

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 578** HLS 19RS 686  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 27, 2019	5:31 PM	<b>Author:</b> MAGEE
<b>Dept./Agy.:</b>		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Dedicate BP Settlement Funds To TTF		

FUNDS/FUNDING OR -\$24,000,000 GF RV See Note Page 1 of 1  
 Dedicates the economic proceeds from the Deepwater Horizon litigation to transportation projects and redirects funding to the Construction Subfund of the Transportation Trust Fund  
Present law dedicates economic damages from the Deepwater Horizon litigation to the Budget Stabilization Fund (45%), the Medicaid Trust for the Elderly (45%), and the Health Trust Fund (10%).

Proposed law reallocates the the annual proceeds of \$53.3 million per year to (a) phase 2 of the LA 1 improvement project between Golden Meadow and Leeville (\$25 million per year for FYs 2020-2026), (b) planning and construction of the LA 415 Bridge at Intracoastal Canal (\$25 million per year for FYs 2020-2025) and, (c) the remainder to the Construction Subfund of the TTF (\$3.3 million per year). Prohibits DOTD use of these monies for any project funded through GARVEE bonds.

Effective upon governor's signature.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	(\$24,000,000)	(\$24,000,000)	(\$24,000,000)	(\$24,000,000)	(\$24,000,000)	<b>(\$120,000,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

Under current law, 45% of the annual settlement proceeds (approximately \$24 million) flow to the Budget Stabilization Fund (BSF). This allows the official revenue forecast for FY20 and beyond (April 10, 2019 latest) to only dedicate \$1 million of general fund revenue to the BSF under the requirements of R.S. 39:94(A)(3), rather than \$25 million. The diversion of that portion of the annual settlement proceeds to the specified projects and TTF as provided by this bill, results in an additional \$24 million of general fund dedication to the BSF. Thus, general fund revenue declines by \$24 million as displayed in the table above. Dedications increase by a like amount, but are not separately shown since further shifting of dedications is discussed below.

The diversion of the remainder of the annual proceeds to the specified projects and TTF shifts resources to a new dedication and away from the current dedications. That is a neutral effect in the dedication financing of the table above. The purposes for which the current law dedication is anticipated (\$24 million for the Medicaid Trust Fund for the Elderly and \$5.3 million for the Health Trust Fund) will receive no funding from this source, while the purposes of the proposed dedication in this bill will receive funding from this source. Currently, HB 105, based on the REC forecast for FY20 of June 26, 2018, indicates some \$19 million of FY19 Existing Operating Budget and \$1.6 million of FY20 appropriation associated with the Medicaid Trust Fund for the Elderly, as well as some \$8.4 million of FY19 Existing Operating Budget and \$5.3 million of FY20 appropriation associated with the Health Trust Fund. The FY20 appropriations may change based on the April 10, 2019 REC forecast for FY20.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**John D. Carpenter**  
 Legislative Fiscal Officer