

2016 Regular Session

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)

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 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 Deficit  
14 Elimination Fund shall be deposited by the treasurer ~~as follows:~~ **in the state general**  
15 **fund.**

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.~~

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) 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 RS 39:91(B), and RS 46:2691(A) and (B)(1)(intro para))