
DIGEST

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HB 664 Original

2018 Regular Session

Edmonds

Abstract: Establishes the Government Review Commission to have the legislative auditor cause certain evaluations of statutory entities (departments) and programs and activities to occur and to issue reports under certain circumstances. Provides the termination of certain entities if the evaluations and reports are not completed.

Present law provides for the "sunset law" which sets out the procedure for review, evaluation, and re-creation of statutory entities (departments) and their activities and programs by the appropriate standing committees of the legislature. Present law provides that the evaluation of a statutory entity occur in a public hearing prior to the final adjournment of the regular legislative session convening in the odd-numbered year two years prior to the termination date and in addition to the burden of demonstrating a public need for its continued existence, the statutory entity must demonstrate that its objectives, programs, and activities are consistent with legislative intent and effectively and efficiently achieve this intent. Present law provides that in making a determination whether a statutory entity has demonstrated a public need for continued existence the committee take into consideration certain specified relevant factors, information, and criteria. The standing committee is required to report by March first of the year prior to the termination date regarding its determinations and to include in its report, any recommended legislation regarding the statutory entity. Present law provides that the maximum amount of time a statutory entity may be recreated is six years.

Proposed law retains present law but provides that if the standing committees of the legislature have not conducting meetings to perform the evaluation of a statutory entity as required by present law by Jan. 10 of the year established in present law for the statutory entity to begin termination, the statutory entity shall be subject to review as provided in proposed law by the Government Review Commission. Provides that the statutory entity shall terminate by the termination date established in R.S. 49:191, unless the statutory entity and all the activities and programs performed by statutory entity have been evaluated as provided in proposed law and the results of the evaluation reported and made available as provided in proposed law.

Proposed law establishes the Government Review Commission in the legislative branch of state government, composed on nine members, three appointed by the Governor, three appointed by the speaker of the House, and three appointed by the president of the Senate. Prohibits legislators, government employees, and former government employees within the previous two years from serving on the commission. Further prohibits any person who is an employee of, an owner with more than a 5% interest in, or an officer of a legal entity that receives more than 20% of its gross revenue from government either directly or through subcontracts from being appointed to or serving

on the commission. Members serve without compensation and at the pleasure of the appointing official. Requires the speaker of the House and the president of the Senate to call a meeting of the commission no later than January fifteenth each even-numbered year. Provides that at this meeting, the commission shall select a chairman, review the statutory entities up for evaluation that year, establish a schedule of meetings as necessary, and consider any other matters in accordance with proposed law.

Proposed law provides that the legislative auditor shall, in consultation with the commission, contract with one or more independent third parties for the purpose of evaluating and reporting on each statutory entity and all the activities and programs performed by each statutory entity as required in proposed law. Requires the results of all evaluations to be reported to the commission, the governor, and the legislature and made available to the public.

Proposed law requires the statutory entity to be evaluated for whether it:

- (1) Creates clear and measurable net economic benefits that accrue generally to all citizens of the state, even in the absence of federal funding.
- (2) Interferes with citizens' ability to engage in free enterprise.
- (3) Causes government spending to displace private spending and if so, to what degree.
- (4) Affects relative prices of goods and services and if so, how.
- (5) Clearly performs a necessary function that only government can perform.
- (6) Is likely to result in a financial obligation to the state that may necessitate a tax increase at some future time.
- (7) Any other criteria the commission deems appropriate.

Proposed law further authorizes a resident of this state to seek de novo judicial review as to whether the criteria set out in proposed law have been met, by filing an action in a court of competent jurisdiction seeking declaratory or injunctive relief.

Proposed law requires the legislature to provide funds adequate funds to the legislative auditor to carry out the functions required by proposed law. Defines "independent third party" and "reports" for its purposes.

(Adds R.S. 49:195.1)