

RÉSUMÉ DIGEST

ACT 443 (HB 578)

2019 Regular Session

Magee

Existing 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.

Existing law creates the Deepwater Horizon Economic Damages Collection Fund.

Prior law required 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.

New law, for Fiscal Year 2019-2020 only, requires that the proceeds from the Deepwater Horizon Economic Damages Collection Fund be deposited into the Budget Stabilization Fund, the Trust Fund for the Elderly, and the Health Trust Fund.

New law for Fiscal Years 2021-2034, requires that, after paying amounts due on bonds and related expenses, the state treasurer shall immediately transfer the balance of the annual payments of \$53,333,333 from the Deepwater Horizon litigation to the Construction Subfund of the Transportation Trust Fund. The economic damage proceeds and the bonds shall be issued, after paying the costs associated with the issuance of the bonds, solely and exclusively for the following projects and in the following amounts:

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| (1) | For Fiscal Years 2021-2026, \$25,000,000 per year for Phase Two of the LA 1 Improvement Project between Golden Meadow, La. and Leesville, La. | \$150,000,000 |
| (2) | LA 415 Bridge at the Intracoastal Canal | \$125,000,000 |
| (3) | I-49 South | \$150,000,000 |
| (4) | LA. Highway 3241 from I-12 to Bush, La. | \$50,000,000 |
| (5) | I-49 North Inter-City Connector in Caddo Parish | \$100,000,000 |
| (6) | Acquisition of a New Cameron Parish Ferry | \$20,000,000 |
| (7) | On-System Bridge Program for the replacement and rehabilitation program for highway bridges on any federal-aid system, railroads, and replacement and rehabilitation of highway bridges on state highways that are ineligible for federal highway funding assistance | \$40,000,000 |
| (8) | Sugarhouse Road Extension/Eddie Williams Boulevard to LA 43 Highway 1, Phase I and II | \$19,000,000 |
| (9) | Acquisition of Two Cranes for the Port of New Orleans | \$20,000,000 |
| (10) | Hooper Road Widening from LA 3034 to LA 37 | \$15,000,000 |

New law exempts the projects in new law from the requirements of being included in the annual comprehensive capital budget and from legislative approval.

New law establishes a special fund where the source of the monies within the fund shall be the economic proceeds from the Deepwater Horizon litigation beginning in Fiscal Year 2021 through Fiscal Year 2034. The monies in the fund shall be used for the projects listed in new law.

New law authorizes the State Bond Commission to pledge the economic proceeds from the Deepwater Horizon litigation to securitize the bonds that may be issued to construct the projects in new law.

New law provides for the issuance of the bonds, the procedure to contest the validity of the issuance of the bonds, the rights of bondholders, issue refunding bonds, and other procedures related to the issuance of the bonds. Provides that the bonds shall not be full faith and credit debt of the state.

New law listed the amounts that may be financed for each of the projects in new law to the dollar value listed, plus an amount equal to 10%, plus the costs of issuance, capitalized interest, if any, credit enhancements and related costs.

New 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.

Existing law defines net state tax supported debt. New law exempts any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects in new law or any bonds issued to refund the bonds, notes, or other evidence of indebtedness from the definition of net state tax supported debt.

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

Prior law required all unspent monies in the fund to remain in the fund at the end of the year. Further required the monies to 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 were required to be credited to the fund.

Prior law limited appropriations from the fund to annual interest earnings to the Board of Regents for distribution to state public postsecondary education institutions and authorized appropriations to be distributed to independent institutions of higher learning. Prior law specified that appropriations to the Board of Regents from the fund shall not displace, replace, or supplant funding for higher education.

Prior law established the economic damages from the Deepwater Horizon litigation as a source of funding for the Medicaid Trust Fund for the Elderly and for the Health Trust Fund.

Prior law sunset at the conclusion of the DWH litigation or July 1, 2024, whichever is later.

New law provides that payments into the Budget Stabilization Fund shall be fulfilled first from surplus revenues from the prior fiscal year, secondly, after fulfilling the requirements of existing law from excess revenues of the current fiscal year, or by an appropriation from the state general fund.

Effective upon signature of the governor (June 25, 2019).

(Amends R.S. 39:91(B)(2), (3), and (4) and (C); Adds R.S. 39:91(B)(5) through (8) and (E) through (T) and 1367(E)(2)(B)(vii); Repeals R.S. 39:91(E), 46:2691(A)(1)(b) and 2731(B)(2))