SLS 16RS-560 ENGROSSED

2016 Regular Session

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SENATE BILL NO. 272

BY SENATOR DONAHUE

FUNDS/FUNDING. Provides for the deposit and use of certain proceeds of the Deepwater Horizon economic damages settlement. (gov sig)

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 deposi
5	of certain economic damages payments into the state general fund; to provide for the
6	use 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 Defici
14	Elimination Fund shall be deposited by the treasurer as follows: in the state genera
15	<u>fund.</u>
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

mandated by R.S. 39:94.

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

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

* * *

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

§2691. Medicaid Trust Fund for the Elderly

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

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

(b) As provided in R.S. 39:91, a portion of the 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) 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, not to exceed seven hundred million dollars, except when the terms and conditions stipulated in the settlement or judgment require otherwise. Deposits into the fund from such proceeds received by the state associated 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 Subparagraph has been deposited into the fund. 4 (2) Monies in the fund shall be invested by the treasurer in the manner 5 hereinafter provided. All unencumbered and unexpended monies in the fund at the 6 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 approved by two-thirds of the elected members of each house of the legislature and 14 appropriation, except to provide for: 15 16 Section 3. This Act shall become effective upon signature by the governor or, if not 17 signed by the governor, upon expiration of the time for bills to become law without signature 18 19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become 20 21 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 2016 Regular Session

SB 272 Engrossed

Donahue

<u>Present law</u> provides for the establishment of the Deepwater Horizon Economic Damages Collection Fund and the Fiscal Year 2015-2016 Deficit Elimination Fund. <u>Present law</u> 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.

<u>Proposed law</u> deletes the economic damages proceeds allocations to the Budget Stabilization Fund, the Medicaid Trust Fund for the Elderly, and the Health Trust Fund. <u>Proposed law</u> 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.

<u>Proposed law</u> 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 RS 39:91(B), and RS 46:2691(A) and (B)(1)(intro para))