

SENATE BILL NO. 245 (Substitute of Senate Bill No. 184 by Senator Cloud)

BY SENATOR CLOUD AND REPRESENTATIVES BAGLEY, BERAULT, BUTLER,
CARRIER, FREIBERG, HORTON, ILLG, KERNER AND
THOMPSON

AN ACT

To amend and reenact R.S. 39:51.1(B)(11), to enact R.S. 39:16.15, 51.1(I) and (J), and Subpart F of Part II of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:89.1 through 89.4, and to repeal R.S. 39:51.1(B)(10) and (F), relative to nongovernmental entities; to provide for requirements for nongovernmental entities; to provide for nongovernmental entity funding request form information; to provide for criminal penalties; to provide for reporting requirements; to provide for audit requirements; to prohibit certain activities of nongovernmental entities; to provide for a nongovernmental entity database; to provide for exceptions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:51.1(B)(11) is hereby amended and reenacted and R.S. 39:16.15, 51.1(I) and (J), and Subpart F of Part II of Chapter 1 of Subtitle 1 of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:89.1 through 89.4, are hereby enacted to read as follows:

§16.15. Duties of the commissioner relative to the nongovernmental entity database

A.(1) The commissioner shall ensure the website includes a nongovernmental entity database that includes the type of service that the nongovernmental entity provides and is electronically searchable by the public.

(2) All state agencies shall be required to provide information pursuant to this Section as provided by rules promulgated by the commissioner.

B. The nongovernmental entity database shall have the following functionality:

(1) Search and aggregate records by agency.

1 (2) Search and aggregate records by nongovernmental entities.

2 (3) Search and aggregate records by the category of service the
3 nongovernmental entity provides.

4 (4) Download information yielded by a search of the database.

5 (5) Integrate into the Louisiana Checkbook database.

6 C. The nongovernmental entity database shall include but not be limited
7 to the following data:

8 (1) The name and physical address of the nongovernmental entity,
9 excluding the physical address of an entity that is confidential under state or
10 federal law, rule, or regulation.

11 (2) The amount of the contract or appropriation and total means of
12 finance, including state and federal sources, if applicable.

13 (3) The contract effective date and the contract end date.

14 (4) The purpose of the contract or appropriation and an outcome
15 assessment by the state agency administering the contract of whether the
16 nongovernmental entity has completed the purposes of the contract or
17 appropriation or met performance goals as defined in a cooperative endeavor
18 agreement.

19 (5) A keyword index for the category of service the nongovernmental
20 entity is providing.

21 (6) The compliance status of all reports submitted pursuant to R.S.
22 39:89.3(A).

23 D. The division of administration shall submit a comprehensive annual
24 report to the Joint Legislative Committee on the Budget, on or before January
25 first of each year, on information contained in the nongovernmental entity
26 database and the compliance status of all reports submitted pursuant to R.S.
27 39:89.3(A). The report shall be categorized by the type of service and include
28 the amount of investment made in the service that the nongovernmental entity
29 provides.

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§51.1. General Appropriation Bill and other appropriation bills; nongovernmental
entity funding request form; exemptions

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B. Such information shall include, at a minimum, the following information:

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(11) If the entity has a contract ~~with any elected or appointed official or an
immediate family member of such an official or~~ with the state or any political
subdivision of the state:

~~(a) If the contract is with an elected or appointed official, the name and
address of the official and the office held by such person.~~

~~(b) If the contract is with an immediate family member of an elected or
appointed official, the name and address of such person; the name, address, and
office of the official to whom the person is related; and the nature of the relationship.~~

~~(c)(a) The If the contract is with the state or a political subdivision of the
state, the name and address of the state entity or political subdivision.~~

~~(d)(b) The nature of the contract, including a description of the goods or
services provided or to be provided pursuant to the contract.~~

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**I. Any nongovernmental entity that is requesting an appropriation
pursuant to this Section shall comply with the requirements of R.S. 39:89.1 et
seq.**

**J. Knowingly submitting false or misleading information in any required
form shall constitute a violation of R.S. 14:133.**

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SUBPART F. TRANSPARENT RESPONSIBLE USE OF STATE

TAX-DOLLARS (T.R.U.S.T) ACT

§89.1. Short Title

**This Act shall be known as the "Transparent Responsible Use of State
Tax-dollars Act" or "T.R.U.S.T. Act".**

§89.2. Legislative intent

1 A. The legislature hereby finds that nongovernmental entities play a vital
2 role in strengthening communities and addressing critical needs and
3 acknowledges the positive impact of entities that operate with integrity,
4 transparency, and a genuine commitment to the public good. The legislature
5 further finds that the relationship between a nongovernmental entity and the
6 state reflects a collaborative effort in pursuit of shared goals including but not
7 limited to providing for humanitarian relief, food insecurity, educational
8 programming, mentorship and reentry programs, workforce training, mental
9 health and healthcare access, faith-based support, or other service, charitable,
10 or similar purposes in the public interest.

11 B. The purpose of this Subpart is to establish clear expectations and
12 consistent standards for nongovernmental entities in order to protect the
13 interests of the taxpayers of Louisiana and promote accountability for funds
14 appropriated to nongovernmental entities by enabling access to data through
15 the nongovernmental entity database within Louisiana Checkbook maintained
16 by the division of administration.

17 §89.3. Nongovernmental entities; requirements; prohibitions

18 A.(1) Each nongovernmental entity that receives a legislative
19 appropriation or an appropriation as part of a departmental or agency budget,
20 including any federal funding sources, shall submit to the state agency
21 distributing the appropriation or administering the contract or cooperative
22 endeavor agreement the following information prior to the disbursement of
23 funds:

24 (a) An itemized report of the nongovernmental entity's administrative
25 expenses associated with the distribution and utilization of state appropriated
26 funds.

27 (b)(i) The nongovernmental entity's most recent financial report in
28 accordance with R.S. 24:513. The report shall be a sworn financial statement,
29 compilation, review, or audit, as required based on the total revenues and other
30 funding sources received by the entity in any one fiscal year, pursuant to R.S.

1 24:513(J).

2 (ii) If the financial report is required to be prepared by a licensed
3 certified public accountant, the engagement of the accountant shall be
4 pre-approved by the legislative auditor through the submission of an
5 engagement letter in accordance with R.S. 24:513(A)(5)(a)(i).

6 (iii) The completed financial report shall also be submitted to and
7 formally accepted by the legislative auditor in order to be deemed compliant for
8 purposes of eligibility to receive appropriated funds.

9 (iv) For nongovernmental entities subject to audit requirements
10 pursuant to R.S. 24:513, the audit report shall include an auditor's unqualified
11 opinion and a certification that there are no unresolved audit findings, or that
12 the nongovernmental entity is actively working with the appropriate
13 governmental authority to resolve them.

14 (v) All financial reports submitted pursuant to this Subparagraph shall
15 be reviewed and accepted by the legislative auditor pursuant to the provisions
16 of R.S. 24:513. No report shall be deemed compliant without such acceptance.

17 (2) The state agency may require the nongovernmental entity to submit
18 a corrective action plan to address noncompliance with the provisions of this
19 Subsection or any outstanding audit issues or findings.

20 (3) Any nongovernmental entity that fails to comply with the provisions
21 of this Subsection shall be ineligible to receive disbursement of an appropriation
22 for a period of three years or until the entity has achieved compliance as
23 determined by the state agency.

24 B.(1)(a) No public official, public employee, or immediate family member
25 thereof shall receive anything of economic value or any form of compensation,
26 whether direct or indirect, from a nongovernmental entity or contract with a
27 nongovernmental entity receiving appropriated funds.

28 (b) The provisions of this Paragraph shall not apply if the
29 nongovernmental entity is contracted with the Department of Education or with
30 a city, parish, or other local public school system to provide standards-based

1 educational services.

2 (2) The provisions of this Subsection shall not preclude a public official
3 or public employee from accepting a thing of economic value, gift, or
4 complimentary admission, lodging, and reasonable transportation in
5 compliance with the provisions of R.S. 42:1115, R.S. 42:1115.1, and R.S.
6 42:1115.2.

7 C. Nongovernmental entities that receive appropriated funds shall
8 refrain from political activities, including endorsement of any political party or
9 candidate for public office, or the use of machinery, equipment, postage,
10 stationary, or personnel on behalf of any political party or candidate.

11 D. Nongovernmental entities shall not use appropriated funds for the
12 following purposes:

13 (1) Lobbying the legislature or a state or local government agency,
14 including funding for employee hours spent lobbying.

15 (2) Making contributions, directly or indirectly, to political action
16 committees, political parties, or candidates for public office.

17 E. For purposes of this Subpart, a nongovernmental entity shall not
18 include any school governing authority required to post fiscal information
19 through the School Transparency Project Portal pursuant to R.S. 17:88.1.

20 §89.4. Nongovernmental entity database requirements

21 A.(1) The head of each state agency distributing or awarding
22 appropriated funds to a nongovernmental entity shall ensure compliance with
23 the nongovernmental entity database requirements as provided in R.S. 39:16.15.

24 (2) Information to be provided for inclusion in the nongovernmental
25 entity database shall include but not be limited to the following:

26 (a) The name and physical address of the nongovernmental entity,
27 excluding the physical address of an entity that is confidential under state or
28 federal law, rule, or regulation.

29 (b) The amount of the contract or appropriation and total means of
30 finance, including state and federal sources, if applicable.

1 (c) The contract effective date and the contract end date.

2 (d) The purpose of the contract or appropriation and an outcome
3 assessment by the state agency administering the contract of whether the
4 nongovernmental entity has completed the purposes of the contract or
5 appropriation or met performance goals as defined in a cooperative endeavor
6 agreement.

7 (e) A keyword index for the category of service the nongovernmental
8 entity is providing.

9 (f) The compliance status of all reports submitted pursuant to R.S.
10 39:89.3(A).

11 B. Each state agency distributing or awarding appropriated funds to
12 nongovernmental entities shall comply with the requirements of this Section and
13 submit all documentation as prescribed herein upon receipt and by rules
14 promulgated by the commissioner of administration pursuant to R.S.
15 39:16.3(A).

16 Section 2. R.S. 39:51.1(B)(10) and (F) are hereby repealed.

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

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____