

SENATE BILL NO. 232

BY SENATOR LAFLEUR

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact R.S. 39:371 and 372(G) and to enact R.S. 39:372(H) and R.S. 49:320.2, relative to funds and state funds in the state treasury; to provide for monies received, collected, deposited, or withdrawn by state agencies; to provide for a procedure for the classification of state funds; to provide for the establishment of, deposit to and withdrawal from escrow funds in the state treasury; to provide relative to agency accounts in the state treasury; to provide relative to the composition and duties of the Cash Management Review Board; to provide for the duties of the Joint Legislative Committee on the Budget; to authorize and direct the Department of Justice to transfer monies from the escrow account to the state treasury and to authorize and direct the state treasurer to transfer or deposit those monies into the State Emergency Response Fund; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:371 and 372(G) are hereby amended and reenacted and R.S. 39:372(H) is hereby enacted to read as follows:

§371. Cash management review board; creation

The cash management review board is hereby created to be composed of the state treasurer, the legislative auditor, ~~and~~ the commissioner of administration, **the chairman of the Senate Committee on Finance, and the chairman of the House Committee on Appropriations,** or their designees.

§372. Powers; policies; reports

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2 **G. The review board is hereby empowered to review all state agency**
3 **requests for the establishment of escrow funds in the state treasury, and if**
4 **warranted, to approve the requests in writing. The monthly reports required**
5 **by the provisions of R.S. 49:320.2(C) for all state agencies with escrow funds in**
6 **the state treasury shall be submitted to the review board, who shall compile the**
7 **agency reports into one report and forward it to the Joint Legislative**
8 **Committee on the Budget.**

9 **H.** The legislative auditor shall review each state agency's compliance with
10 the review board's approved cash management policies and procedures. Any
11 noncompliance shall be reported to the Legislative Audit Advisory Council and to
12 the cash management review board.

13 Section 2. R.S. 49:320.2 is hereby enacted to read as follows:

14 **§320.2. Classification of revenues; escrow funds; reports of escrow funds and**
15 **agency accounts**

16 **A. The division of administration, office of statewide reporting and**
17 **accounting policy, shall develop a policy manual for the classification of state**
18 **revenues which shall define the revenues being classified, and the procedures**
19 **necessary to provide uniformity in the classification of revenues as statutory**
20 **dedications, fees and self-generated revenue, state general fund, interagency**
21 **transfers, federal funds, or other appropriate categories. The manual shall be**
22 **sent to the statewide elected officials for their comments prior to submission to**
23 **the Joint Legislative Committee on the Budget. The manual shall provide a**
24 **description of all monies that may be deposited into an escrow fund, including**
25 **monies required to be deposited into a dedicated account, or monies whose**
26 **ownership is in dispute or otherwise restricted from use. The manual shall also**
27 **provide a description of all monies that should not be held in an escrow fund,**
28 **including any state monies. The manual shall contain policies relative to the**
29 **creation of an agency account for the deposit of fees and self-generated**
30 **revenues. Prior to implementation of the manual, the office of statewide**

1 reporting and accounting policy shall submit the proposed manual to the Joint
2 Legislative Committee on the Budget for review and approval.

3 B. No state money shall be held in an escrow fund unless the state agency
4 immediately notifies the Cash Management Review Board in writing of the state
5 funds held in escrow and keeps detailed records accounting for such state funds,
6 the restrictions requiring the funds to be held in the escrow account, and the
7 estimated duration of the restrictions. No state money in an escrow fund shall
8 be withdrawn from the state treasury by a state agency nor transferred from an
9 escrow fund to a state agency's account unless:

10 (1) There is a specific appropriation in the current fiscal year
11 authorizing the withdrawal or transfer of the monies.

12 (2) There is no specific appropriation authorizing the withdrawal or
13 transfer of the monies and the commissioner of administration and the Joint
14 Legislative Committee on the Budget approve a budget adjustment if the
15 legislature is not in session.

16 (3) Any monies determined to have been paid by a nonstate individual
17 or entity to the state in error or in cases in which a refund of the amount paid
18 to the state is due, may be withdrawn from the escrow fund without a specific
19 appropriation and returned to the nonstate individual or entity.

20 C.(1) No agency shall establish an escrow fund unless the Cash
21 Management Review Board has authorized the establishment of the escrow
22 fund in writing and notice of the establishment of the escrow fund is given in
23 writing to the commissioner of administration and to the Joint Legislative
24 Committee on the Budget.

25 (2) The state agency which requested the establishment of the escrow
26 fund, and agencies which as of January 1, 2017, have established an escrow
27 fund, shall submit a monthly report to the state treasurer who shall compile the
28 agency reports into one report and submit it to the Cash Management Review
29 Board and the Joint Legislative Committee on the Budget setting forth the date
30 of the establishment of the fund, the beginning balance, any additional deposits

1 to the fund including the date and the amount of the deposit to the fund, the
 2 date and the amount of any withdrawal from the fund, the balance in the fund
 3 as of the date of the report, and any other information requested by the Cash
 4 Management Review Board or the Joint Legislative Committee on the Budget.
 5 The report shall also include any journal vouchers or other transfer requests of
 6 any classified monies back into the escrow fund.

7 (3) State agencies which as of January 1, 2017, have an agency account
 8 established in the state treasury, shall give a quarterly report to the state
 9 treasurer, regarding fees and self-generated revenues which have been
 10 deposited, transferred, or withdrawn from the account. The state treasurer shall
 11 compile the agency reports into one report and shall submit the quarterly
 12 report to the Cash Management Review Board and the Joint Legislative
 13 Committee on the Budget. The report shall set forth:

14 (a) The beginning balance of fees and self-generated revenues in the
 15 agency account.

16 (b) The date and amount of deposits of fees and self-generated revenues
 17 to the agency account during the reporting period.

18 (c) The date and amount of any transfer or withdrawal of fees and self-
 19 generated revenues from the agency account during the reporting period.

20 (d) The balance in the agency account as of the date of the report.

21 (e) Any other information requested by the Cash Management Review
 22 Board or the Joint Legislative Committee on the Budget.

23 Section 3. Notwithstanding any provision of the law to the contrary, the Department
 24 of Justice is hereby authorized and directed to transfer \$5,300,335 from the escrow account
 25 to the state treasury, and the state treasurer is further authorized and directed to transfer
 26 \$5,300,335 to the State Emergency Response Fund.

27 Section 4. Sections 3 through 5 of this Act shall become effective upon signature of
 28 this Act by the governor, or, if not signed by the governor, upon expiration of the time for
 29 bills to become law without signature by the governor, as provided by Article III, Section
 30 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved

1 by the legislature, Sections 3 through 5 of this Act shall become effective on the day
2 following such approval.

3 Section 5. Sections 1 and 2 of this Act shall become effective on July 1, 2017.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____