

2019 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVES MAGEE, AMEDEE, BAGLEY, BAGNERIS, BERTHELOT, BOURRIAQUE, CHAD BROWN, CARMODY, STEVE CARTER, CONNICK, CREWS, DAVIS, DUBUISSON, EDMONDS, FOIL, GAINES, GISCLAIR, HILFERTY, HOLLIS, IVEY, JAMES, JONES, JORDAN, LACOMBE, PEARSON, RICHARD, SCHEXNAYDER, STAGNI, STOKES, THOMAS, AND ZERINGUE AND SENATORS CHABERT, LAMBERT, WARD, AND WHITE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: Dedicates the economic proceeds from the Deepwater Horizon litigation to transportation projects and redirects funding to the Construction Subfund of the Transportation Trust Fund

1 AN ACT

2 To amend and reenact R.S. 39:91(B)(2), (3), and (4) and (C)(2), to enact R.S. 39:91(B)(5),
3 and to repeal R.S. 46:2691(A)(1)(b), relative to the Deepwater Horizon Economic
4 Damages Collection Fund; to dedicate payments from the litigation to the
5 Construction Subfund of the Transportation Trust Fund for transportation projects;
6 to authorize the proceeds from the Deepwater Horizon litigation to fund certain
7 transportation projects; to provide for certain restrictions; to provide for an effective
8 date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:91(B)(2), (3), and (4) and (C)(2) are hereby amended and
11 reenacted and R.S. 39:91(B)(5) is hereby enacted to read as follows:

12 §91. Deepwater Horizon Economic Damages Collection Fund

13 * * *

14 B. All economic damages proceeds from the DWH litigation in excess of the
15 first two hundred million dollars deposited in the Fiscal Year 2015-2016 Deficit
16 Elimination Fund shall be deposited by the treasurer as follows:

17 * * *

1 (2) For Fiscal Year 2019-2020, forty-five ~~Forty-five~~ percent of each such
2 receipt of economic damages proceeds to the Budget Stabilization Fund until that
3 fund reaches the amount statutorily mandated by R.S. 39:94.

4 (3) For Fiscal Year 2019-2020, forty-five ~~Forty-five~~ percent of each such
5 receipt of economic damages proceeds to the Medicaid Trust Fund for the Elderly
6 provided for in R.S. 46:2691 until an amount not to exceed seven hundred million
7 dollars has been deposited into such fund.

8 (4) For Fiscal Year 2019-2020, ten ~~Ten~~ percent of each such receipt of
9 economic damages proceeds to the Health Trust Fund provided for in R.S. 46:2731
10 until an amount not to exceed thirty million dollars has been deposited into such
11 fund.

12 (5) For Fiscal Years 2021-2026, the annual payments of fifty-three million
13 three hundred thirty-three thousand three hundred thirty-three dollars shall be
14 utilized as follows:

15 (a) For Fiscal Years 2021-2026, twenty-five million dollars shall be
16 dedicated to phase two of the LA 1 Improvement Project between Golden Meadow,
17 Louisiana and Leeville, Louisiana.

18 (b) For Fiscal Years 2021-2025, twenty-five million dollars shall be
19 dedicated to the planning and construction of the LA 415 Bridge at the Intracoastal
20 Canal.

21 (c) The remainder of the settlement proceeds shall be deposited in the
22 Construction Subfund of the Transportation Trust Fund, which shall be utilized as
23 follows:

24 (i) Fifty percent of each receipt of economic damages shall be dedicated to
25 preservation, bridges, and safety projects divided equally among each of the
26 Department of Transportation and Development highway districts.

27 (ii) Fifty percent of each receipt of economic damages shall be dedicated to
28 the construction of capacity projects designated in the Louisiana Statewide

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

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 578 Reengrossed

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 the 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 Deepwater Horizon 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 requires, for Fiscal Year 2019-2020 only, that the proceeds from the Deepwater Horizon Economic Damages Collection Fund to go to the Budget Stabilization Fund, the Trust Fund for the Elderly, and the Health Trust Fund.

For Fiscal Years 2021-2026, 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 2021-2026, \$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 2021-2025, \$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. Funding for such projects must be divided equally among each of the Dept. of Transportation and Development highway districts.

- (2) 50% shall be dedicated to capacity projects as specified in the La. Statewide Transportation Plan. Funding for such projects must be divided equally among each of the Dept. of Transportation and Development highway districts.

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)(2), (3), and (4) and (C)(2); Adds R.S. 39:91(B)(5); Repeals R.S. 46:2691(A)(1)(b))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the fiscal years of the annual payments from the Deepwater Horizon Economic Damages Collection Fund for the phase 2 of the LA 1 Improvement Project between Golden Meadow, LA and Leesville, LA from 2020-2026 to 2021-2026.
2. Change the fiscal years of the annual payments from the Deepwater Horizon Economic Damages Collection Fund for the planning and construction of the LA 415 Bridge at the Intracoastal Canal from 2020-2025 to 2021-2025.

The House Floor Amendments to the engrossed bill:

1. Require the proceeds from the Deepwater Horizon litigation to go to the Budget Stabilization Fund, the Trust Fund for the Elderly, and the Health Trust Fund only for Fiscal Year 2019-2020.
2. Require the remaining settlement proceeds from the Deepwater Horizon litigation to be divided equally among each of the Dept. of Transportation and Development highway districts.