

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 590

2017 Regular Session

Hilferty

FUNDS/FUNDING: Provides for a review of and recommendation on certain dedicated funds

Synopsis of Senate Amendments

1. Changes references regarding the reasons for legislature review of funds from an assessment of the *return on investment* of the fund to an assessment of the *benefit* of the activities supported by the fund.
2. Requires the subcommittee to meet only on days the Joint Legislative Committee on the Budget is scheduled to meet.
3. Adds the cost of providing the services offset by the fee, if the dedication is a fee, to the information required to be submitted by an agency or entity receiving an appropriation.

Digest of Bill as Finally Passed by Senate

Proposed law establishes a dedicated fund review subcommittee of the Joint Legislative Committee on the Budget (JLCB) to review and make recommendations on special funds in the state treasury that dedicate state revenue as required in proposed law. JLCB is required to provide for size, membership, appointment, all administrative matters, and the delegated powers and duties of the subcommittee by its own rules, motions, or resolutions. Further requires JLCB to provide for the subcommittee no later than Sept. 1, 2017, and every two years thereafter.

Present law requires every two years that the division of administration submit to JLCB a plan of not more than 25% of the special dedicated funds in law. JLCB is required to approve the plan submitted, review the funds in each plan, and report the findings of each review to speaker of the House of Representatives, the president of the Senate, the governor, and the commissioner of administration.

Proposed law changes the percentage of the funds in the plan for review in present law from not more than 25% to at least 50%. Further authorizes JLCB to add funds to the plan submitted by the division of administration prior to approval of the plan by the committee.

Proposed law requires JLCB to ensure that after two consecutive plans have been approved, all special funds established by law on the date of the submission of the second consecutive plan will have been reviewed at least once.

Proposed law changes the committee required in present law to review the funds in the approved plan from JLCB to the Dedicated Fund Review Subcommittee of the Joint Legislative Committee on the Budget (subcommittee). Further requires the review of the funds in the approved plans to result in a recommendation for each fund in the plan.

Proposed law requires the subcommittee to post the hearing schedule for the plan on the website of the Louisiana Legislature and to notify the commissioner of administration and the treasurer of the schedule. Further requires that the subcommittee meet only on days the Joint Legislative Committee on the Budget is scheduled to meet.

Proposed law requires the treasurer to provide to the subcommittee certain specified information on each fund and requires attendance of the treasurer, or his staff, at each

subcommittee hearing.

Proposed law further requires the head of each state agency or entity receiving an appropriation from a fund in the previous five years to provide to the subcommittee certain specified information on each fund. Further requires attendance of the head of each agency or entity, or their staff, at each subcommittee hearing.

Proposed law requires the subcommittee to allow public comment on each fund included in the plan.

Proposed law authorizes the subcommittee to request any other information which the subcommittee believes is necessary in conducting the review of the funds.

Proposed law requires, following the review of each fund in a plan, the subcommittee to offer motions that will produce a report of findings and recommendations on each fund reviewed. Further requires the subcommittee to report the findings and recommendations to JLCB for review.

Proposed law retains reporting of the fund review in present law, but specifies that the speaker of the House of Representatives and the president of the Senate distribute the report to the members of the legislature. Proposed law further requires the findings and recommendations to be reported to the treasurer.

Present law excepts the following from the review of funds:

- (1) Funds or dedications protected by the Constitution of Louisiana or special funds containing money which is not required by the constitution to be deposited in the state treasury.
- (2) 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.
 - (c) Contracts of the state or of its agencies, boards, or commissions, including contracts related to the issuance of bonds, notes, and other indebtedness.
- (3) Funds and dedications of money received by or on behalf of a state board, agency, authority, or commission which is mainly composed of and represents members of a trade, business, or professional association from fees or assessments paid by the members of the trade, business, or professional association and which expends the money on market or product research and development.
- (4) Funds and dedications of money provided by law related to the judiciary.
- (5) Funds and dedications of money provided by law related to retirement funds.

Proposed law retains exceptions in present law.

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

(Amends R.S. 49:308.5; Adds 24:653(N))