

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 403****2017 Regular Session****Henry**

FUNDS/FUNDING: Provides for the transfer, deposit, and use of monies among state funds

Synopsis of Senate Amendments

1. Deletes provision requiring recurring state general fund revenues collected in Fiscal Year 2017-2018 in excess of the Jan. 13, 2017, official forecast to be deposited into the Overcollections Fund.
2. Adds provision to transfer \$15,400,000 from the Dept. of Revenue Escrow Account to the Overcollections Fund contingent upon the enactment of Senate Bill No. 180 of this 2017 Regular Session of the Legislature.
3. Adds provision to transfer \$18,660,000 when the Dept. of Revenue prevails in the suit, appeal, or petition associated with the legislative instrument which originated as House Concurrent Resolution No. 8 of the 2015 Regular Session of the Legislature and transfers the amount paid in protest and held in escrow from the Department of Revenue to the Overcollections Fund.
4. Adds provision to transfer \$5,300,335 from the Dept. of Justice escrow account to the state treasury, and authorizing and directing the state treasurer to transfer \$5,300,335 to the State Emergency Response Fund.
5. Adds provisions regarding agency escrow accounts.
6. Changes provisions pertaining to effectiveness.

Digest of Bill as Finally Passed by Senate**FUNDS TRANSFERS**

Proposed law, effective upon signature of the governor or lapse of time for gubernatorial action transfers the following:

- (1) \$25 million into the Budget Stabilization Fund from the state general fund.
- (2) \$15,400,000 into the Overcollections Fund from the Dept. of Revenue Escrow Account contingent upon the enactment of Senate Bill No. 180 of the 2017 Regular Session of the Legislature.
- (3) \$18,660,000 to the Overcollections Fund when the Dept. of Revenue prevails in the suit, appeal, or petition associated with the legislative instrument which originated as House Concurrent Resolution No. 8 of the 2015 Regular Session of the Legislature and transfers the amount paid in protest and held in escrow.
- (4) \$5,300,335 to the State Emergency Response Fund from the Dept. of Justice escrow account.

Proposed law, effective July 1, 2017, transfers \$7,582,927 into the Self-Insurance Fund from the Future Medical Care Fund.

AGENCY ESCROW ACCOUNTS (EFFECTIVE JULY 1, 2018)

Present law provides the Cash Management Review Board with the authority to approve the establishment of banking and checking accounts of state agencies. The members are the treasurer, the legislative auditor, and the commissioner of administration, or their designees.

Proposed law retains present law and adds the chairman of the Senate Committee on Finance and the chairman of the House Committee on Appropriations, or their designees, to the composition of the Cash Management Review Board.

Proposed law provides that the Cash Management Review Board shall review all state agency requests for the establishment of escrow funds in the state treasury, and if warranted, to approve the requests in writing.

Proposed law provides that the division of administration, office of statewide reporting and accounting policy, shall develop a policy manual for the classification of state revenues which shall define the revenues being classified, and the procedures necessary to provide uniformity in the classification of revenues as statutory dedications, fees and self-generated revenue, state general fund, interagency transfers, federal funds, or other appropriate categories. Further provides that the manual shall provide a description of monies which may be or may not be deposited into an escrow fund. Requires the policy manual to contain policies for the creation of an agency account for the deposit of fees and self-generated revenues.

Proposed law further provides that prior to implementation of the manual, the office of statewide reporting and accounting policy shall submit the manual to the Joint Legislative Committee on the Budget for review and approval. Requires that the manual be sent to the statewide elected officials for comment prior to submission to the Joint Legislative Committee on the Budget.

Proposed law prohibits holding state money in an escrow fund unless the agency notifies the Cash Management Review Board of the funds held in escrow and keeps records accounting for the funds, restrictions requiring the state funds to be held in escrow, and the estimated duration of the restrictions. Provides that no state money in an escrow fund shall be withdrawn or transferred from an escrow account without an appropriation in the current fiscal year or, if there is no appropriation, without a budget adjustment approved by the commissioner of administration and the Joint Legislative Committee on the Budget.

Proposed law provides that monies paid to the state by a nonstate entity or party in error or in cases in which a refund of the amount paid to the state is due, may be withdrawn from the escrow fund without a specific appropriation and returned to the nonstate individual or entity.

Proposed law prohibits the establishment of an escrow fund unless the Cash Management Review Board has authorized the establishment of the escrow subfund in writing and notice of the creation of the escrow fund has been given in writing to the Joint Legislative Committee on the Budget.

Proposed law requires agencies which have an escrow account in the state treasury to report to the state treasurer monthly and that the state treasurer shall compile the agency reports into one report and submit it to the Cash Management Review Board. Further provides for the information to be stated in the report. Specifies that the report also include any journal vouchers or other transfer requests of any classified monies back into the escrow fund.

Proposed law provides for a quarterly report of agency accounts in the state treasury regarding fees and self-generated revenues which were deposited, transferred, or withdrawn from the agency account. Further requires the state treasurer to compile the agency reports into one report to be submitted to the Cash Management Review Board and the Joint Legislative Committee on the Budget. Further sets forth the information to be included in the quarterly report.

(Amends R.S. 39:371 and 372(G); Adds R.S. 39:372(H) and R.S. 49:320.2)