

2024 Regular Session

HOUSE BILL NO. 925

BY REPRESENTATIVE MACK

JUDGMENTS: Provides relative to reporting requirements for political subdivisions associated with outstanding judgments

1 AN ACT

2 To enact R.S. 24:513.5, relative to the legislative auditor; to require certain political
3 subdivisions to report to the auditor on outstanding judgments; to require the auditor
4 to report to the governor and the legislature; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 24:513.5 is hereby enacted to read as follows:

7 §513.5. Political subdivisions; reports of outstanding judgments

8 A. The legislature hereby recognizes that judgments against political
9 subdivisions established by statute should be timely paid; that delays in payment of
10 judgments create burdens to taxpayers through the accrual of judicial or legal interest
11 and potential decreases in bonding capacity; and that simple, regular, and full
12 reporting of judgments against political subdivisions established by statute will
13 promote transparency and accountability and inform this legislature in allocating
14 state funds to political subdivisions by creating a measure of financial health and
15 financial need. Therefore, it is the intent of the legislature, in the interest of the
16 public, to require political subdivisions to report their unpaid judgments on a regular
17 basis.

18 B. Each year, each political subdivision that is established by statute and that
19 at any point in the then current or immediately prior year had total outstanding
20 judgments, whether by a court of law or consent of the parties, in excess of seven

1 million five hundred thousand dollars, exclusive of interest accrued thereupon, shall
2 include in the information required to be submitted to the legislative auditor pursuant
3 to R.S. 24:513 a complete list of all judgments, including consent judgments,
4 settlement agreements, and compromise agreements, outstanding in any amount,
5 including the following:

6 (1) The caption and number of the matter.

7 (2) The court in which the matter was filed.

8 (3) The date of the judgment or the date the agreement was entered.

9 (4) The person or persons to whom the judgment is in favor.

10 (5) The amount of the original judgment or agreement.

11 (6) Whether the judgment awards judicial or legal interest.

12 (7) The amount of judicial interest accrued to date.

13 (8) Whether attorneys' fees, costs, or expert fees were awarded and, if so, the
14 dollar amount owed for each.

15 (9) Whether the dispute arose from an alleged breach of contract, tort,
16 expropriation, inverse condemnation, or other.

17 (10) The dates and amounts of any payments made in satisfaction of the
18 judgment or agreement.

19 (11) Whether any funds have been appropriated, set aside, dedicated, or
20 otherwise reserved to satisfy the judgment or agreement and, if so, the dollar amount
21 thereof.

22 (12) The date by which the political subdivision anticipates full satisfaction
23 of the judgment or agreement.

24 C. The legislative auditor shall develop, supervise, and require the use of
25 uniform, standardized, and consistent forms and terminology for use in reporting
26 pursuant to this Section in order to provide for clarity and uniformity.

27 D. The legislative auditor shall compile the reports required by this Section
28 into a single biennial report and shall submit this biennial report to the Joint
29 Legislative Committee on the Budget and the governor no later than December first.

1 Section 2. The first reports required by R.S. 24:513.5(B) as enacted by this Act shall
2 be submitted to the auditor in the information required by R.S. 24:513 in 2025. The first
3 biennial report required by R.S. 24:513.5(D) as enacted by this Act shall be submitted to the
4 Joint Legislative Committee on the Budget and the governor no later than December 1, 2025.

5 Section 3. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 925 Engrossed

2024 Regular Session

Mack

Abstract: Requires certain political subdivisions to provide reports on outstanding judgments to the legislative auditor.

Proposed law requires a political subdivision that is established by statute and that at any point in the then-current or immediately prior year had total outstanding judgments in excess of \$7.5 million to include in its audit, compiled financial statement, or other required reporting to the legislative auditor pursuant to present law using uniform, standardized, and consistent forms and terminology developed by the auditor, a complete list of all outstanding judgments, beginning in 2025.

Proposed law requires such listing to include the following:

- (1) The caption and number of the matter.
- (2) The court in which the matter was filed.
- (3) The date of the judgment or the date the agreement was entered.
- (4) The person or persons to whom the judgment is in favor.
- (5) The amount of the original judgment or agreement.
- (6) Whether the judgment awards judicial or legal interest.
- (7) The amount of judicial interest accrued to date.
- (8) Whether attorneys' fees, costs, or expert fees were awarded and, if so, the dollar amount owed for each.
- (9) Whether the dispute arose from an alleged breach of contract, tort, expropriation, inverse condemnation, or other.

- (10) The dates and amounts of any payments made in satisfaction of the judgment or agreement.
- (11) Whether any funds have been appropriated, set aside, dedicated, or otherwise reserved to satisfy the judgment or agreement and, if so, the dollar amount thereof.
- (12) The date by which the political subdivision anticipates full satisfaction of the judgment or agreement.

Proposed law requires the legislative auditor to compile the reports into a single biennial report and to submit his report to the Joint Legislative Committee on the Budget and the governor by December 1st.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 24:513.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill:

1. Remove requirement that the political subdivision report no later than Sept. 30th, with the first one due on Sept. 30, 2024, and provide instead that the information be included in its required reporting to the auditor in accordance with present law beginning in 2025.
2. Make technical changes.