

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

BY SENATOR CLOUD AND REPRESENTATIVES BAGLEY, BERAULT, BUTLER,  
CARRIER, FREIBERG, HORTON, ILLG, KERNER AND  
THOMPSON

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 exceptions; to provide for an effective date; and to provide  
11 for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 39:51.1(B)(11) is hereby amended and reenacted and R.S. 39:16.15,  
14 51.1(I) and (J), and Subpart F of Part II of Chapter 1 of Subtitle 1 of Title 39 of the  
15 Louisiana Revised Statutes of 1950, comprised of R.S. 39:89.1 through 89.4, are hereby  
16 enacted to read as follows:

17 **§16.15. Duties of the commissioner relative to the nongovernmental entity**  
18 **database**

19 **A.(1) The commissioner shall ensure the website includes a**  
20 **nongovernmental entity database that includes the type of service that the**  
21 **nongovernmental entity provides and is electronically searchable by the public.**

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

24 **B. The nongovernmental entity database shall have the following**  
25 **functionality:**

26 **(1) Search and aggregate records by agency.**



1 §51.1. General Appropriation Bill and other appropriation bills; nongovernmental  
2 entity funding request form; exemptions

3 \* \* \*

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

5 \* \* \*

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

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

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

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

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

18 \* \* \*

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

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

24 \* \* \*

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

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

27 **§89.1. Short Title**

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

30 **§89.2. Legislative intent**

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

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

17           §89.3. Nongovernmental entities; requirements; prohibitions

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

24           (a) An itemized report of the nongovernmental entity's administrative  
25           expenses associated with the distribution and utilization of state appropriated  
26           funds.

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

1           **24:513(J).**

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

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

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

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

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

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

24                   **B.(1)(a) No public official, public employee, or immediate family member**  
25                   **thereof shall receive anything of economic value or any form of compensation,**  
26                   **whether direct or indirect, from a nongovernmental entity or contract with a**  
27                   **nongovernmental entity receiving appropriated funds.**

28                   **(b) The provisions of this Paragraph shall not apply if the**  
29                   **nongovernmental entity is contracted with the Department of Education or with**  
30                   **a city, parish, or other local public school system to provide standards-based**

1 educational services.

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

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

11 D. Nongovernmental entities shall not use appropriated funds for the  
12 following purposes:

13 (1) Lobbying the legislature or a state or local government agency,  
14 including funding for employee hours spent lobbying.

15 (2) Making contributions, directly or indirectly, to political action  
16 committees, political parties, or candidates for public office.

17 E. For purposes of this Subpart, a nongovernmental entity shall not  
18 include any school governing authority required to post fiscal information  
19 through the School Transparency Project Portal pursuant to R.S. 17:88.1.

20 §89.4. Nongovernmental entity database requirements

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

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

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

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

1                   (c) The contract effective date and the contract end date.

2                   (d) The purpose of the contract or appropriation and an outcome  
3                   assessment by the state agency administering the contract of whether the  
4                   nongovernmental entity has completed the purposes of the contract or  
5                   appropriation or met performance goals as defined in a cooperative endeavor  
6                   agreement.

7                   (e) A keyword index for the category of service the nongovernmental  
8                   entity is providing.

9                   (f) The compliance status of all reports submitted pursuant to R.S.  
10                  39:89.3(A).

11                  B. Each state agency distributing or awarding appropriated funds to  
12                  nongovernmental entities shall comply with the requirements of this Section and  
13                  submit all documentation as prescribed herein upon receipt and by rules  
14                  promulgated by the commissioner of administration pursuant to R.S.  
15                  39:16.3(A).

16                  Section 2. R.S. 39:51.1(B)(10) and (F) are hereby repealed.

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

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_