Louisiana, a trade association of 130 jewelry outlets, say jewelers are now forced to ship sometimes pricey, consigned one-of-a-kind items back to the manufacturer by Dec. 31 to avoid paying a 15 percent property tax on it.

Michael Armentor of New Iberia, who owns a jewelry business and is past president of the group, said the tax period comes at one of the busiest times for jewelry stores, the post-Christmas sales period. The tax break, he said, will help jewelers keep the objects longer and generate sales taxes, which will offset the loss of property taxes on consigned items.

BGR's Howard said the amendment would "further limit the revenue sources available" and may "encourage more piecemeal constitutional amendments of that type."

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