

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 157** SLS 20RS 342

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 27, 2020 8:11 AM	<b>Author:</b> WOMACK
<b>Dept./Agy.:</b> Statewide	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides relative to audit requirements	

FISCAL CONTROLS

OR SEE FISC NOTE LF RV

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Provides relative to audit requirements for recipients of state funds. (7/1/20)

Present law 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 present law regarding audit requirements; 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; provides that a public entity may only be released from such restrictions after the entity notifies the Legislative Audit Advisory Council of their compliance and that the Council confirms that the entity is in compliance. Proposed law retains present law 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 Department of Health Drinking Water Revolving Loan Fund, the La Department of Environmental Quality Municipal Facilities Revolving Loan Fund, or from Office of Community Development programs for  
**SEE SUMMARY CONTINUED ON PAGE TWO**

<b>EXPENDITURES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The impacted state entities report that the Office of Statewide Reporting and Accounting is automatically notified if a vendor and/or public entity is not in compliance with La R.S. 24:513. Under present law, all payments and/or contracts are put on hold until the audit issue has been resolved. Proposed law provides that if a public entity is in compliance regarding audits at the time the entity enters into a public contract, and later becomes noncompliant, the legislative auditor shall grant the entity an extension of time in order that outstanding payments may be made to contractors, subcontractors, subcontractors, suppliers and others due payment by the entity. In practice, this will permit the public entity to pay contractors for work completed and accepted before halting construction to ensure additional payments owed to contractors do not accrue.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law will impact entities receiving awards from the La Department of Health Drinking Water Revolving Loan Fund, the La Department of Environmental Quality Municipal Facilities Revolving Loan Fund, or from Office of Community Development programs for Community Development Block Grants, Louisiana Community Development Block Grants, Local Government Assistance Program, Disaster Recovery grants, the Community Water Enrichment Fund, or similar programs. Under present law, these entities can no longer receive a transfer of funds if they fall into noncompliance with La R.S. 24:513. Proposed law will allow the release of any monies currently due to a contractor from the public entity, if such entity falls into noncompliance, before ceasing future transfers as in present law.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*

**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**  
**SUMMARY CONTINUED FROM PAGE ONE**

Community Development Block Grants, Louisiana Community Development Block Grants, Local Government Assistance Program, Disaster Recovery grants, the Community Water Enrichment Fund, or similar programs; provides that the term "public entity" also apply to a local auditee; and provides that if the public entity is in compliance regarding audits at the time the entity enters into a public contract, and later becomes noncompliant, the legislative auditor shall grant the entity an extension of time in order that outstanding payments may be made to contractors, subcontractors, suppliers, and others due payment by the entity.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
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