

RÉSUMÉ DIGEST

ACT 219 (SB 157)

2020 Regular Session

Womack

Prior law provided 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 prior law regarding audit requirements.

New law retains prior 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. Dept. of Health Drinking Water Revolving Loan Fund, the Dept. of Environmental Quality Clean Water State Revolving Fund, or office of community development programs for Community Development Block Grants, local government assistance program, disaster recovery grants, or the Community Water Enrichment and Other Improvements Fund or similar programs.

Prior law provided 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 prior law, the terms "public entity" and "public contract" shall be defined as in the prior law regarding public contracts.

New law retains prior law but further provides that the term "public entity" shall include a local auditee as defined in prior law.

Prior law prohibited public entities not in compliance with law from letting any public contract that utilizes any state funds. Further provided that a public entity subject to prior law 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.

New law retains prior law.

New law provides that if the public entity is in compliance with prior law regarding audits when it enters into a public contract related to public health, welfare, or safety, and later becomes noncompliant with those provisions, the legislative auditor may grant the public entity an extension of time in order that the public entity may receive appropriated or awarded State funds and shall tender the outstanding payments to contractors, subcontractors, suppliers, and others due payment by the public entity. Further provides that the public entity shall abide by any conditions imposed by the legislative auditor to monitor the proper payment of funds due to contractors, subcontractors, suppliers, and others.

Effective July 1, 2020.

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