

2018 Regular Session

HOUSE BILL NO. 862

BY REPRESENTATIVE IVEY

FEES/LICENSES/PERMITS: Establishes the Information Technology Infrastructure Fee to be assessed on certain state transactions to support the state's information technology infrastructure

1 AN ACT
2 To amend and reenact R.S. 32.412.1(D) and 429.2(B), and R.S. 36:54, and to enact Chapter
3 11 of Title 24 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.
4 24:671 through 673, R.S. 36:104(A)(16), 154(A)(10), 234(A)(15), 254(A)(16),
5 304(A)(10), 354(A)(19), 404(A)(11), 454(A)(10), 474(A)(14), 504(A)(10),
6 605(A)(10), 645(A)(10), 722(9), and 784(A)(10), and R.S. 39:6(D) and 36(A)(8),
7 and Subpart C-1 of Part I of Chapter 1 of Subtitle I of Title 39 of the Louisiana
8 Revised Statutes of 1950, to be comprised of R.S. 39:16.1 and 16.2, relative to
9 imposition of a state fee for the support of information technology infrastructure; to
10 establish a joint committee of the legislature and provide for its membership, powers,
11 and duties; to establish the Information Technology Infrastructure Fund as a special
12 treasury fund; to provide for the deposit, use, and investment of monies in the fund;
13 to provide for the disposition of certain handling fees collected by the office of motor
14 vehicles; to provide with respect to the Office of Motor Vehicles Customer Service
15 and Technology Fund; to impose and authorize collection of certain fees; to provide
16 for definitions; to provide for effectiveness; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 32:412.1(D) and 429.2(B) are hereby amended and reenacted to read
3 as follows:

4 §412.1. Handling charges

5 * * *

6 D. Three dollars and seventy-five cents on Class "D" and "E" driver's license
7 transactions, and two dollars and fifty cents of the fee charged for all other handling
8 fees charged or collected shall be forwarded to the state treasurer for deposit ~~in to~~
9 into the Office of Motor Vehicles Customer Service and Technology Information
10 Technology Infrastructure Fund created pursuant to the provisions of ~~R.S. 32:429.2~~
11 R.S. 39:16.2.

12 * * *

13 §429.2. Office of Motor Vehicles Customer Service and Technology Fund; uses of
14 the monies

15 * * *

16 B. After compliance with the requirements of Article VII, Section 9(B) of
17 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
18 and after a sufficient amount is allocated from that fund to pay all of the obligations
19 secured by the full faith and credit of the state which become due and payable within
20 any fiscal year, the treasurer shall pay an amount equal to the monies received by the
21 state treasury pursuant to the provisions of ~~R.S. 32:412.1(C), 707.2(C)(4), R.S.~~
22 32:707.2(C)(4) and 728(10) into the Office of Motor Vehicles Customer Service and
23 Technology Fund. The monies in this fund shall be used solely as provided in
24 Subsection C of this Section and only in the amounts appropriated by the legislature.
25 All unexpended and unencumbered monies in this fund at the end of the fiscal year
26 shall remain in the fund. The monies in the fund shall be invested by the state
27 treasurer in the same manner as monies in the state general fund and shall be
28 deposited into the state general fund.

29 * * *

1 Section 2. Chapter 11 of Title 24 of the Louisiana Revised Statutes of 1950, to be
2 comprised of R.S. 24:671 through 673 is hereby enacted to read as follows:

3 CHAPTER 11. JOINT COMMITTEE ON STATE

4 INFORMATION TECHNOLOGY INFRASTRUCTURE

5 §671. Joint Committee on State Information Technology Infrastructure.

6 A. The Joint Committee on State Technology Infrastructure hereinafter
7 "committee", is hereby created and established as the representative of the
8 Legislature of Louisiana to assist that body in consideration of priorities for the
9 funding of information technology infrastructure projects through appropriations
10 from the Information Technology Infrastructure Fund.

11 B. The committee shall be composed of:

12 (1) Three members of the House of Representatives who are knowledgeable
13 concerning information technology, to be appointed by the speaker of the House of
14 Representatives.

15 (2) Three members of the Senate who are knowledgeable concerning
16 information technology, to be appointed by the president of the Senate.

17 C. No action shall be taken by the committee or by a joint subcommittee
18 thereof, except by the favorable vote of a majority of the members. A quorum of the
19 committee or a joint subcommittee shall consist of a majority of the total
20 membership of the committee or joint subcommittee.

21 §672. Duties and powers

22 A. The committee shall review and analyze the executive budget
23 recommendations which are submitted to it each year no later than the first day of
24 March as required pursuant to R.S. 39:36(A)(8) concerning the funding of
25 information technology infrastructure projects with monies appropriated from the
26 Information Technology Infrastructure Fund. The committee shall submit its
27 findings and recommendations thereon to the members of the legislature not later
28 than twenty days after the convening of each regular session of the legislature.

1 B. The committee shall make studies and examinations of the matters
2 pertaining to the information technology infrastructure needs of the state as may be
3 deemed desirable by the committee or the legislature, and may make reports on such
4 matters to the legislature upon its request or as is deemed advisable by the
5 committee.

6 C. The committee shall have the full power and authority to adopt rules and
7 regulations prescribing and governing its procedures, policies, meetings, and any and
8 all other activities relating to its functions and duties.

9 D. The committee shall have the power and authority to hold hearings,
10 subpoena witnesses, administer oaths, require the production of books and records,
11 and do all other things necessary to discharge its duties and responsibilities,
12 including the power to punish for contempt and to initiate the prosecution, in
13 accordance with the laws of this state, of any individual who refuses to testify or is
14 charged with false swearing or perjury before the committee.

15 §673. Expenses; staff assistance

16 A. The committee shall have the authority to incur expenses as are necessary
17 for carrying out its duties and responsibilities in accordance with procedures
18 established by the rules of the respective houses for the incurring of expenses by
19 standing committees. The committee's expenses shall be paid from funds
20 appropriated for its purpose or from funds appropriated for the expenses of the
21 legislature and its committees.

22 B. The books and records of the committee shall be audited annually by the
23 legislative auditor.

24 C. In the conduct of its studies and proceedings, the committee shall utilize
25 the personnel and services of the staffs of the Senate and the House of
26 Representatives. The Legislative Fiscal Office shall assist the committee in the
27 performance of its duties and functions.

28 Section 3. R.S. 36:54 is hereby amended and reenacted and R.S. 36:104(A)(16),
29 154(A)(10), 234(A)(15), 254(A)(16), 304(A)(10), 354(A)(19), 404(A)(11), 454(A)(10),

1 474(A)(14), 504(A)(10), 605(A)(10), 645(A)(10), 722(9), and 784(A)(10) are hereby
2 enacted to read as follows:

3 §54. Director of state civil service; certain powers, duties, and functions

4 A. The State Civil Service Commission through the director of state civil
5 service shall be responsible for accounting and budget control, procurement and
6 contract management, management and program analysis, data processing, personnel
7 management, and grants management for the department.

8 B. The director shall impose and collect the Information Technology
9 Infrastructure Fee on specific transactions as provided in R.S. 39:16.2.

10 * * *

11 §104. Powers and duties of the secretary of economic development

12 A. In addition to the functions, powers, and duties otherwise vested in the
13 secretary by law, he shall:

14 * * *

15 (16) Impose and collect the Information Technology Infrastructure Fee on
16 specific transactions as provided in R.S. 39:16.2.

17 * * *

18 §154. Powers and duties of secretary of elderly affairs

19 A. In addition to the functions, powers, and duties otherwise vested in the
20 secretary by law, he shall:

21 * * *

22 (10) Impose and collect the Information Technology Infrastructure Fee on
23 specific transactions as provided in R.S. 39:16.2.

24 * * *

25 §234. Powers and duties of secretary of environmental quality

26 A. In addition to the functions, powers, and duties otherwise vested in the
27 secretary by law, he shall:

28 * * *

1 §605. Powers and duties of the secretary of wildlife and fisheries

2 A. In addition to the functions, powers, and duties otherwise vested in the
3 secretary by law, he shall:

4 * * *

5 (10) Impose and collect the Information Technology Infrastructure Fee on
6 specific transactions as provided in R.S. 39:16.2.

7 * * *

8 §645. Powers and duties of state superintendent of education

9 A. In addition to the functions, powers, and duties otherwise vested in the
10 state superintendent by law, he shall:

11 * * *

12 (10) Impose and collect the Information Technology Infrastructure Fee on
13 specific transactions as provided in R.S. 39:16.2.

14 * * *

15 §722. Powers and duties of Public Service Commission

16 In addition to the functions, powers, and duties otherwise vested in the Public
17 Service Commission, it shall:

18 * * *

19 (9) Impose and collect the Information Technology Infrastructure Fee on
20 specific transactions as provided in R.S. 39:16.2.

21 * * *

22 §784. Powers and duties of the secretary

23 A. In addition to the functions, powers, and duties otherwise vested in the
24 secretary by law, he shall:

25 * * *

26 (10) Impose and collect the Information Technology Infrastructure Fee on
27 specific transactions as provided in R.S. 39:16.2.

28 * * *

1 Section 4. R.S. 39:6(D) and 36(A)(8), and Subpart C-1 of Part I of Chapter 1 of
2 Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.
3 39:16.1 and 16.2 are hereby enacted to read as follows:

4 §6. Duties of commissioner

5 * * *

6 D. The commissioner of administration shall impose and collect the
7 Information Technology Infrastructure Fee on specific transactions as provided in
8 R.S. 39:16.2.

9 * * *

10 §36. Contents and format of executive budget; supporting document

11 A. The executive budget shall present a complete financial and
12 programmatic plan for the ensuing year, and it shall be configured in a format so as
13 to clearly present and highlight the functions and operations of state government and
14 the financial requirements associated with those functions and operations. The
15 executive budget shall be a performance-based budget and as such may include key
16 objectives and key performance indicators. The commissioner of administration may
17 designate key objectives and key performance indicators to be included in the
18 executive budget. Additionally, the executive budget shall include at a minimum the
19 following:

20 * * *

21 (8) The executive budget shall include a recommendation for the funding of
22 information technology infrastructure projects from monies appropriated from the
23 Information Technology Infrastructure Fund. The recommendation shall also be
24 submitted by March first of each year to the Joint Committee on State Information
25 Technology Infrastructure which is established under R.S. 24:671, et seq.

26 * * *

1 SUBPART C-1. INFORMATION TECHNOLOGY

2 INFRASTRUCTURE FEE

3 §16.1. Definitions.

4 For purposes of this Chapter, the following terms and phrases shall have the
5 following meanings unless the context indicates otherwise:

6 (1) "Agency" means an agency in the executive branch of state government
7 that is subject to the authority of the office of technology services with respect to
8 information technology services and infrastructure.

9 (2) "Committee" means the Joint Committee on State Information
10 Technology Infrastructure.

11 (3) "Fee" means the Information Technology Infrastructure Fee.

12 (4) "Payer" means a person or non-governmental entity that pays an
13 obligation to an agency by use of a credit card, debit card, or other form of electronic
14 payment.

15 (5) "Third party solution contractor" means a company that contracts with
16 the state to provide a software application, a gateway, or both to capture credit card
17 data and any other forms of electronic payments for processing by a merchant
18 services acquirer.

19 (6)(a) "Transaction" means a transaction in which an agency receives a
20 payment from a payer, including by way of a third-party solution contractor, under
21 both of the following circumstances:

22 (i) Payment is made at the physical location of an agency, on a state website,
23 or a website owned or operated by a third party solution contractor.

24 (ii) Payment is made by means of a credit card, debit card, or any other form
25 of electronic payment.

26 (b) "Transaction" does not mean a payroll withholding for a public employee
27 or official for purposes of insurance premiums, retirement contributions, union dues,
28 and other related benefits.

1 §16.2. Information Technology Infrastructure Fee; Information Technology
2 Infrastructure Fund

3 A. The Information Technology Infrastructure Fee, hereinafter referred to
4 as "fee", in the amount of three dollars shall be imposed on each and every
5 transaction between an agency and a payer. However, the fee shall not be imposed
6 upon any transaction of the office of motor vehicle upon which a handling fee is
7 imposed. The fee shall be collected by the agency at the time of the transmittal of
8 payment by the payer and shall then be transferred for deposit into the state treasury.
9 If the payment is made through a third-party solution contractor, the contractor shall
10 collect the fee at the time of transmittal of payment by the payer and shall remit the
11 fee to the agency at the time of transmittal of other monies from the contractor to the
12 agency.

13 B. After satisfaction of the requirements of the Bond Security and
14 Redemption Fund as required under Article VII, Section 9(B) of the Louisiana
15 Constitution, the state treasurer shall deposit into the Information Technology
16 Infrastructure Fund an amount equal to the fee proceeds transmitted to the treasury.

17 C. The Information Technology Infrastructure Fund, hereinafter referred to
18 as "fund", is hereby established as a special fund within the state treasury. Monies
19 appropriated from the fund shall be expended solely for support of projects to
20 enhance or upgrade the state's information technology infrastructure. Monies in the
21 fund shall be invested in the same manner as the state general fund and unexpended
22 and unencumbered monies remaining in the fund at the end of the year shall remain
23 to the credit of the fund. The fund shall also comprise monies deposited therein by
24 the state treasurer from a portion of the handling fees collected by the office of motor
25 vehicles as provided in R.S. 32:412.1(D).

26 Section 5. The commissioner of administration is hereby urged and requested to
27 issue sufficient notification to all state agencies that are subject to the requirements of R.S.
28 39:16.2 regarding imposition of the fee, to advise them of the effectiveness of this Act so
29 that the provisions thereof may be implemented in an efficient and equitable manner.

1 Section 6. This Act shall become effective on July 1, 2018; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2018, or on the day following such approval by the legislature, whichever is later.

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 862 Original

2018 Regular Session

Ivey

Abstract: Imposes a \$3 Information Technology Infrastructure Fee on certain transactions with state agencies that involve electronic payments and establishes the Information Technology Infrastructure Fund and the Joint Committee on State Technology Infrastructure.

Information Technology Infrastructure Fee

Proposed law provides for definitions, including those for "agency", "fee", and "payer".

Proposed law defines "transaction" as a transaction in which an agency receives a payment from a payer, including by way of a third-party solution contractor, under both of the following circumstances:

- (1) Payment is made at the physical location of an agency, on a state website, or a website owned or operated by a third party solution contractor.
- (2) Payment is made by means of a credit card, debit card, or any other form of electronic payment.

Proposed law excludes from the definition of "transaction" a payroll withholding for a public employee or official for purposes of insurance premiums, retirement contributions, union dues, and other related benefits.

Proposed law imposes a \$3 Information Technology Infrastructure Fee ("fee") on every transaction between an agency and a payer. The fee shall be collected at the time of the transmittal of payment by the payer. If a third-party solution contractor is used, the contractor shall collect the fee at the time of transmittal of payment by the payer and then remit the fee to the agency at the time of transmittal of other monies to the agency. Proposed law excludes any transaction of the office of motor vehicles that is subject to a handling fee pursuant to present law from imposition of this fee.

Proposed law requires that proceeds of the fee be deposited into the state treasury, and after satisfaction of the requirements of the Bond Security and Redemption Fund, the state treasurer is required to deposit into the Information Technology Infrastructure Fund an amount equal to the fee proceeds transmitted to the treasury by the agencies.

Present law authorizes the office of motor vehicles to impose certain handling fees on a variety of types of license and other activities. A portion of the handling fee proceeds equal to \$3.75 of the handling fee on Class "D" and "E" drivers licenses and \$2.50 of all other handling fees are deposited into the Office of Motor Vehicles Customer Service and Technology Fund which is a special treasury fund.

Proposed law changes present law by transferring the disposition of the \$3.75 and \$2.50 fees from the Office of Motor Vehicles Customer Service and Technology Fund to the Information Technology Infrastructure Fund.

Present law provides for the duties, powers, and functions of the following agency heads:

- (1) Director of State Civil Service.
- (2) Secretary of the Dept. of Economic Development.
- (3) Secretary of the Dept. of Elderly Affairs.
- (4) Secretary of the Dept. of Environmental Quality.
- (5) Secretary of the Dept. of Health and Hospitals.
- (6) Executive Director of the La. Workforce Commission.
- (7) Secretary of the Dept. of Natural Resources.
- (8) Secretary of the Dept. of Public Safety and Corrections.
- (9) Secretary of the Dept. of Revenue.
- (10) Secretary of the Dept. of Children and Family Services
- (11) Secretary of the Dept. of Transportation and Development.
- (12) Secretary of the Dept. of Wildlife and Fisheries.
- (13) Superintendent of Education.
- (14) Public Service Commission.
- (15) Secretary of the Dept. of Veterans Affairs.
- (16) Commissioner of the Division of Administration.

Proposed law changes present law regarding the listed agency heads's duties by adding a requirement that they collect the Information Technology Infrastructure Fee established under proposed law. Proposed law excludes from imposition of the fee any transaction of the office of motor vehicle upon which a handling fee is imposed.

Information Technology Infrastructure Fund

Proposed law establishes the Information Technology Infrastructure Fund ("fund") as a special fund within the state treasury. The fund shall be comprised of the proceeds of the fee and a portion of handling fees collected by the office of motor vehicles on certain transactions. Monies appropriated from the fund shall be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure. Monies in the fund shall be invested in the same manner as the state general fund and unexpended and unencumbered monies remaining in the fund at the end of the year shall remain to the credit of the fund.

Joint Committee on State Information Technology Infrastructure

Proposed law establishes the Joint Committee on State Information Technology Infrastructure ("committee") to assist the legislature in consideration of priorities for the

funding of information technology infrastructure projects through appropriations from the fund. The committee shall be composed of the following members:

- (1) Three members of the House of Representatives who are knowledgeable concerning information technology, to be appointed by the speaker of the House of Representatives.
- (2) Three members of the Senate who are knowledgeable concerning information technology, to be appointed by the president of the Senate.

Proposed law provides with respect to the function and staffing of the committee and its powers and duties.

Present law establishes specific requirements for the contents of the executive budget.

Proposed law adds to present law a requirement that the executive budget contain a recommendation for the funding of information technology infrastructure projects from monies appropriated from the fund. Further, proposed law requires that the recommendation also be submitted by March 1st of each year to the Joint Legislative Committee on Information Technology Infrastructure which is established proposed law.

Proposed law requires the committee to review and analyze the executive budget recommendations concerning the funding of information technology infrastructure projects with monies appropriated from the fund. The committee is required to submit its findings and recommendations on the proposed budget to the members of the legislature not later than 20 days after the convening of each regular session.

Proposed law urges and requests the commissioner of administration to notify all state agencies that are subject to proposed law regarding imposition of the fee, to advise them of the effectiveness of this Act so that the provisions thereof may be implemented in an efficient and equitable manner.

Effective July 1, 2018.

(Amends R.S. 32.412.1(D) and 429.2(B); Adds R.S. 36:54, R.S. 24:671 through 673, R.S. 36:104(A)(16), 154(A)(10), 234(A)(15), 254(A)(16), 304(A)(10), 354(A)(19), 404(A)(11), 454(A)(10), 474(A)(14), 504(A)(10), 605(A)(10), 645(A)(10), 722(9), and 784(A)(10), and R.S. 39:6(D), 36(A)(8), 16.1, and 16.2)