

2016 First Extraordinary Session

SENATE BILL NO. 4

BY SENATORS LAFLEUR AND ALARIO

FUNDS/FUNDING. Provides for the deposit and use of certain receipts of the Deepwater Horizon Economic Damages Settlement. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:91(A), the introductory paragraph of (B), and (D), and to
3 enact R.S. 39:91(E), relative to the deposit of certain funds into the state general
4 fund; to provide for the deposit of certain economic damages payments received by
5 the state pursuant to the settlement of the Deepwater Horizon litigation; to provide
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:91(A), the introductory paragraph of (B), and (D) are hereby
9 amended and reenacted and R.S. 39:91(E) is hereby enacted to read as follows:

10 §91. Deepwater Horizon Economic Damages Collection Fund

11 A. There shall be established in the state treasury as a special permanent trust
12 fund named the Deepwater Horizon Economic Damages Collection Fund. After
13 allocation of money to the Bond Security and Redemption Fund as provided in
14 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit
15 in and credit to the ~~Deepwater Horizon Economic Damages Collection Fund~~ **Fiscal**
16 **Year 2015-2016 Deficit Elimination Fund as created in Subsection D of this**
17 **Section, the first two hundred million dollars of the** proceeds of the settlement,

1 judgment, or final disposition of the state's economic damages claims asserted in
2 State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179 (E.D.LA.
3 pending) (hereinafter "DWH litigation") to recover economic damages sustained by
4 the state from the Deepwater Horizon explosion and oil spill that occurred on or
5 about April 20, 2010, at the MC 252 site in the Gulf of Mexico.

6 B. ~~Within thirty days of each receipt of economic damages proceeds from~~
7 ~~the DWH litigation, the treasurer shall make the following deposits:~~ **All economic**
8 **damages proceeds from the DWH litigation in excess of the first two hundred**
9 **million dollars deposited in the Fiscal Year 2015-2016 Deficit Elimination Fund**
10 **shall be deposited by the treasurer as follows:**

11 * * *

12 **D.(1) The Fiscal Year 2015-2016 Deficit Elimination Fund, hereinafter**
13 **referred to as the "fund", is hereby created in the state treasury. After**
14 **allocation of money to the Bond Security and Redemption Fund as provided in**
15 **Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall**
16 **deposit in and credit to the Fiscal Year 2015-2016 Deficit Elimination Fund the**
17 **first two hundred million dollars of the proceeds of the settlement, judgment,**
18 **or final disposition of the state's economic damages claims asserted in the DWH**
19 **litigation to recover economic damages sustained by the state from the**
20 **Deepwater Horizon explosion and oil spill that occurred on or about April 20,**
21 **2010, at the MC 252 site in the Gulf of Mexico.**

22 **(2) All unexpended and unencumbered monies in the Fiscal Year**
23 **2015-2016 Deficit Elimination Fund at the end of the fiscal year shall remain in**
24 **the fund. The monies in the fund shall be invested by the state treasurer in the**
25 **same manner as monies in the state general fund, and interest earned on the**
26 **investment of monies shall be credited to the fund.**

27 **(3) Monies in the fund shall be appropriated and used solely to provide**
28 **a source of funds to eliminate all or a portion of the Fiscal Year 2015-2016**
29 **budgetary deficit.**

1 **(4) This fund shall only be comprised of noncoastal restoration monies.**

2 E. This Subpart shall be null, void, and of no effect at the later of the
3 conclusion of the DWH litigation or July 1, 2024.

4 Section 2. This Act shall become effective upon signature by the governor or, if not
5 signed by the governor, upon expiration of the time for bills to become law without signature
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become
8 effective on the day following such approval

The original instrument was prepared by Martha Hess. The following digest, which does not constitute a part of the legislative instrument, was prepared by J.W. Wiley.

DIGEST

SB 4 Reengrossed

2016 First Extraordinary Session

LaFleur

Present law established the Deepwater Horizon Economic Damages Collection Fund as a special permanent trust fund in the state treasury for deposits of the proceeds of the settlement of the state's economic damages lawsuit to recover economic damages sustained from the Deepwater Horizon explosion and oil spill (DWH litigation) into the fund.

Present law provides that within 30 days of the receipt of economic damages proceeds from the DWH litigation, the treasurer is to make the following deposits:

- (1) 45% of each such receipt to the Budget Stabilization Fund until that fund reaches the amount statutorily mandated by existing law (4% of the previous fiscal year's state revenue receipts).
- (2) 45% of each such receipt to the Medicaid Trust Fund for the Elderly until \$700,000,000 has been deposited into the fund.
- (3) 10% of each such receipt to the Health Trust Fund until \$30,000,000 has been deposited into the fund.

Proposed law provides that the first \$200 million of receipts from the DWH litigation are to be deposited into the Fiscal Year 2015-2016 Deficit Elimination Fund. Proposed law retains present law for receipts from the DWH litigation received after the first \$200 million is deposited into the Fiscal Year 2015-2016 Deficit Elimination Fund.

Proposed law provides for the creation of the Fiscal Year 2015-2016 Deficit Elimination Fund and provides that the monies in the fund shall be appropriated and used solely to provide a source of funds to eliminate all or a portion of the Fiscal Year 2015-2016 budgetary deficit. Further requires that this fund be comprised of noncoastal restoration monies.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:91(A), (B)(intro para) and (D); adds R.S. 39:91(E))

Summary of Amendments Adopted by SenateCommittee Amendments Proposed by Senate Committee on Finance to the original bill

1. Technical - corrects incorrect citation.
2. Changes use of monies received from the DWH litigation settlement from amount received on or before July 1, 2017 to be deposited into general fund to first \$200 million from settlement to be deposited into Fiscal Year 2015-2016 Deficit Elimination Fund.
3. Creates Fiscal Year 2015-2016 Deficit Elimination Fund and provides that Fund will only be used to eliminate all or a portion of the Fiscal Year 2015-2016 budgetary deficit.

Senate Floor Amendments to engrossed bill

1. Makes technical change based on bureau note.
2. Requires that the Fiscal Year 2015-2016 Deficit Elimination Fund be comprised of only noncoastal restoration monies.