
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Ben Huxen.

SB 417 Original

DIGEST
2016 Regular Session

Donahue

Proposed law expresses legislative intent to abolish the proliferation of special treasury funds which has created a barrier to budget planning and execution each year. Abolishing the funds will also restore the control and flexibility in the budgeting process. The legislature also expresses its intent to repeal provisions which might be in conflict with the proposed law.

Proposed law specifically provides that notwithstanding any other law to the contrary and except as provided by the Constitution of Louisiana and the exceptions provided below, all special funds in the state treasury are abolished, effective June 30, 2021, and any and all laws of the state which dedicate or otherwise provide for the use of money required by the constitution to be deposited in the state treasury are superseded on the effective date of this Act.

Proposed law provides that the treasurer is authorized and directed to transfer the balances of the abolished funds and deposit a certain percentage of them into the general fund each year for the next five fiscal years until completely abolished on June 30, 2021. Notwithstanding laws requiring certain money to be deposited in and credited to such abolished special funds, the treasurer, upon receipt of such money, and after compliance with the requirements of Article VII, Section 9(B) of the constitution relative to the Bond Security and Redemption Fund, shall deposit the money in and credit it to the general fund. All interest earned on investment of the money shall be deposited in and credited to the general fund.

Proposed law provides that the abolition of special treasury funds shall not apply to or affect the laws which dedicate or otherwise provide for the use of the following money or the laws which provide for the following:

- (1) Special funds or dedications of money established in or protected by the constitution or special funds containing money not required by the constitution to be deposited in the state treasury.
- (2) Special funds established in the treasury or dedications of money established solely as a requirement of the terms and conditions of, or as a requirement of an agreement pertaining to, the following:
 - (a) Grants, donations, or other forms of assistance.
 - (b) Court or regulatory agency orders or judgments.
 - (c) Contracts of the state or of its agencies, boards, or commissions, including contracts related to the issuance of bonds, notes, and other indebtedness.

- (d) A contract concerning the satisfaction of final judgments, settlements, or compromises.
- (3) Special funds and dedications of money provided by law funded by assessments or surcharges for the satisfaction of final judgments, settlements, orders, awards, or compromises.
- (4) Special funds and dedications of money provided by law related to the judiciary.
- (5) Any funds including interest earned thereon which are paid or deposited on a voluntary basis by persons or other private legal entities for their protection or benefit.

Proposed law provides that the abolition shall not apply to that portion of any special fund or dedication of funds allocated or distributed to a local governmental or nongovernmental entity which authorizes the issuance of bonds, notes, and other evidences of indebtedness to such entity and only in the event that such monies have been obligated into bonds, notes, and other evidences of indebtedness as of the effective date of this Act.

Proposed law also provides that upon the effective date of this Act, the state treasurer is authorized and directed to create a subfund within the state general fund and to deposit monies sufficient for the satisfaction of the obligations of such local governmental or nongovernmental entity.

Proposed law further provides that not later than March 1st of each fiscal year, the treasurer shall submit to the Joint Legislative Committee on the Budget and the legislative fiscal office a report on special funds which shall include but not be limited to a listing of all currently authorized special funds created by the legislature, together with the legal citation, date of creation, cash balance in the fund as of the end of the prior fiscal year, and a notation of whether or not any revenue or expenditure activity has occurred during the prior fiscal year.

Proposed law repeals provisions of present law which abolished certain special treasury funds, including certain excluded funds therein, as provided in R.S. 49:308.3, and originally enacted under the provisions of Act 5 of the First Extraordinary Session of 1988, effective July 1, 1988, and subsequent statutory changes which may be in conflict with the proposed law statutory provisions.

Proposed law repeals several exclusions in present law relative to the abolition of laws dedicating money or special funds, as follows:

- (1) The Hazardous Waste Site Cleanup Fund created and maintained pursuant to R.S. 30:2205 and the Environmental Trust Fund created and maintained pursuant to R.S. 30:2015.
- (2) This Section shall not apply to or affect R.S. 47:5001 et seq. relative to the State Tax Revenue Limit.
- (3) This Section shall not apply to the Motorcycle Safety, Awareness, and Operator Training Program Fund as provided in R.S. 32:412(C)(2), the Proprietary School Student Protection

Fund as provided for in R.S. 17:3141.16.

Proposed law authorizes and requests the La. State Law Institute to review all statutes relative to special treasury funds and dedicated funds abolished in this Act and change any references it deems appropriate in other locations of the La. Revised Statutes of 1950.

Effective August 1, 2016.

(Adds R.S. 49:308.2; repeals R.S. 49:308.3)