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

DIGEST 2020 Regular Session

Womack

<u>Present law</u> provides that no funds appropriated in the general appropriations act, the capital outlay act, or other appropriation act, shall be released or provided to any recipient of an appropriation if, when, and for as long as, the recipient fails or refuses to comply with the provisions of <u>present law</u> regarding audit requirements.

<u>Proposed law</u> retains <u>present law</u> and provides that the funds may be appropriated directly or indirectly and that the source of funds may also be an award from the La. Dept. of Health Drinking Water Revolving Loan Fund, the La. Dept. of Environmental Quality Municipal Facilities Revolving Loan Fund, or Office of Community Development programs for Community Development Block Grants, Louisiana Community Development Block Grants, Local Government Assistance Program, Disaster Recovery grants, or the Community Water Enrichment Fund or similar programs.

<u>Present law</u> provides that any public entity that has failed or refused to comply with the provisions of the audit laws shall not let any public contract that utilizes any state funds. For the purposes of <u>present law</u> the terms "public entity" and "public contract" shall be defined as in the <u>present law</u> regarding public contracts.

<u>Proposed law</u> retains <u>present law</u> but further provides that the term "public entity" shall include a local auditee as defined in <u>present law</u>.

<u>Present law</u> prohibits public entities not in compliance with prior law from letting any public contract that utilizes any state funds. Further provides that a public entity subject to <u>present law</u> may only be released from such restrictions after the following actions have been performed:

- (1) The public entity notifies the Legislative Audit Advisory Council, in writing, of their compliance.
- (2) The Legislative Audit Advisory Council confirms that the public entity is in compliance.

Proposed law retains present law.

<u>Proposed law</u> provides that if the public entity is in compliance with <u>present law</u> regarding audits at the time the public entity enters into a public contract, and later becomes noncompliant with those provisions, the legislative auditor shall grant the public entity an extension of time in order that outstanding payments may be made to contractors, subcontractors, suppliers, and others due payment by the public entity.

Effective July 1, 2020.

SB 157 Original

(Amends R.S. 39:72.1(A); adds R.S. 39:72.1(D))