

RÉSUMÉ DIGEST

ACT 601 (HB 409)

2016 Regular Session

Henry

Provides for the transfer, deposit, and use of monies among state funds.

HOSPITAL LEASE PAYMENTS

New law directs the LSU Health Science Center - Health Care Services Division and the LSU Health Sciences Centers - New Orleans and Shreveport to deposit into the state general fund all public/private partnership hospital and hospital equipment lease payments net of clinic and hospital lease payments made by the division.

New law requires the Health Care Services Division to transfer to the Dept. of Health and Hospitals, or its successor, all revenues received from the public private partnership hospitals for the provision of accountable care services.

SHREVEPORT RIVERFRONT AND CONVENTION CENTER AND INDEPENDENCE STADIUM FUND

Existing law provides that the deposit of certain state sales tax collections on hotel rooms in Shreveport be deposited into the Shreveport Riverfront and Convention Center and Independence Stadium Fund.

Prior law allocated a portion of the deposits to the African American Multi-Cultural Tourism Commission. New law deletes the allocation for the commission and provides that the allocation be divided equally between Pamoja Arts Society and Rho Omega and Friends, Inc.

SEX OFFENDER REGISTRY TECHNOLOGY FUND

Existing law requires that the annual remaining balance in the Sex Offender Registry Technology Fund be distributed to the recipient sheriffs who are actively registering offenders.

Prior law determined the fund balance as of June 15. New law changes the date from June 15 to 30 days after the Revenue Estimating Conference (REC) recognizes the prior year-end balance.

DEEPWATER HORIZON ECONOMIC DAMAGES COLLECTION FUND

Existing law provides for the deposit of monies into the Deepwater Horizon Economic Damages Collection Fund and requires proceeds from the settlements, judgment, or final disposition of the state's economic damages claims against BP due to the Deepwater Horizon oil spill (DWH litigation). Existing law further provides that the first \$200 million of the proceeds of the economic damages claims be deposited into the FY 2015-2016 Deficit Elimination Fund.

New law additionally requires that all settlement proceeds received on behalf of the state be reported to the Joint Legislative Committee on the Budget (JLCB).

DEPARTMENT OF JUSTICE LEGAL SUPPORT FUND

Existing law establishes the Department of Justice Legal Support Fund (the fund), to be comprised of proceeds recovered by the attorney general. Excludes proceeds from judgments and recoveries from office of risk management litigation and certain litigation involving the Dept. of Natural Resources, the Dept. of Environmental Quality, and the Dept. of Transportation and Development.

New law prohibits the deposit of settlement funds, judgments, or claims from the DWH litigation into the fund.

Existing law provides that each year, monies shall be deposited into the fund to bring the unencumbered balance in the fund to \$10 million. Proceeds in excess of the amount deposited into the fund shall be deposited into the state general fund.

New law specifies that annual deposits into the fund shall not exceed \$10 million and that proceeds in excess of the \$10 million annual deposit shall be deposited into the state general fund.

New law requires the attorney general to notify the state treasurer, the JLCB, and the commissioner of administration immediately upon receipt of any proceeds received under existing law.

Prior law prohibited the use of monies from the fund to supplant appropriations for Dept. of Justice operations below the level of state general fund appropriations for the current fiscal year.

New law deletes the prohibition regarding the use of monies from the fund supplanting appropriations for the Dept. of Justice.

Existing law, R.S. 42:262, prohibits the payment of attorney fees out of state funds in the absence of express statutory authority, except as may be approved by the JLCB during the interim.

New law requires JLCB approval of payments from the recovery or award of attorney fees from the Court Order from the DWH litigation.

DEPOSITS OF DEEPWATER HORIZON (DWH) PROCEEDS

New law provides for the deposit of monies received on behalf of the state as a result of the settlement, judgment, or final disposition of the state's claims asserted in State of Louisiana v. BP Exploration & Production, et al. (E.D.La.), consolidated with In Re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico, on April 20, 2010, MDL 2179 (E.D. La.).

New law requires \$20 million paid pursuant to the Court Order [Regarding Payment of the Gulf States' Attorneys' Fees and Costs (Rec. Doc. 15441] issued on Oct. 5, 2015, to be transferred to the Oil Spill Contingency Fund.

New law requires the treasurer to deposit the first \$19,125,000 installment of the Natural Resource Damage assessment ("NRDA") costs paid in accordance with the Consent Decree of the Natural Resources Restoration Trust Fund. Requires the second installment of \$19,125,000 for NRDA costs and all future NRDA payments made pursuant to the Consent Decree to also be transferred to the Natural Resources Restoration Trust Fund, in accordance with existing law.

New law requires the treasurer to transfer \$200 million from the Economic Damages Settlement Agreement in accordance with existing law. All future payments of economic damages, as set forth in the Economic Damages Settlement Agreement, shall also be transferred in accordance with existing law.

ATTORNEY GENERAL'S CONSUMER ESCROW ACCOUNT

In order to comply with the Deposits of Deepwater Horizon (DWH) Proceeds under new law, requires the attorney general to remit \$7 million from the Attorney General's Consumer Support Escrow Account transferred to the account on May 17, 2016.

New law additionally directs the attorney general to remit to the state treasurer \$7,028,196 from the Attorney General's Consumer Support Escrow Account. Directs the treasurer to transfer the \$7,028,196 to the state general fund.

PRIOR YEAR FUND TRANSFERS

New law nullifies any fund transfers that have not occurred by July 1, 2016 contained in the "fund transfer" bills of the 2011 through 2015 R.S. and any fund transfers approved by the JLCB as part of a mid-year deficit reduction.

New law directs the treasurer to transfer the excess High Risk Pool Funds to the Mega-Project Development Fund upon cessation of the Health Plan Board by March 1, 2016, as provided by existing law.

REVENUE DEPARTMENT ESCROW FUNDS

New law requires that when the Dept. of Revenue prevails in the lawsuit associated with HCR No. 8 of the 2015 R.S., which suspends a portion of the sales tax exemption on business utilities, the monies paid under protest and held in escrow shall be transferred to the state general fund.

Effective upon signature of governor (June 17, 2016).

(Amends R.S. 39:91(A), R.S. 47:302.2(C)(1)(b), and R.S. 49:259(A) through (D) and C.Cr.P. Art. 895.1(F)(3)(e); Adds R.S. 17:1519.6(E))