

## RÉSUMÉ DIGEST

ACT 361 (SB 232)

2017 Regular Session

LaFleur

Prior law provided 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.

New law retains prior 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.

New 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.

New 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 held in 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.

New 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.

New law prohibits holding of state money in an escrow fund unless the state agency immediately gives written notification to the Cash Management Review Board and keeps detailed records accounting for the funds, the restrictions requiring the 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 Provides that no state money in an escrow fund shall be withdrawn or transferred from an escrow account without an appropriation in the current fiscal year or, if there is no appropriation, without a budget adjustment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.

New 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.

New law provides for the establishment of an escrow fund if 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.

New 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.

New law provides that nonstate money may be returned to a nonstate individual or entity from an escrow fund, without a specific appropriation.

New 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.

New law directs the Department of Justice and the state treasurer to transfer \$5,300,335 from the escrow account in the state treasury to the State Emergency Response Fund.

Effective July 1, 2017 except provisions regarding the Department of Justice to transfer funds to the State Emergency Response Fund take effect upon signature of the governor (June 23, 2017).

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