
The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jeanne Johnston.

SB 232 Reengrossed

DIGEST
2017 Regular Session

LaFleur

Present law provides for the Cash Management Review Board with the authority to approve the establishment of banking and checking accounts of state agencies. The members are the treasurer, the legislative auditor, and the commissioner of administration, or their designees.

Proposed law retains present law and adds the chairman of the Senate Committee on Finance and the chairman of the House Committee on Appropriations, or their designees, to the composition of the Cash Management Review Board.

Proposed law provides that the Cash Management Review Board shall review all state agency requests for the establishment of escrow funds in the state treasury, and if warranted, to approve the requests in writing.

Present law establishes the Bond Security and Redemption Fund in the state treasury as a special fund. Present law further provides that subject to prior constitutional and statutory dedications and subject to any pledge, dedication or other contractual allocations heretofore made to the holders of outstanding obligations of the state or any of the state agencies, boards or commissions, all revenues of the state from whatever source derived, except the amounts payable into the long range highway fund, including all moneys, receipts, and funds received from taxes, licenses, fees, and permits, all bonus receipts collected from the sale of mineral leases, lease rentals, royalties, and other miscellaneous revenues, receipts, and surplus funds shall be paid into the Bond Security and Redemption Fund.

Proposed law revises present law to make it consistent with the provisions of Article VII, Section 9 of the Louisiana Constitution which establishes the Bond Security and Redemption Fund and restates the exceptions to the requirement for deposits in the Bond Security and Redemption Fund.

Proposed law provides that the division of administration, office of statewide reporting and accounting policy, shall develop a policy manual for the classification of state revenues which shall define the revenues being classified, and the procedures necessary to provide uniformity in the classification of revenues as statutory dedications, fees and self-generated revenue, state general fund, interagency transfers, federal funds, or other appropriate categories. Further provides that the manual shall provide a description of monies which may be or may not be deposited into an escrow fund. Requires the policy manual to contain policies for the creation of an agency account for the deposit of fees and self-generated revenues.

Proposed law further provides that prior to implementation of the manual, the office of statewide reporting and accounting policy shall submit the manual to the Joint Legislative Committee on the

Budget for review and approval. Requires that the manual be sent to the statewide elected officials for comment prior to submission to the Joint Legislative Committee on the Budget.

Proposed law prohibits the deposit of state money into an escrow fund. Provides that no state money in an escrow fund shall be withdrawn or transferred from an escrow account without an appropriation in the current fiscal year or, if there is no appropriation, without a budget adjustment approved by the commissioner of administration and the Joint Legislative Committee on the Budget.

Proposed law provides that monies paid to the state by a nonstate entity or party in error or in cases in which a refund of the amount paid to the state is due, may be withdrawn from the escrow fund without a specific appropriation and returned to the nonstate individual or entity.

Proposed law provides for the establishment of an escrow fund if the Cash Management Review Board has authorized the establishment of the escrow subfund in writing and notice of the creation of the escrow fund has been given in writing to the Joint Legislative Committee on the Budget.

Proposed law requires agencies which have an escrow account in the state treasury to report to the state treasurer monthly and that the state treasurer shall compile the agency reports into one report and submit it to the Cash Management Review Board. Further provides for the information to be stated in the report. Specifies that the report also include any journal vouchers or other transfer requests of any classified monies back into the escrow fund.

Proposed law provides that nonstate money may be returned to a nonstate individual or entity from an escrow fund, without a specific appropriation.

Proposed law provides for a quarterly report of agency accounts in the state treasury regarding fees and self-generated revenues which were deposited, transferred, or withdrawn from the agency account. Further requires the state treasurer to compile the agency reports into one report to be submitted to the Cash Management Review Board and the Joint Legislative Committee on the Budget. Further sets forth the information to be included in the quarterly report.

Effective July 1, 2017.

(Amends R.S. 39:371, 372(G) and 451; adds R.S. 39:372(H) and R.S. 49:320.2)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that the Cash Management Review Board is to review all state agency requests for the establishment of escrow funds in the state treasury, and if warranted, to approve the requests in writing.

2. Relative to the Bond Security and Redemption Fund, deletes statutory language that is not in accord with the Louisiana Constitution, and restates exceptions to requirement for deposits in the Bond Security and Redemption Fund.
3. Requires policy manual to contain a description of monies which may be or may not be deposited into an escrow fund. Requires the policy manual to contain policies for the creation of an agency account for the deposit of fees and self-generated revenues.
4. Prohibits state money to be withdrawn or transferred from an escrow account without an appropriation or if there is no appropriation, without a budget adjustment approved by the commissioner of administration and the Joint Legislative Committee on the Budget.
5. Clarifies that nonstate money may be returned to a nonstate individual or entity from an escrow fund without a specific appropriation.
6. Requires agencies which have an escrow account in the state treasury to report to the state treasurer monthly rather than reporting to the Cash Management Review Board.
7. Provides for a quarterly report of agency accounts in the state treasury regarding fees and self-generated revenues which were deposited or withdrawn from the agency account. Requires the state treasurer to compile the agency reports into one report to be submitted to the Cash Management Review Board and the Joint Legislative Committee on the Budget.
8. Provides for the items to be included in the quarterly report of agency accounts containing fees and self-generated revenues.

Senate Floor Amendments to engrossed bill

1. Requires that the manual to be developed by the division of administration, office of statewide reporting and accounting policy, be sent to the statewide elected officials for comment prior to submission to the Joint Legislative Committee on the Budget.
2. Requires that the Joint Legislative Committee on the Budget not only review the manual, but also approve it.
3. Provides that no state money shall be deposited into an escrow fund.
4. Provides that the monthly report by the state agency which has an escrow account to the state treasurer shall also include journal vouchers or other transfer requests of any classified monies back into the escrow fund.
5. Clarifies that required quarterly report of agency accounts applies to the transfer of

monies.