

2016 Regular Session

SENATE BILL NO. 101

BY SENATOR CLAITOR

FUNDS/FUNDING. Provides for use of the economic damages proceeds received from the settlement of the BP Deepwater litigation. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:91(B) and R.S. 46:2691(A) and the introductory paragraph  
3 of (B)(1), relative to the deposit of certain economic damages payments into the  
4 Deepwater Horizon Economic Damages Collection Fund; to provide for the deposit  
5 of certain economic damages payments into the state general fund; to provide for the  
6 uses of monies in the Medical Trust Fund for the Elderly; to provide for an effective  
7 date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:91(B) is hereby amended and reenacted to read as follows:

10 §91. Deepwater Horizon Economic Damages Collection Fund

11 \* \* \*

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

15 \* \* \*

16 ~~(1) Forty-five percent of each such receipt of economic damages proceeds to~~  
17 ~~the Budget Stabilization Fund until that fund reaches the amount statutorily~~

1 ~~mandated by R.S. 39:94.~~

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

6 (3) ~~Ten percent of each such receipt of economic damages proceeds to the~~  
7 ~~Health Trust Fund provided for in R.S. 46:2731 until an amount not to exceed thirty~~  
8 ~~million dollars has been deposited into such fund~~ **in the state general fund.**

9 \* \* \*

10 Section 2. R.S. 46:2691(A) and the introductory paragraph of (B)(1) are hereby  
11 amended and reenacted to read as follows:

12 §2691. Medicaid Trust Fund for the Elderly

13 A.~~(1)~~ There is hereby established as a permanent trust fund in the state  
14 treasury designated the "Medicaid Trust Fund for the Elderly", hereinafter referred  
15 to as the "fund". After allocation of money to the Bond Security and Redemption  
16 Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the  
17 treasurer shall deposit in and credit to the fund ~~the following sources:~~

18 (a) ~~All~~ **all** money that is received from any source, including but not limited  
19 to an intergovernmental transfer program provided for in this Chapter and all income  
20 on investment of monies in the fund.

21 (b) ~~As provided in R.S. 39:91, a portion of the proceeds of the settlement,~~  
22 ~~judgment, or final disposition of the state's economic damages claims asserted in~~  
23 ~~State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179 (E.D.LA.~~  
24 ~~pending) to recover economic damages sustained by the state from the Deepwater~~  
25 ~~Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC~~  
26 ~~252 site in the Gulf of Mexico, not to exceed seven hundred million dollars, except~~  
27 ~~when the terms and conditions stipulated in the settlement or judgment require~~  
28 ~~otherwise. Deposits into the fund from such proceeds received by the state associated~~  
29 ~~with the Deepwater Horizon oil spill shall cease when either of the following occurs:~~

1 (i) ~~An amount not to exceed seven hundred million dollars has been deposited~~  
2 ~~into the fund.~~

3 (ii) ~~The full amount of the monies available as provided for in this~~  
4 ~~Subparagraph has been deposited into the fund.~~

5 (2) Monies in the fund shall be invested by the treasurer in the manner  
6 hereinafter provided. All unencumbered and unexpended monies in the fund at the  
7 end of the fiscal year shall remain in the fund.

8 (3) Monies in the fund may be used as the source of state matching funds for  
9 Medicaid funds to make enhanced payments to local government-owned health care  
10 facilities.

11 B.(1) ~~After July 1, 2014, the **The** principal in the fund from proceeds~~  
12 ~~received by the state associated with the Deepwater Horizon oil spill or any other~~  
13 ~~source shall not be subject to appropriation unless authorized by a joint resolution~~  
14 ~~approved by two-thirds of the elected members of each house of the legislature~~  
15 ~~**appropriation,** and except to provide for:~~

16 \* \* \*

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

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

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SB 101 Original

DIGEST  
2016 Regular Session

Claitor

Present law provides for the establishment of the Deepwater Horizon Economic Damages Collection Fund and the Fiscal Year 2015-2016 Deficit Elimination Fund. Present law provides that the first two hundred million dollars of the economic damages proceeds shall be deposited into the Fiscal Year 2015-2016 Deficit Elimination Fund with the remainder of the state's settlement of its economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.* (DWH litigation), to be deposited into the Deepwater Horizon Economic Damages Collection Fund and to be transferred by the treasurer, within 30 days of receipt, as follows:

- (1) Forty-five percent to the Budget Stabilization Fund until the fund reaches its statutorily mandated cap.
- (2) Forty-five percent to the Medicaid Trust Fund for the Elderly until \$700 million has been deposited into the fund.
- (3) Ten percent to the Health Trust Fund until \$30 million has been deposited into the fund.

Proposed law deletes the economic damages proceeds allocations to the Budget Stabilization Fund, the Medicaid Trust Fund for the Elderly, and the Health Trust Fund. Proposed law provides that all remaining proceeds of the settlement of the DWH litigation shall be deposited in the state general fund, after the deposit of the first \$200 million into the Fiscal Year 2015-2016 Deficit Elimination Fund.

Proposed law removes provisions in the Medicaid Trust Fund for the Elderly pertaining to proceeds of the DWH litigation settlement.

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

(Amends R.S. 39:91(B), and R.S. 46:2691(A) and (B)(1)(intro para))