

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 (B)(1)(introductory paragraph) and to enact
3 Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised
4 Statutes of 1950, to be comprised of R.S. 39:91, relative to the deposit of monies
5 received by the state from the Deepwater Horizon oil spill; to establish the
6 Deepwater Horizon Economic Damages Collection Fund; to provide for deposits of
7 monies into the Medicaid Trust Fund for the Elderly; to provide for appropriation of
8 monies from the Medicaid Trust Fund for the Elderly; to provide for an effective
9 date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
12 Louisiana Revised Statutes of 1950, comprised of R.S. 39:91, is hereby enacted to read as
13 follows:

14 SUBPART A. DEEPWATER HORIZON ECONOMIC

15 DAMAGES COLLECTION FUND

16 §91. Deepwater Horizon Economic Damages Collection Fund

17 A. There shall be established in the state treasury as a special permanent trust
18 fund the Deepwater Horizon Economic Damages Collection Fund. After allocation
19 of money to the Bond Security and Redemption Fund as provided in Article VII,

1 Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit
2 to the Deepwater Horizon Economic Damages Collection Fund all proceeds from the
3 settlement, judgment, or final disposition of the state's economic damages claims
4 asserted in State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179
5 (E.D.LA. pending), hereinafter "DWH litigation", to recover economic damages
6 sustained by the state from the Deepwater Horizon explosion and oil spill that
7 occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico.

8 B. Within thirty days of each deposit of the economic damages proceeds
9 from the DWH litigation into the Deepwater Horizon Economic Damages Collection
10 Fund, the treasurer shall make transfers from the fund as follows:

11 (1) Fifty percent of each deposit shall be transferred to the Budget
12 Stabilization Fund until the balance of such fund reaches the amount statutorily
13 mandated by R.S. 39:94.

14 (2) Fifty percent of each deposit shall be transferred to the Medicaid Trust
15 Fund for the Elderly until an amount not to exceed seven hundred million dollars has
16 been deposited into such fund.

17 C. This Subpart shall be null, void, and of no effect at the later of the
18 conclusion of the DWH litigation or July 1, 2024.

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

21 §2691. Medicaid Trust Fund for the Elderly

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

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

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. Provides for legislative approval prior to the appropriation of monies out of the Medicaid Trust Fund for the Elderly.

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

Present law relative to the Budget Stabilization Fund (R.S. 39:94) provides that no appropriation or deposit shall be made into fund if it would cause the balance of the fund to exceed 4% of the total state receipts for the previous fiscal year.

Proposed law 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.

Proposed law 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 amount statutorily mandated in present law.
- (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.

Present law relative to the Medicaid Trust Fund for the Elderly provides that the principal in the fund shall not be subject to appropriation, except to provide for:

- (1) The re-basing of nursing homes in accordance with the approved state Medicaid plan.
- (2) The development and funding of a case mix reimbursement system for the Medicaid nursing home program.
- (3) The payment of all costs of local governments for their participation in the intergovernmental transfer program.
- (4) The enhanced payment to any local government-owned health care facilities or health care programs in amounts as required by written agreements between the secretary and the local governments.

- (5) The reimbursement of the Dept. of Health and Hospitals for costs incurred in preparing the application for and implementing the intergovernmental transfer program.
- (6) The reimbursement of any monies deposited into the fund as a result of over payments of federal funds.

Proposed law retains present law and further provides that, after July 1, 2014, authorization of a joint resolution approved by 2/3 of the elected members of the legislature is required for appropriation of the principal in the fund.

The provisions of proposed law regarding the deposit of economic damage proceeds from the DWH litigation 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) and (B)(1)(intro. para.); Adds R.S. 39:91)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Added provision that after July 1, 2014, authorization of a joint resolution approved by 2/3 of the elected members of the legislature is required for appropriation of the principal in the Medicaid Trust Fund for the Elderly.
2. Changed when the deposits into the Budget Stabilization Fund of the proceeds from the oil spill ceases from when the fund reaches the balance as of April 20, 2010, to when the fund reaches the limit mandated in present law.