
DIGEST

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Champagne

HB No. 409

Abstract: Authorizes the legislative auditor to audit or investigate certain quasi public agencies or bodies that receive public funds and provides for reimbursement for certain audits.

Present law (R.S. 24:513) provides for the powers and duties of the legislative auditor. Includes the authority to examine, audit, or review the books of certain specified entities, known as "auditees", including a quasi public agency or body. Defines "quasi public agency or body" as:

- (1) An organization, either not-for-profit or for profit, created by the state of La. or any political subdivision or agency thereof, any special district or authority, or unit of local government to perform a public purpose.
- (2) An organization, either not-for-profit or for profit, that is a component unit of a governmental reporting entity, as defined under generally accepted accounting principles.
- (3) An organization, either not-for-profit or for profit, created to perform a public purpose and having one or more of the following characteristics:
 - (a) The governing body is elected by the general public.
 - (b) A majority of the governing body is appointed by or authorized to be appointed by a governmental entity or individual governmental official as a part of his official duties.
 - (c) The entity is the recipient of the proceeds of an ad valorem tax or general sales tax levied specifically for its operations.
 - (d) The entity is able to directly issue debt, the interest on which is exempt from federal taxation.
 - (e) The entity can be dissolved unilaterally by a governmental entity and its net assets assumed without compensation by that governmental entity.
- (4) Any not-for-profit organization that receives or expends any local or state assistance in any fiscal year.
- (5) Any organization, either not-for-profit or for profit, which is subject to the Open

Meetings Law and derives a portion of its income from payments received from any public agency or body.

Present law provides that the legislative auditor may audit or investigate a local auditee only in certain specified instances.

Proposed law retains present law. Additionally provides that the legislative auditor may audit or investigate a local auditee when the local auditee is a quasi public agency or body in receipt of public funds from any source. Provides that in such case, the legislative auditor may audit the public funds at his discretion for financial accountability, statutory compliance, and evaluation of performance relative to the functions and activities of the quasi public agency or body.

Proposed law provides that the legislative auditor shall be reimbursed in accordance with present law (R.S. 24:517.1(A)) for audits of a local auditee performed pursuant to present law and proposed law.

(Amends R.S. 24:513(A)(4)(a)(vi) and (b); Adds R.S. 24:513(A)(4)(a)(vii) and (c))