

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. 39:94(A) and the introductory paragraph of (B), relative to the
3 deposit of certain funds into the state general fund; to provide for the deposit of
4 certain economic damages payments received by the state pursuant to the settlement
5 of the Deepwater Horizon litigation; to provide for an effective date; and to provide
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:94(A) and the introductory paragraph of (B) are hereby amended
9 and reenacted 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~~ **the**
16 **state general fund** proceeds of the settlement, judgment, or final disposition of the
17 state's economic damages claims asserted in State of Louisiana v. BP Exploration &

1 Production, et al., MDL NO. 2179 (E.D.LA. pending) (hereinafter "DWH litigation")
 2 to recover economic damages sustained by the state from the Deepwater Horizon
 3 explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site
 4 in the Gulf of Mexico, **received on or before June 30, 2017. After allocation to**
 5 **the Bond Security and Redemption Fund as provided in Article VII, Section**
 6 **9(B) of the Constitution of Louisiana, economic damages proceeds received on**
 7 **or after July 1, 2017, shall be deposited by the treasurer in and credited to the**
 8 **Deepwater Horizon Economic Damages Collection Fund.**

9 B. Within thirty days of each receipt **on or after July 1, 2017**, of economic
 10 damages proceeds from the DWH litigation, the treasurer shall make the following
 11 deposits:

12 * * *

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

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 4Original

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 receipts from the DWH litigation received on or before June 30, 2017 are to be deposited into the state general fund. Proposed law retains present law for receipts from the DWH litigation received on or after July 1, 2017.

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

(Amends R.S. 39:94(A) and (B)(intro para))