Regular Session, 2014

HOUSE BILL NO. 1241

### BY REPRESENTATIVE HENRY

# FUNDS/FUNDING: Provides for deposits of monies from certain settlement proceeds as a result of the Deepwater Horizon oil spill into the Budget Stabilization Fund and the Medicaid Trust Fund for the Elderly

1	AN ACT
2	To amend and reenact R.S. 46:2691(A) and to enact Subpart A of Part II-A of Chapter 1 of
3	Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S.
4	39:91, relative to the deposit of monies received by the state from the Deepwater
5	Horizon oil spill; to establish the Deepwater Horizon Economic Damages Collection
6	Fund; to provide for deposits of monies into the Medicaid Trust Fund for the Elderly;
7	to provide for an effective date; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
10	Louisiana Revised Statutes of 1950, comprised of R.S. 39:91, is hereby enacted to read as
11	follows:
12	SUBPART A. DEEPWATER HORIZON ECONOMIC
13	DAMAGES COLLECTION FUND
14	<u>§91. Deepwater Horizon Economic Damages Collection Fund</u>
15	A. There shall be established in the state treasury as a special permanent trust
16	fund the Deepwater Horizon Economic Damages Collection Fund. After allocation
17	of money to the Bond Security and Redemption Fund as provided in Article VII,
18	Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit
19	to the Deepwater Horizon Economic Damages Collection Fund all proceeds from the

1	settlement, judgment, or final disposition of the state's economic damages claims
2	asserted in State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179
3	(E.D.LA. pending), hereinafter "DWH litigation", to recover economic damages
4	sustained by the state from the Deepwater Horizon explosion and oil spill that
5	occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico.
6	B. Within thirty days of each deposit of the economic damages proceeds
7	from the DWH litigation into the Deepwater Horizon Economic Damages Collection
8	Fund, the treasurer shall make transfers from the fund as follows:
9	(1) Fifty percent of each deposit shall be transferred to the Budget
10	Stabilization Fund until the balance of such fund is equal to the balance as of April
11	<u>20, 2010.</u>
12	(2) Fifty percent of each deposit shall be transferred to the Medicaid Trust
13	Fund for the Elderly until an amount not to exceed seven hundred million dollars has
14	been deposited into such fund.
15	C. This Subpart shall be null, void, and of no effect at the later of the
16	conclusion of the DWH litigation or July 1, 2024.
17	Section 2. R.S. 46:2691(A) is hereby amended and reenacted to read as follows:
18	§2691. Medicaid Trust Fund for the Elderly
19	A. $(1)$ There is hereby established as a permanent trust fund in the state
20	treasury designated the "Medicaid Trust Fund for the Elderly", hereinafter referred
21	to as the "fund". After allocation of money to the Bond Security and Redemption
22	Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the
23	treasurer shall deposit in and credit to the fund the following sources:
24	(a) all All money that is received from any source, including but not limited
25	to an intergovernmental transfer program provided for in this Chapter and all income
26	on investment of monies in the fund.
27	(b) As provided in R.S. 39:91, a portion of the proceeds of the settlement,
28	judgment, or final disposition of the state's economic damages claims asserted in
29	State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179 (E.D.LA.

1	pending) to recover economic damages sustained by the state from the Deepwater
2	Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC
3	252 site in the Gulf of Mexico, not to exceed seven hundred million dollars, except
4	when the terms and conditions stipulated in the settlement or judgment require
5	otherwise. Deposits into the fund from such proceeds received by the state
6	associated with the Deepwater Horizon oil spill shall cease when either of the
7	following occurs:
8	(i) An amount not to exceed seven hundred million dollars has been deposited
9	into the fund.
10	(ii) The full amount of the monies available as provided for in this
11	Subparagraph has been deposited into the fund.
12	(2) Monies in the fund shall be invested by the treasurer in the manner
13	hereinafter provided. All unencumbered and unexpended monies in the fund at the
14	end of the fiscal year shall remain in the fund.
15	(3) Monies in the fund may be used as the source of state matching funds for
16	Medicaid funds to make enhanced payments to local government-owned health care
17	facilities.
18	* * *
19	Section 3. This Act shall become effective on July 1, 2014; if vetoed by the governor
20	and subsequently approved by the legislature, this Act shall become effective on July 1,
21	2014, or on the day following such approval by the legislature, whichever is later.

## 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)]

#### Henry

HB No. 1241

Abstract: Provides for the deposit of settlement proceeds as a result of the Deepwater Horizon oil spill into the Budget Stabilization Fund and the Medicaid Trust Fund for the Elderly.

<u>Present law</u> establishes the Budget Stabilization Fund and the Medicaid Trust Fund for the Elderly and provides for deposits and uses of the fund.

## Page 3 of 4

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

<u>Proposed law</u> creates the Deepwater Horizon Economic Damages Collection Fund and deposits proceeds of the settlement, judgment, or final disposition of the state's economic damages claims asserted in State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179 (E.D.LA. pending), hereinafter "DWH litigation", to recover economic damages sustained by the state from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico into the fund.

<u>Proposed law</u> further provides that within 30 days of each deposit of economic damages proceeds from the DWH litigation into the fund, the treasurer shall make the transfers from the fund as follows:

(1) 50% of the deposits shall be transferred to the Budget Stabilization Fund until the fund reaches the balance of the fund as of April 20, 2010.

(2) 50% of the deposits shall be transferred to the Medicaid Trust Fund for the Elderly until an amount not to exceed \$700 million has been deposited into the fund except when the terms and conditions stipulated in the settlement or judgment require otherwise.

The provisions of <u>proposed law</u> shall be null, void, and of no effect at the later of the conclusion of the DWH litigation or July 1, 2024.

Effective July 1, 2014.

(Amends R.S. 46:2691(A); Adds R.S. 39:91)