

2025 Regular Session

SENATE BILL NO. 245 (Substitute of Senate Bill No. 184 by Senator Cloud)

BY SENATOR CLOUD

FISCAL CONTROLS. Creates the "Transparent Responsible Use of State Tax-dollars (T.R.U.S.T.) Act" to provide for requirements for nongovernmental entities and provides for a nongovernmental entity database. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:51.1(B)(11), to enact R.S. 39:16.15, 51.1(I) and (J), and

3 Subpart F of Part II of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised

4 Statutes of 1950, to be comprised of R.S. 39:89.1 through 89.4, and to repeal R.S.

5 39:51.1(B)(10) and (F), relative to nongovernmental entities; to provide for

6 requirements for nongovernmental entities; to provide for nongovernmental entity

7 funding request form information; to provide for criminal penalties; to provide for

8 reporting requirements; to provide for audit requirements; to prohibit certain

9 activities of nongovernmental entities; to provide for a nongovernmental entity

10 database; to provide for an effective date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 39:51.1(B)(11) is hereby amended and reenacted and R.S. 39:16.15,

13 51.1(I) and (J), and Subpart F of Part II of Chapter 1 of Subtitle 1 of Title 39 of the

14 Louisiana Revised Statutes of 1950, comprised of R.S. 39:89.1 through 89.4, are hereby

15 enacted to read as follows:

16 **§16.15. Duties of the commissioner relative to the nongovernmental entity**

17 **database**

1 A.(1) The commissioner shall ensure the website includes a
2 nongovernmental entity database that is categorized according to the type of
3 service that the nongovernmental entity provides and is electronically
4 searchable by the public.

5 (2) All state agencies shall be required to provide information pursuant
6 to this Section as provided by rules promulgated by the commissioner.

7 B. The nongovernmental entity database shall have the following
8 functionality:

9 (1) Search and aggregate records by agency.

10 (2) Search and aggregate records by nongovernmental entities.

11 (3) Download information yielded by a search of the database.

12 (4) Provide access or integration into the database Louisiana Checkbook
13 information from reports on contracts required by law.

14 C. The nongovernmental entity database shall include but not be limited
15 to the following data:

16 (1) The name and physical address of the nongovernmental entity,
17 excluding the physical address of an entity that is confidential under state or
18 federal law, rule, or regulation.

19 (2) The amount of the contract or appropriation and total means of
20 finance, including state and federal sources, if applicable.

21 (3) The date the nongovernmental entity signed the contract, the status
22 of the funding, and the completion date of the contract.

23 (4) The purpose of the contract or appropriation and an outcome
24 assessment by the state agency administering the contract of whether the
25 nongovernmental entity has completed the purposes of the contract or
26 appropriation or met performance goals as defined in a cooperative endeavor
27 agreement.

28 (5) A keyword index for the category of service the nongovernmental
29 entity is providing.

1 **(6) The compliance status of all reports submitted pursuant to R.S.**

2 **39:89.3(A).**

3 * * *

4 §51.1. General Appropriation Bill and other appropriation bills; nongovernmental
5 entity funding request form; exemptions

6 * * *

7 B. Such information shall include, at a minimum, the following information:

8 * * *

9 (11) If the entity has a contract ~~with any elected or appointed official or an~~
10 ~~immediate family member of such an official~~ or with the state or any political
11 subdivision of the state:

12 ~~(a) If the contract is with an elected or appointed official, the name and~~
13 ~~address of the official and the office held by such person.~~

14 ~~(b) If the contract is with an immediate family member of an elected or~~
15 ~~appointed official, the name and address of such person; the name, address, and~~
16 ~~office of the official to whom the person is related; and the nature of the relationship.~~

17 ~~(c)~~**(a)** ~~The~~ If the contract is with the state or a political subdivision of the
18 state, the name and address of the state entity or political subdivision.

19 ~~(d)~~**(b)** The nature of the contract, including a description of the goods or
20 services provided or to be provided pursuant to the contract.

21 * * *

22 **I. Any nongovernmental entity that is requesting an appropriation**
23 **pursuant to this Section shall comply with the requirements of R.S. 39:89.1 et**
24 **seq.**

25 **J. Knowingly submitting false or misleading information in any required**
26 **form shall constitute a violation of R.S. 14:133.**

27 * * *

28 **SUBPART F. TRANSPARENT RESPONSIBLE USE OF STATE**

29 **TAX-DOLLARS (T.R.U.S.T) ACT**

1 **§89.1. Short Title**

2 **This Act shall be known as the "Transparent Responsible Use of State**
3 **Tax-dollars Act" or "T.R.U.S.T. Act".**

4 **§89.2. Legislative intent**

5 **A. The legislature hereby finds that nongovernmental entities play a vital**
6 **role in strengthening communities and addressing critical needs and**
7 **acknowledges the positive impact of entities that operate with integrity,**
8 **transparency, and a genuine commitment to the public good. The legislature**
9 **further finds that the relationship between a nongovernmental entity and the**
10 **state reflects a collaborative effort in pursuit of shared goals including but not**
11 **limited to providing for humanitarian relief, food insecurity, educational**
12 **programming, mentorship and reentry programs, workforce training, mental**
13 **health and healthcare access, faith-based support, or other service, charitable,**
14 **or similar purposes in the public interest.**

15 **B. The purpose of this Subpart is to establish clear expectations and**
16 **consistent standards for nongovernmental entities in order to protect the**
17 **interests of the taxpayers of Louisiana and promote accountability for funds**
18 **appropriated to nongovernmental entities by enabling access to data through**
19 **the nongovernmental entity database within Louisiana Checkbook maintained**
20 **by the division of administration.**

21 **§89.3. Nongovernmental entities; requirements; prohibitions**

22 **A.(1) Each nongovernmental entity that receives a legislative**
23 **appropriation or an appropriation as part of a departmental or agency budget,**
24 **including any federal funding sources, shall submit to the state agency**
25 **distributing the appropriation or administering the contract or cooperative**
26 **endeavor agreement the following information prior to the disbursement of**
27 **funds:**

28 **(a) An itemized report of the nongovernmental entity's administrative**
29 **expenses associated with the distribution and utilization of state appropriated**

1 **funds.**

2 **(b)(i) The nongovernmental entity's most recent financial report in**
3 **accordance with R.S. 24:513. The report shall be a sworn financial statement,**
4 **compilation, review, or audit, as required based on the total revenues and other**
5 **funding sources received by the entity in any one fiscal year, pursuant to R.S.**
6 **24:513(J).**

7 **(ii) If the financial report is required to be prepared by a licensed**
8 **certified public accountant, the engagement of the accountant shall be**
9 **pre-approved by the legislative auditor through the submission of an**
10 **engagement letter in accordance with R.S. 24:513(A)(5)(a)(i).**

11 **(iii) The completed financial report shall also be submitted to and**
12 **formally accepted by the legislative auditor in order to be deemed compliant for**
13 **purposes of eligibility to receive appropriated funds.**

14 **(iv) For nongovernmental entities subject to audit requirements**
15 **pursuant to R.S. 24:513, the audit report shall include an unqualified auditor's**
16 **opinion and a certification that there are no unresolved audit findings, or that**
17 **the nongovernmental entity is actively working with the appropriate**
18 **governmental authority to resolve them.**

19 **(v) All financial reports submitted pursuant to this Subparagraph shall**
20 **be reviewed and accepted by the legislative auditor pursuant to the provisions**
21 **of R.S. 24:513. No report shall be deemed compliant without such acceptance.**

22 **(2) The state agency may require the nongovernmental entity to submit**
23 **a corrective action plan to address noncompliance with the provisions of this**
24 **Subsection or any outstanding audit issues or findings.**

25 **(3) Any nongovernmental entity that fails to comply with the provisions**
26 **of this Subsection shall be ineligible to receive disbursement of an appropriation**
27 **for a period of three years or until the entity has achieved compliance as**
28 **determined by the state agency.**

29 **B.(1) No public official, public employee, or immediate family member**

1 thereof shall receive anything of economic value or any form of compensation,
2 whether direct or indirect, from a nongovernmental entity or contract with a
3 nongovernmental entity receiving appropriated funds.

4 (2) The provisions of this Subsection shall not preclude a public official
5 or public employee from accepting a thing of economic value, gift, or
6 complimentary admission, lodging, and reasonable transportation in
7 compliance with the provisions of R.S. 42:1115, R.S. 42:1115.1, and R.S.
8 42:1115.2.

9 C. Nongovernmental entities that receive appropriated funds shall
10 refrain from political activities, including endorsement of any political party or
11 candidate for public office, or the use of machinery, equipment, postage,
12 stationary, or personnel on behalf of any political party or candidate.

13 D. Nongovernmental entities shall not use appropriated funds for
14 lobbying, including employee time funded by the state, contracting with
15 third-party lobbyists, or making contributions, directly or indirectly, to political
16 action committees, political parties, or candidates for public office.

17 §89.4. Nongovernmental entity database requirements

18 A.(1) The head of each state agency distributing or awarding
19 appropriated funds to a nongovernmental entity shall ensure compliance with
20 the nongovernmental entity database requirements as provided in R.S. 39:16.15.

21 (2) Information to be provided for inclusion in the nongovernmental
22 entity database shall include but not be limited to the following:

23 (a) The name and physical address of the nongovernmental entity,
24 excluding the physical address of an entity that is confidential under state or
25 federal law, rule, or regulation.

26 (b) The amount of the contract or appropriation and total means of
27 finance, including state and federal sources, if applicable.

28 (c) The date the nongovernmental entity signed the contract, the status
29 of the funding, and the completion date of the contract.

public.

Proposed law requires all state agencies to provide information as provided by rules promulgated by the commissioner. Further requires the database to have the following functionality:

- (1) Search and aggregate records by agency.
- (2) Search and aggregate records by nongovernmental entities.
- (3) Download information yielded by a search of the database.
- (4) Provide access or integration into the database Louisiana Checkbook information from reports on contracts required by law.

Proposed law requires the nongovernmental entity database to include but not be limited to the following data:

- (1) The name and physical address of the nongovernmental entity, excluding the physical address of an entity that is confidential under state or federal law, rule, or regulation.
- (2) The amount of the contract or appropriation and total means of finance, including state and federal sources, if applicable.
- (3) The date the nongovernmental entity signed the contract, the status of the funding, and the completion date of the contract.
- (4) The purpose of the contract or appropriation and an outcome assessment by the state agency administering the contract of whether the nongovernmental entity has completed the purposes of the contract or appropriation or met performance goals as defined in a cooperative endeavor agreement.
- (5) A keyword index for the category of service the nongovernmental entity is providing.
- (6) The compliance status of all reports submitted pursuant to proposed law.

Present law requires any nongovernmental entity which is neither a budget unit nor a political subdivision of the state that is requesting funding from the state to transmit certain information to the legislature in an online, searchable database.

Proposed law retains present law.

Present law provides disclosure requirements for elected officials or their immediate family members who receive compensation from, hold an ownership interest in, or contract with a nongovernmental entity requesting state funding.

Proposed law repeals present law.

Present law further provides disclosure requirements for a nongovernmental entity with a contract with the state or any political subdivision of the state.

Proposed law retains present law.

Present law (R.S. 14:133) provides for the crime of filing or maintaining false public records and provides for penalties including imprisonment for not more than five years with or without hard labor or a fine of not more than \$5,000, or both.

Proposed law retains present law and provides that knowingly submitting false or misleading information in a nongovernmental entity funding request form shall constitute a violation of present law.

Proposed law establishes the "Transparent Responsible Use of State Tax-dollars Act" or "T.R.U.S.T. Act".

Proposed law provides for legislative intent including the purpose of establishing clear expectations and consistent standards for nongovernmental entities in order to protect the interests of the taxpayers of Louisiana and promoting accountability for funds appropriated to nongovernmental entities by enabling access to data through the nongovernmental entity database within Louisiana Checkbook maintained by the division of administration.

Proposed law requires each nongovernmental entity that receives a legislative appropriation or an appropriation as part of a departmental or agency budget, including any federal funding sources, to submit to the state agency distributing the appropriation or administering the contract or cooperative endeavor agreement the following information prior to the disbursement of funds:

- (1) An itemized report of the nongovernmental entity's administrative expenses associated with the distribution and utilization of state appropriated funds.
- (2) The nongovernmental entity's most recent financial report in accordance with audit requirements of present law. Further requires the report to be a sworn financial statement, compilation, review, or audit, as required based on the total revenues and other funding sources received by the entity in any one fiscal year.

Proposed law requires the completed financial report to be submitted to and formally accepted by the legislative auditor in order to be deemed compliant for purposes of eligibility to receive appropriated funds.

Proposed law requires certain audit reports to include an unqualified auditor's opinion and a certification that there are no unresolved audit findings, or that the nongovernmental entity is actively working with the appropriate governmental authority to resolve them.

Proposed law requires all financial reports to be reviewed and accepted by the legislative auditor pursuant to the audit provisions of present law. No report shall be deemed compliant without such acceptance.

Proposed law authorizes the state agency to require the nongovernmental entity to submit a corrective action plan to address noncompliance with the provisions of proposed law or any outstanding audit issues or findings.

Proposed law prohibits any nongovernmental entity that fails to comply with the provisions of proposed law from receiving disbursement of an appropriation for a period of three years or until the entity has achieved compliance as determined by the state agency.

Proposed law prohibits any public official, public employee, or immediate family member thereof from receiving anything of economic value or any form of compensation, whether direct or indirect, from a nongovernmental entity or contract with a nongovernmental entity receiving appropriated funds.

Proposed law shall not preclude a public official or public employee from accepting a thing of economic value, gift, or complimentary admission, lodging, and reasonable transportation in compliance with the ethics provisions of present law.

Proposed law provides that nongovernmental entities that receive appropriated funds shall refrain from political activities, including endorsement of any political party or candidate for

public office, or the use of machinery, equipment, postage, stationary, or personnel on behalf of any political party or candidate.

Proposed law prohibits nongovernmental entities from using appropriated funds for lobbying, including employee time funded by the state, contracting with third-party lobbyists, or making contributions, directly or indirectly, to political action committees, political parties, or candidates for public office.

Proposed law requires the head of each state agency distributing or awarding appropriated funds to a nongovernmental entity to ensure compliance with the nongovernmental entity database requirements as provided in proposed law.

Proposed law requires each state agency distributing or awarding appropriated funds to nongovernmental entities to comply with the requirements of proposed law and submit all documentation as prescribed herein upon receipt and by rules promulgated by the commissioner of administration.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:51.1(B)(11); adds R.S. 39:16.15, 51.1(I) and (J), and 89.1-89.4; repeals R.S. 39:51.1(B)(10) and (F))