

SENATE BILL NO. 267

BY SENATORS MICHOT, APPEL, CROWE, DUPLESSIS, LONG, SMITH AND
WALSWORTH AND REPRESENTATIVES HENRY BURNS, TIM
BURNS, CHAMPAGNE, CONNICK, CORTEZ, DOVE, FOIL, LIGI,
LITTLE, MILLS, PERRY, PUGH, ROBIDEAUX, SIMON, SMILEY,
JANE SMITH, WILLIAMS AND WILLMOTT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To enact R.S. 49:308.5, relative to special funds in the state treasury and dedicated money;
to provide for an annual performance report of the activities funded by such special
funds; to provide relative to the development of a plan and schedule relative to the
biennial review of special funds and dedications; to provide for the biennial review
and report of the findings of such review; to provide for exceptions; to provide for
an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 49:308.5 is hereby enacted to read as follows:

§308.5. Special funds and dedication of money

**A. The legislature hereby finds that due to the number of special funds
in the state treasury it is difficult for the governor, the legislature, and the
public to assess the return on investment of the activities supported by such
funds. In order to address this situation, the legislature finds that a system of
transparency and accountability needs to be established and that the authority
for such funds should routinely sunset unless the return on investment of the
activities funded by monies deposited in such fund warrants the continuation
of this method of funding. Further inducing competition for funding from the
state general fund will put all activities on an equal footing and will allow the
governor and the legislature to better prioritize funding.**

**B.(1) The division of administration shall establish a procedure to assure
that the activities supported by a special fund are subject to the same level of
transparency and accountability as activities supported by the state general**

1 fund. The procedure shall include the annual submission of reports no later
2 than December first of each year for all entities and activities supported by
3 appropriations from the fund.

4 (2) The reports shall be submitted to the president of the Senate, the
5 speaker of the House of Representatives, and the division of administration. The
6 reports to the division of administration shall be submitted electronically in a
7 form and format as specified and established by the commissioner of
8 administration. The division of administration shall publish the reports in an
9 electronic database so as to ensure transparency and accountability.

10 (3)(a) Beginning October 1, 2009, and every two years thereafter, the
11 division of administration shall develop a plan and schedule for the review of
12 the special funds and dedications. The plan and schedule shall be submitted to
13 the Joint Legislative Committee on the Budget for its review and approval. The
14 plan may be adjusted annually as needed.

15 (b) Each plan and schedule shall provide for the review of not more than
16 twenty-five percent of the special funds and dedications. The plan and schedule
17 shall specify the funds and dedications that are to be reviewed.

18 (c) The Joint Legislative Committee on the Budget, hereinafter referred
19 to as "the committee," shall conduct a review of the special funds and
20 dedications as specified in each such plan and schedule.

21 (4) No later than February 15, 2010 and every two years thereafter, the
22 committee shall report the findings of each biennial review to the speaker of the
23 House of Representatives, the president of the Senate, the governor, and the
24 commissioner of administration.

25 C. This Section shall not apply to or affect the laws which dedicate or
26 otherwise provide for the use of the following money or the laws which provide
27 for the following special funds in the state treasury:

28 (1) Special funds or dedications of money received by the state or by any
29 state board, agency, or commission which is protected by the Constitution of
30 Louisiana and laws effectuating such special funds and dedications or special

1 funds containing money which is not required by the constitution to be
2 deposited in the state treasury pursuant to Article VII, Section 9(A) of the
3 Constitution of Louisiana.

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

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

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

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

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

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

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

21 Section 2. This Act shall become effective on July 1, 2009.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____