

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7897

BILL NUMBER: HB 1603

DATE PREPARED: Jan 7, 2001

BILL AMENDED:

SUBJECT: McCray Hospital Pension Account.

FISCAL ANALYST: James Sperlik

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**FUNDS AFFECTED: GENERAL
 X DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: This bill directs the board of trustees of the Public Employees' Retirement Fund (PERF) to transfer the fund account of a county-funded hospital that is sold to a private entity to the fund account of the county that funded the hospital and to add the transferred amount to the county's fund account. It provides that the county assumes all of the assets and liabilities attributable to the hospital's account, except for any liability for employer contributions that arose before January 1, 2000. The bill cancels the liability of the hospital for employer contributions that remain unpaid on July 1, 2001.

Effective Date: July 1, 2001.

Explanation of State Expenditures: A city-county owned operation, McCray Hospital, and a member of the PERF, overpaid PERF an estimated \$5 M in contributions. (The hospital has now been sold to Parkview Hospital). McCray Hospital stopped making about \$1 M in further payments to PERF. PERF has not refunded the \$5 M and continues to pursue the \$1 M. There are on-going discussions between the parties on this issue. This bill requires PERF to credit the \$5 M to the Noble County PERF account. In addition, the bill would preclude PERF from pursuing the \$1 M.

This fiscal note will be updated upon receipt of additional information.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund.

Local Agencies Affected: McCray Hospital.

Information Sources: