

RÉSUMÉ DIGEST

ACT 355 (HB 590)

2017 Regular Session

Hilferty

New 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 new 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.

Prior law required 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. Prior law further required JLCB to review the funds in each plan.

Existing law requires JLCB to approve the plan submitted 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.

New law changes the percentage of the funds in the plan for review in prior 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.

New 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.

New law changes the committee required in prior 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.

New law requires the subcommittee to post the hearing schedule for the plan on the legislature's website and to notify the commissioner of administration and the treasurer of the schedule. Further requires that the subcommittee meet only on days the JLCB is scheduled to meet.

New 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.

New 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.

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

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

New 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.

New law retains reporting of the fund review in existing 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. New law further requires the findings and recommendations to be reported to the treasurer.

Existing law excepts the following from the review of funds:

- (1) Funds or dedications protected by the state constitution 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.

New law retains exceptions in existing law.

Effective upon signature of governor (June 22, 2017).

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