

Regular Session, 2011

SENATE BILL NO. 144

BY SENATOR WALSWORTH

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

FUNDS/FUNDING. Provides relative to the sunset and abolition of certain special funds in the state treasury. (7/1/11)

AN ACT

To amend and reenact R.S. 49:308.5, relative to the state treasury; to sunset and abolish certain funds and statutory dedications; to provide for certain exceptions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

§308.5. **Abolition and recreation of certain** ~~§~~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 **after a full and comprehensive review of such funds** 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

1 the governor and the legislature to better prioritize funding.

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

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

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

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

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

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

28 **B. Beginning June 30, 2012, and every four years thereafter,**  
29 **notwithstanding any other law to the contrary and except as provided by the**

Constitution of Louisiana and as further provided by Subsection C and D of this Section, all special funds in the state treasury are hereby abolished and any and all laws of the state which dedicate or otherwise provide for the use of money required to be deposited in the state treasury are repealed and superseded. The treasurer is therefore authorized and directed to transfer the balances of the abolished funds and deposit them into the general fund. The treasurer, upon receipt of such money, and after compliance with the requirements of Article VII, Section 9(B) of the constitution relative to the Bond Security and Redemption Fund, shall deposit the money in and credit it to the general fund. All interest earned on the investment of the money shall be deposited in and credited to the general fund.

C. The Joint Legislative Committee on the Budget shall, no later than December 31 of the year before such funds shall be abolished, perform a full and comprehensive review of all such special funds and shall make recommendations on the continuance of such funds. Unless the legislature enacts a law to continue or recreate a fund, the fund shall be abolished in accordance with the provisions of Subsection B of this Section.

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

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

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

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

(b) Court or regulatory agency orders or judgments.

1 (c) Contracts of the state or of its agencies, boards, or commissions, including  
2 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 2. This Act shall become effective on July 1, 2011.

---

The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Heyward Jeffers.

---

#### DIGEST

Present law provides that certain special funds in the state treasury will routinely sunset unless the return on the investment of the activities funded by monies deposited in such funds warrant the continuation of this method of funding.

Proposed law provides that beginning June 30, 2012, and every four years thereafter, all special funds in the state treasury are abolished and any and all laws of the state which dedicate or otherwise provide for the use of money required to be deposited in the state treasury are repealed and superseded and the state treasurer is directed, upon receipt of such money, and after compliance with the requirements of Article VII, Section 9(B) of the constitution relative to the Bond Security and Redemption fund, shall deposit the money in and credit it to the general fund. All interest earned on the investment of such money shall be deposited in and credited to the general fund.

Proposed law requires the Joint Legislative Committee on the Budget will, no later than December 31 of the year before such funds will be abolished to perform a full and comprehensive review of all such special funds and will make recommendations on the continuance of such funds. Unless the legislature enacts a law to continue or recreate a fund, the fund will be abolished.

Effective July 1, 2011.

(Amends R.S. 49:308.5)