

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 272** SLS 16RS 560

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 10, 2016 8:17 AM	Author: DONAHUE
Dept./Agy.: Treasury	Analyst: Matthew LaBruyere
Subject: Economic Damages from Oil Spill Settlement	

FUNDS/FUNDING OR +\$53,333,333 GF RV See Note Page 1 of 1
Provides for the deposit and use of certain proceeds of the Deepwater Horizon economic damages settlement. (gov sig)

Present law established the Deepwater Horizon Economic Damages Collection Fund as a fund in the state treasury for deposits 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 the first \$200 M in receipts from the DWH litigation is deposited into the Fiscal Year 2015-2016 Deficit Elimination Fund. Present law provides that within 30 days of the receipt of economic damages proceeds from the DWH litigation, the treasurer is to deposit funds as follows: 1) 45% of each receipt to the Budget Stabilization Fund until that fund reaches the amount statutorily mandated by existing law; 2) 45% of each receipt to the Medicaid Trust Fund for the Elderly until \$700 M has been deposited into the fund; 3) 10% of each receipt to the Health Trust Fund until \$30 M has been deposited into the fund. Proposed law deletes the allocation to the Budget Stabilization Fund, Medicaid Trust Fund for the Elderly and Health Trust Fund. Proposed law provides that all proceeds in excess of \$200 M be deposited into the state general fund. Effective upon governor's signature.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$53,333,333	\$53,333,333	\$53,333,333	\$159,999,999
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	(\$53,333,333)	(\$53,333,333)	(\$53,333,333)	(\$159,999,999)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation will result in an increase in state general fund revenue and a decrease in statutory dedicated revenue. The legislation removes the provisions to allocate settlement dollars from the economic damages settlement from British Petroleum Deepwater Horizon Oil Spill. The state will receive \$1 B that will be paid over 18 years. The first payment of \$200 M will be received in FY 16 and used to solve the FY 16 mid-year deficit. This would allow the remaining \$800 M to be deposited into the state general fund.

Beginning in FY 19, the state will receive annual payments in the amount of \$53.3 M for the next 15 years. This legislation would deposit \$53.3 M annually into the state general fund. As a result of this, the Budget Stabilization Fund, the Medicaid Trust Fund for the Elderly and the Health Trust Fund would not receive allocations from the \$53.3 M.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Evan Brasseaux

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