
DIGEST

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HB 578 Original

2019 Regular Session

Magee

Abstract: 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 requires the annual payment of \$53,333,333 from the Deepwater Horizon litigation to be deposited into state general fund for Fiscal Year 2018-2019. Proposed law retains present law.

Present law creates the Deepwater Horizon Economic Damages Collection Fund, and requires all economic damages from the Deepwater Horizon litigation, in excess of the first \$200 million deposited into the FY 15-16 Deficit Elimination Fund, to be deposited into the Economic Damages Collection Fund and then deposited as follows:

- (1) 45% to the Budget Stabilization Fund.
- (2) 45% to the Trust Fund for the Elderly.
- (3) 10% to the Health Trust Fund.

Proposed law repeals present law. For Fiscal Years 2020-2026, proposed law requires \$50 million of the annual payments of \$53,333,333 from the Deepwater Horizon litigation to be used as follows:

- (1) For Fiscal Years 2020-2026, \$25 million per year shall fund phase 2 of the LA 1 Improvement Project between Golden Meadow, LA and Leesville, LA.
- (2) For Fiscal Years 2020-2025, \$25 million per year shall fund the planning and construction of the LA 415 Bridge at the Intracoastal Canal.

Proposed law requires the remainder of the economic damages from the Deepwater Horizon litigation to be deposited into the Construction Subfund of the Transportation Trust Fund to be utilized as follows:

- (1) 50% shall be dedicated to preservation, bridges, and safety projects.
- (2) 50% shall be dedicated to capacity projects as specified in the Louisiana Statewide Transportation Plan.

Proposed law prohibits the use of any of the economic proceeds from the Deepwater Horizon

litigation by the Dept. of Transportation and Development for any project that is funded through GARVEE bonds.

Present law (§12 of Act No. 612 of 2018 R.S.) directs the balance of economic damages proceeds to the state general fund beginning on July 1, 2020. Proposed law repeals present law.

Present law requires all unspent monies in the fund to remain in the fund at the end of the year. The monies shall be invested by the state treasurer in the same manner as the monies in the state general fund and the interest earned on the investment of monies in the fund shall be credited to the fund. Proposed law retains present law.

Present law limits appropriations from the fund to annual interest earnings and to be made to the Board of Regents for distribution to state public postsecondary education institutions. Additionally, allows appropriations to be distributed to independent institutions of higher learning. Also requires that appropriations to the Board of Regents from the fund shall not displace, replace, or supplant funding for higher education. Proposed law repeals present law.

Present law establishes the economic damages from the Deepwater Horizon litigation to be a source of funding for the Medicaid Trust Fund for the Elderly. Proposed law repeals present law.

(Amends R.S. 39:91(B)(1) and (2) and (C)(2)(a); Repeals R.S. 39:91(B)(3) and (4) and (C)(2)(b), and R.S. 46:2691(A)(1)(b))