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

SB 232 Original

DIGEST
2017 Regular Session

LaFleur

Present law provides for 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.

Present law establishes the Bond Security and Redemption Fund in the state treasury as a special fund. Present law further provides that subject to prior constitutional and statutory dedications and subject to any pledge, dedication or other contractual allocations heretofore made to the holders of outstanding obligations of the state or any of the state agencies, boards or commissions, all revenues of the state from whatever source derived, except the amounts payable into the long range highway fund, including all moneys, receipts, and funds received from taxes, licenses, fees, and permits, all bonus receipts collected from the sale of mineral leases, lease rentals, royalties, and other miscellaneous revenues, receipts, and surplus funds shall be paid into the bond security and redemption fund.

Proposed law revises present law to make it consistent with the provisions of Article VII, Section 9 of the Louisiana Constitution which establishes the Bond Security and Redemption Fund.

Proposed law provides that all money received by the state or by any state board, agency, or commission shall be deposited immediately upon receipt in the state treasury, except that received:

- (1) As a result of grants or donations or other forms of assistance when the terms and conditions thereof or of agreements pertaining thereto require otherwise.
- (2) By trade or professional associations.
- (3) By the employment security administration fund or its successor.
- (4) By retirement system funds.
- (5) By state agencies operating under authority of this constitution preponderantly from fees and charges for the shipment of goods in international maritime trade and commerce.

- (6) By a state board, agency, or commission, but pledged by it in connection with the issuance of revenue bonds as provided in Article VII, Section 6(C) of the Louisiana Constitution, other than any surplus as may be defined in the law authorizing such revenue bonds.

Proposed law further provides that subject to contractual obligations existing on the effective date of the Louisiana Constitution, all state money deposited in the state treasury shall be credited to a special fund designated as the Bond Security and Redemption Fund, except money received as the result of grants or donations or other forms of assistance when the terms and conditions thereof or of agreements pertaining thereto require otherwise.

Proposed law further provides that in each fiscal year an amount shall be allocated from the bond security and redemption fund sufficient to pay all obligations which are secured by the full faith and credit of the state and which become due and payable within the current fiscal year, including principal, interest, premiums, sinking or reserve fund, and other requirements. Thereafter, except as otherwise provided by law, money remaining in the fund shall be credited to the state general fund.

Proposed law provides that it does not apply to a levee district or political subdivision unless the full faith and credit of the state is pledged to the payment of the bonds of the levee district or political subdivision.

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, or federal funds. The manual shall also contain the policies and procedures relative to the creation of suspense sub-funds and escrow sub-funds, utilizing the definitions contained in Paragraphs (B)(1) and (C)(1) of proposed law. 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.

Proposed law provides for the establishment of "suspense sub-funds" in the state treasury which is defined as an account in the escrow fund in which unclassified monies are held temporarily pending classification by the depositing agency.

Proposed law provides that when the monies in the suspense sub-fund are classified, the monies shall be transferred out of the suspense sub-fund into another account in the state treasury or to an individual or a non-state entity.

Proposed law authorizes monies paid to the state in error or in cases in which a refund of the amount paid to the state is due, may be withdrawn from the suspense sub-fund without a specific appropriation, if the commissioner of administration and the Joint Legislative Committee on the Budget are notified in advance of the withdrawal.

Proposed law requires all deposits to the suspense sub-fund to be classified and transferred out of the suspense sub-fund within 90 days from the date of a deposit into the suspense sub-fund. If the

agency is unable to classify and transfer the monies out of the suspense sub-fund within the 90 day period, the agency shall notify the commissioner of administration and the Joint Legislative Committee on the Budget.

Proposed law provides for the establishment of an "escrow sub-fund" which is defined as an account established in the escrow fund in the state treasury on behalf of a state agency and a non-state party that are in the process of completing a transaction.

Proposed law prohibits an agency from establishing an escrow sub-fund unless the Cash Management Review Board has authorized the establishment of the escrow sub-fund in writing and the Joint Legislative Committee on the Budget has approved the establishment of the escrow sub-fund.

Proposed law further provides that the state agency which requested the establishment of the escrow sub-fund shall submit a monthly report to the Cash Management Review Board and the Joint Legislative Committee on the Budget setting forth the date of the establishment of the escrow sub-fund, the beginning balance, any additional deposits to the sub-fund, any withdrawals from the sub-fund, the balance in the sub-fund as of the date of the report, and any other information requested by the Cash Management Review Board or the Joint Legislative Committee on the Budget.

Proposed law prohibits any money from being withdrawn from an escrow sub-fund into an account of a state agency without the approval of the commissioner of administration and the Joint Legislative Committee on the Budget.

Proposed law further requires that beginning July 1, 2017, and each month thereafter, the treasurer shall submit a report to the Cash Management Review Board and the Joint Legislative Committee on the Budget on suspense sub-funds and escrow sub-funds which are in existence on January 1, 2017, and thereafter. The report shall utilize the definitions contained in Paragraphs (B)(1) and (C)(1) of this Section and shall include the date of the establishment of each suspense sub-fund and escrow sub-fund, the sub-fund's beginning balance, deposits made to the sub-fund, withdrawals from the sub-fund, the balance in the sub-fund as of the date of the report, whether the sub-fund is a suspense sub-fund or an escrow sub-fund, and any other information requested by the Cash Management Review Board or the Joint Legislative Committee on the Budget.
Effective July 1, 2017.

(Amends R.S. 39:371 and 451; adds R.S. 49:320.2))