

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 559** HLS 15RS 469
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 21, 2015 1:38 PM	Author: MORRIS, JAY
Dept./Agy.: Legislative Auditor	Analyst: Travis McIlwain
Subject: Fiscal Controls	

FISCAL CONTROLS OR +\$121,500 GF EX See Note Page 1 of 1

Requires certain contracting entities to submit information to the legislative auditor prior to contracting with a state agency or receiving state monies

Prior to entering into or renewing a contract with the state, proposed bill provides any contracting entity submit information and documentation to the legislative auditor and be approved. The information and documents required to be submitted to the legislative auditor include: official name, listing of board of directors, documentation certifying all payroll taxes have been paid, financial statements, documentation indicating that the entity has contracted with a CPA, information indicating type or nature of the contract with the state agency, names and addresses of all registered lobbyists lobbying on behalf of the contracting entity, any additional information the legislative auditor that may be deemed necessary. Proposed law requires the legislative auditor to prepare a list containing new entities and continuing entities which have submitted information and documentation that have met the requirements of the proposed bill. Proposed law provides that any contracting entity that does not appear on the list of approved contracting entities on the legislative auditor's website will be ineligible to request or receive state monies.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$121,500	\$93,000	\$93,000	\$93,000	\$93,000	\$493,500
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$121,500	\$93,000	\$93,000	\$93,000	\$93,000	\$493,500

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This legislation will likely result in an increase in state expenditures in the amount of \$121,500 in FY 16 and \$93,000/year in subsequent fiscal years. The Legislative Auditor is estimating a one-time IT cost of \$75,000 to build the IT portal and system for entities to electronically submit the required information outlined in the legislation. The information that is required to be submitted through the portal includes: name, board of directors, payroll tax documentation, financial statements, documentation indicating the entity has a CPA and any other information required by the legislative auditor, lobbyist information and contract type with state agency.

In addition, the Legislative Auditor will require 1 full-time staff person to maintain the system as well as review the information for completeness and accuracy. The Legislative Auditor is anticipating a \$60,000 per year salary plus approximately \$33,000 of related benefit costs for a total of \$93,000. Due to the documentation requirements sent to the Legislative Auditor being effective January 1, 2016, the FY 16 impact related to this position will be for half a year, or \$46,500.

Based upon information provided to the Legislative Fiscal Office by the Division of Administration, the LaTRAC database indicates that there are approximately 4,500 active non-governmental contracts with state agencies. To the extent these entities want to renew their existing state contract, the legislative auditor will be required to review the accuracy and completeness of all the required documentation identified within this bill and post this information online.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u>	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i> Evan Brasseaux Staff Director
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		