HLS 21RS-744 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 403

1

BY REPRESENTATIVE JONES

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

BUDGETARY PROCEDURES: Provides relative to budgets of certain courts and other local entities including provisions for public participation in the budget making process

AN ACT

2 To amend and reenact R.S. 39:1302(3)(k), 1303(A), 1304, 1305(C)(2)(c), and 1307(A), to 3 enact R.S. 39:1302(3)(1) and (m), 1305(C)(2)(d), and 1306(A)(3), and to repeal R.S. 4 39:1303(E), relative to budgets of certain courts and other local entities; to provide 5 for applicability of requirements and procedures, including applicability to district 6 court judges, mayor's courts, justice of the peace courts, and district attorneys; to 7 provide relative to opportunities for public participation in the budget making 8 process; to provide for uniform forms; to require submission of court budgets to the 9 Louisiana Supreme Court; and to provide for related matters. 10 Be it enacted by the Legislature of Louisiana: 11 Section 1. R.S. 39:1302(3)(k), 1303(A), 1304, 1305(C)(2)(c), and 1307(A) are 12 hereby amended and reenacted and R.S. 39:1302(3)(1) and (m), 1305(C)(2)(d), and 13 1306(A)(3) are hereby enacted to read as follows: 14 §1302. Definitions 15 For the purposes of this Chapter: 16 17 (3) "Political subdivision" means any: 18

1	(k) Independently elected parish offices, including the office of assessor,
2	clerk of district court, coroner, district attorney, sheriff, and judges, but only insofar
3	as their judicial expense funds, as provided for in Title 13 of the Louisiana Revised
4	Statutes of 1950.
5	(l) Mayor's court.
6	(m) Justice of the peace court.
7	* * *
8	§1303. Legislative intent
9	A. It is the intent of the legislature that this Chapter shall apply, as provided
10	for herein, to all political subdivisions of the state with a general fund or a special
11	revenue fund, except that the provisions of R.S. 39:1307 related to public
12	participation shall only apply to those political subdivisions with proposed
13	expenditures totaling five one hundred thousand dollars or more in such funds. The
14	provisions of this Chapter shall be construed as minimal requirements and shall not
15	prevent a political subdivision from requiring more extensive financial planning and
16	budgeting practices nor from imposing more stringent penalties for violations.
17	* * *
18	§1304. Uniform chart of accounts; uniform budget templates
19	A.(1) The legislative auditor shall develop a uniform chart of accounts for
20	use by political subdivisions in recording of all financial transactions.
21	(2) The legislative auditor shall develop a uniform budget template for use
22	by political subdivisions in meeting the requirements of this Chapter.
23	(3) The legislative auditor shall submit the proposed chart of accounts and
24	proposed budget templates to the Joint Legislative Committee on the Budget for its
25	approval. Any change to the an approved chart of accounts or template shall be
26	made in accordance with procedures contained in this Subsection.
27	B. The legislative auditor is authorized to create political subdivision
28	categories for the purpose of carrying out the provisions of this Section. He may
29	propose a different chart account and a different budget template for each political

1	subdivision category. Any political subdivision category created pursuant to this
2	Subsection shall be approved by the Joint Legislative Committee on the Budget.
3	§1305. Budget preparation
4	* * *
5	C. The budget document setting forth the proposed financial plan for the
6	general fund and each special revenue fund shall include the following:
7	* * *
8	(2)
9	* * *
10	(c) Courts shall itemize revenues and expenditures in accordance with a
11	budget template developed pursuant to R.S. 39:1304, with R.S. 24:515.2, and with
12	guidance provided by the Louisiana Supreme Court, as applicable.
13	(d) If, upon the request of the governing authority, the political subdivision
14	fails to submit its budget document showing the information concerning revenue
15	sources as mandated by this Subsection, the governing authority shall not appropriate
16	any general funds to such political subdivision.
17	* * *
18	§1306. Completion and submission of the proposed budget
19	A. The proposed budget for political subdivisions with a governing authority
20	including municipalities, parishes, school boards, and special districts shall be
21	completed and submitted to the governing authority of that political subdivision and
22	made available for public inspection as provided for in R.S. 39:1308 no later than
23	fifteen days prior to the beginning of each fiscal year except that:
24	* * *
25	(3) The proposed budget for a court shall be submitted to the Louisiana
26	Supreme Court at the same time it is made available for public inspection.
27	* * *

1 §1307. Public participation 2 A. Political subdivisions with total proposed expenditures of five one 3 hundred thousand dollars or more from the general fund and any special revenue funds in a fiscal year or other similar budgetary period shall afford the public an 4 5 opportunity to participate in the budgetary process prior to adoption of the budget. 6 7

Section 2. R.S. 39:1303(E) is hereby repealed in its entirety.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 403 Original

2021 Regular Session

Jones

**Abstract:** Provides relative to the applicability of the Local Government Budget Act to certain courts.

Present law establishes procedures for the confecting and adoption of annual budgets by local governments and other local offices, including municipalities, parishes, school boards, political subdivisions, local housing authorities, independently elected parish offices, and other specified entities.

Present law is applicable to city courts and to the judicial expense funds of judges who are elected in parish elections. Proposed law makes present law applicable to the entire budgets of judges who are elected in parish elections and to mayor's courts and justice of the peace courts.

Present law provides that it does not apply to funds received by district attorneys' offices from worthless check collection fees and incentive payments for child support enforcement activities unless proposed expenditures exceed \$50,000. Proposed law repeals present law.

Present law requires and provides for an opportunity for the public to participate in the budgetary process prior to adoption of the budget. Present law provides that this requirement applies to entities with total proposed expenditures of at least \$500,000 in a year. Proposed law retains present law except to lower the threshold of applicability to \$100,000.

Present law requires the legislative auditor to develop a uniform chart of accounts for entities to use in recording financial transactions. Authorizes variations in such charts of accounts for various categories of entity. Proposed law retains present law and requires the legislative auditor to develop a uniform budget template for entities to use in complying with present law and proposed law. Also authorizes variations in the budget template for categories of entity.

<u>Present law requires certain elements be included in the budget document. Proposed law</u> requires that courts itemize revenues and expenditures in accordance with the budget template developed pursuant to proposed law, guidance provided by the La. Supreme Court, and present law that require the legislative auditor to develop a uniform format for reporting revenue from pre- or post-adjudication costs, fines, and fees.

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

<u>Proposed law</u> requires that a court submit its proposed budget to the La. Supreme Court at the same time it is made available for public inspection.

(Amends R.S. 39:1302(3)(k), 1303(A), 1304, 1305(C)(2)(c), and 1307(A); Adds R.S. 39:1302(3)(l) and (m), 1305(C)(2)(d), and 1306(A)(3); Repeals R.S. 39:1303(E))