

ACT No. 355

2017 Regular Session

HOUSE BILL NO. 590

BY REPRESENTATIVES HILFERTY AND DAVIS

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AN ACT

To amend and reenact R.S. 49:308.5 and to enact R.S. 24:653(N), relative to the review of special treasury funds; to provide for the submission of a plan to review special treasury funds; to provide for the review of and recommendation on certain special treasury funds; to provide for exceptions; to provide for a dedicated fund review subcommittee of the Joint Legislative Committee on the Budget; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 24:653(N) is hereby enacted to read as follows:

§653. Duties and functions

* * *

N.(1) The committee shall have a dedicated fund review subcommittee which shall review and make recommendations on special funds in the state treasury that dedicate state revenue.

(2) The committee, by its own rules, motions, or resolutions, shall provide for the size, membership, appointment, all administrative matters, and the delegated powers and duties of the dedicated fund review subcommittee. The committee shall provide that the membership of the subcommittee is bipartisan and diverse.

(3) No later than September 1, 2017, and every two years thereafter the committee shall provide for the dedicated fund review subcommittee.

(4) The dedicated fund review subcommittee shall conduct the review of special funds and submit recommendations to the committee as required in R.S. 49:308.5.

1 Section 2. R.S. 49:308.5 is hereby amended and reenacted to read as follows:

2 §308.5. ~~Special~~ Legislative review and recommendation on special funds and
3 dedication of money

4 A. The legislature hereby finds that due to the number of special funds in the
5 state treasury that dedicate state revenue, it is difficult for the governor, the
6 legislature, and the public to assess the ~~return on investment~~ benefit of the activities
7 supported by such funds. In order to address this situation, the legislature finds that
8 a system of transparency and accountability needs to be established and that the
9 authority for such funds should be routinely sunset unless reviewed. Unless the
10 recommendations resulting from the review conclude that the return on investment
11 benefit of the activities funded by monies deposited in such fund warrants the
12 continuation of this method of funding, the legislature should take such action as is
13 necessary to eliminate such special funds and the dedication of state revenues to such
14 activities. Further, inducing competition for funding from the state general fund will
15 put all activities on an equal footing and will allow the governor and the legislature
16 to better prioritize funding.

17 B.(1) The division of administration shall establish a procedure to assure that
18 the activities supported by a special fund are subject to the same level of
19 transparency and accountability as activities supported by the state general fund. The
20 procedure shall include the annual submission of reports no later than December first
21 of each year for all entities and activities supported by appropriations from the fund.

22 (2) The reports shall be submitted to the president of the Senate, the speaker
23 of the House of Representatives, and the division of administration. The reports to
24 the division of administration shall be submitted electronically in a form and format
25 as specified and established by the commissioner of administration. The division of
26 administration shall publish the reports in an electronic database so as to ensure
27 transparency and accountability.

28 (3)(a) ~~Beginning October 1, 2009~~ No later than October 1, 2017, and every
29 two years thereafter, the division of administration shall ~~develop~~ submit a plan ~~and~~
30 ~~schedule for the review~~ of the special funds and dedications to the Joint Legislative

1 Committee on the Budget that specifies at least fifty percent of the special dedicated
2 funds in law as of the date of the submission of the plan. The Joint Legislative
3 Committee on the Budget shall review the plan and may add special funds to the plan
4 submitted by the division of administration prior to approval by the committee. The
5 plan and schedule shall be submitted to the Joint Legislative Committee on the
6 Budget for its review and approval. The plan may be adjusted annually as needed.

7 (b) ~~Each plan and schedule shall provide for the review of not more than~~
8 ~~twenty-five percent of the special funds and dedications. The plan and schedule shall~~
9 ~~specify the funds and dedications that are to be reviewed. The Joint Legislative~~
10 Committee on the Budget shall ensure that after two consecutive plans have been
11 approved, all special funds established by law on the date of the submission of the
12 second consecutive plan will have been approved in a plan at least once in the
13 previous four years.

14 ~~(c)(4)~~ Once the plan for review of special funds is approved by the Joint
15 Legislative Committee on the Budget, the Dedicated Fund Review Subcommittee of
16 the Joint Legislative Committee on the Budget, hereinafter referred to as "the
17 subcommittee", The Joint Legislative Committee on the Budget, hereinafter referred
18 to as "the committee", shall conduct a review of the special funds and dedications as
19 specified in each such plan, and schedule resulting in a recommendation for each
20 specified fund in the plan. The subcommittee shall meet only on a day in which the
21 Joint Legislative Committee on the Budget is scheduled to convene.

22 C.(1) No later than fifteen days after the approval of the plan by the Joint
23 Legislative Committee on the Budget, the subcommittee shall cause to be posted on
24 the website of the Louisiana Legislature, notification of a hearing schedule which
25 shall include a date for presentation and discussion of each specified special fund in
26 the approved plan. Additionally, the Joint Legislative Committee on the Budget shall
27 notify the commissioner of administration and the treasurer of the hearing schedule.
28 The commissioner of administration shall notify any agency or entity receiving an
29 appropriation from a special fund specified in the plan in the previous five fiscal
30 years of the hearing schedule.

1 (2)(a) No later than thirty days after the approval of the plan, the treasurer
2 shall submit to the subcommittee a summary of the terms, sources, conditions, and
3 uses of the special fund as required by law and a five-year history of the following:

4 (i) Sources and amounts of revenue into the fund.

5 (ii) Amounts appropriated or allocated from the fund and the recipients of
6 each appropriation or allocation.

7 (iii) Investments and earnings of the fund.

8 (iv) Annual balance in the fund.

9 (b) The treasurer or his staff shall be in attendance and available to provide
10 information at any hearing that the subcommittee holds on any special fund.

11 (3)(a) No later than thirty days after the approval of the plan, the head of
12 each agency or entity receiving an appropriation or allocation from the special
13 dedicated fund within the previous five years shall submit to the subcommittee the
14 following:

15 (i) Five-year history of the amount of the appropriation or allocation of the
16 fund to the agency or entity.

17 (ii) Detailed use of the fund in each of the previous five years in which the
18 agency or entity received an appropriation or dedication from the fund, including the
19 total amount of funding for each activity financed with the fund and the amount of
20 financing for the activity from the fund.

21 (iii) Outcomes or other relevant performance information for any activity
22 receiving financing from the fund.

23 (iv) If dedication is a fee, the cost of providing the service offset by the fee.

24 (b) The head of the agency or entity, or his staff, shall be in attendance and
25 available to provide information at any hearing on a special fund received by their
26 agency or entity.

27 (4) The subcommittee shall allow public comment on each special fund
28 included in the plan.

29 (5) The subcommittee may request any other information which the
30 subcommittee believes is necessary in conducting the review of the special funds.

1 D.(1) Following the review of each special fund as required in this Section,
 2 members of the subcommittee shall offer motions as are necessary to produce a
 3 report of findings and recommendations on each special dedicated fund reviewed.
 4 Such findings and recommendations may include but are not limited to no change
 5 to the fund, a change to the revenue source into the fund, a change in the amount
 6 dedicated into the fund, a change in the use of the fund, or elimination of the fund.

7 (2) The subcommittee shall report the findings and recommendations to the
 8 Joint Legislative Committee on the Budget for review. The Joint Legislative
 9 Committee on the Budget may recommend modifications to the report submitted by
 10 the subcommittee, however, such modifications shall be noted in the report along
 11 with any original findings or recommendations of the subcommittee.

12 ~~(4) E.~~ No later than February 15, 2010 February 15, 2018, and every two
 13 years thereafter, the ~~committee~~ Joint Legislative Committee on the Budget shall
 14 report the findings and recommendations of each biennial review to the ~~speaker of~~
 15 ~~the House of Representatives, the president of the Senate~~ presiding officer of each
 16 house of the legislature for electronic distribution to each member of the legislature,
 17 the governor, the treasurer, and the commissioner of administration.

18 ~~E.~~ F. This Section shall not apply to or affect the laws which dedicate or
 19 otherwise provide for the use of the following money or the laws which provide for
 20 the following special funds in the state treasury:

21 (1) Special funds or dedications of money received by the state or by any
 22 state board, agency, or commission which is protected by the Constitution of
 23 Louisiana and laws effectuating such special funds and dedications or special funds
 24 containing money which is not required by the constitution to be deposited in the
 25 state treasury pursuant to Article VII, Section 9(A) of the Constitution of Louisiana.

26 (2) Special funds in the state treasury established solely as a requirement of
 27 the terms, conditions, or requirements of:

28 (a) Grants, donations, or other forms of assistance.

29 (b) Court or regulatory agency orders or judgments.

1 (c) Contracts of the state or of its agencies, boards, or commissions,
2 including contracts related to the issuance of bonds, notes, and other indebtedness.

3 (3) Special funds and dedications of money provided by law for money
4 received by or on behalf of a state board, agency, authority, or commission which is
5 mainly composed of and represents members of a trade, business, or professional
6 association from fees or assessments paid by the members of the trade, business, or
7 professional association and which expends the money on market or product research
8 and development.

9 (4) Special funds and dedications of money provided by law related to the
10 judiciary.

11 (5) Special funds and dedications of money provided by law related to
12 retirement funds.

13 Section 3. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____