SLS 14RS-1715 **ORIGINAL**

Regular Session, 2014

1

SENATE BILL NO. 658

BY SENATOR BUFFINGTON

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. (7/1/14)

AN ACT

2	To amend and reenact R.S. 46:2691(A) and to enact Subpart A of Part II-A of Chapter 1 of
3	Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S.
4	39:91, relative to the deposit of monies received by the state from the Deepwater
5	Horizon oil spill; to establish the Deepwater Horizon Economic Damages Collection
6	Fund; to provide for deposits of monies into the Medicaid Trust Fund for the Elderly;
7	to provide for an effective date; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
10	Louisiana Revised Statutes of 1950, comprised of R.S. 39:91, is hereby enacted to read as
11	follows:
12	SUBPART A. DEEPWATER HORIZON ECONOMIC
13	DAMAGES COLLECTION FUND
14	§91. Deepwater Horizon Economic Damages Collection Fund
15	A. There shall be established in the state treasury as a special permanent
16	trust fund, the Deepwater Horizon Economic Damages Collection Fund. After
17	allocation of money to the Bond Security and Redemption Fund as provided in

1	Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall
2	deposit in and credit to the Deepwater Horizon Economic Damages Collection
3	Fund all proceeds from the settlement, judgment, or final disposition of the
4	state's economic damages claims asserted in State of Louisiana v. BP
5	Exploration & Production, et al., MDL NO. 2179 (E.D.LA. pending)
6	(hereinafter "DWH litigation") to recover economic damages sustained by the
7	state from the Deepwater Horizon explosion and oil spill that occurred on or
8	about April 20, 2010, at the MC 252 site in the Gulf of Mexico.
9	B. Within thirty days of each deposit of the economic damages proceeds
10	from the DWH litigation into the Deepwater Horizon Economic Damages
11	Collection Fund, the treasurer shall make transfers from the fund as follows:
12	(1) Fifty percent of each deposit shall be transferred to the Budget
13	Stabilization Fund until the balance of such fund is equal to the balance as of
14	<u>April 20, 2010.</u>
15	(2) Fifty percent of each deposit shall be transferred to the Medicaid
16	Trust Fund for the Elderly until an amount not to exceed seven hundred million
17	dollars has been deposited into such fund.
18	C. This Subpart shall be null, void, and of no effect at the later of the
19	conclusion of the DWH litigation or July 1, 2024.
20	Section 2. R.S. 46:2691(A) is hereby amended 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

on investment of monies in the fund.

29

1	(b) As provided in R.S. 39:91(B)(2), a portion of the proceeds of the
2	settlement, judgment, or final disposition of the state's economic damages
3	claims asserted in State of Louisiana v. BP Exploration & Production, et al.,
4	MDL NO. 2179 (E.D.LA. pending) to recover economic damages sustained by
5	the state from the Deepwater Horizon explosion and oil spill that occurred on
6	or about April 20, 2010, at the MC 252 site in the Gulf of Mexico as provided for
7	in R.S. 39:91, not to exceed seven hundred million dollars, except when the
8	terms and conditions stipulated in the settlement or judgment require
9	otherwise. Deposits into the fund from such proceeds received by the state
10	associated with the Deepwater Horizon oil spill shall cease when either of the
11	following occurs:
12	(i) An amount not to exceed seven hundred million dollars has been
13	deposited into the fund.
14	(ii) The full amount of the monies available as provided for in this
15	Subparagraph has been deposited into the fund.
16	(2) Monies in the fund shall be invested by the treasurer in the manner
17	hereinafter provided. All unencumbered and unexpended monies in the fund at the
18	end of the fiscal year shall remain in the fund.
19	(3) Monies in the fund may be used as the source of state matching funds for
20	Medicaid funds to make enhanced payments to local government-owned health care
21	facilities.
22	* * *
23	Section 3. This Act shall become effective on July 1, 2014; if vetoed by the governor
24	and subsequently approved by the legislature, this Act shall become effective on July 1,
25	2014, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

Buffington (SB 658)

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

<u>Proposed law</u> 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.

<u>Proposed law</u> further provides that within thirty 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 balance of the fund as of April 20, 2010.
- (2) 50% of the deposits shall be transferred to the Medicaid Trust Fund for the Elderly until an amount not to exceed seven hundred million dollars has been deposited into the fund.

The provisions of <u>proposed law</u> relative to the Deepwater Horizon Economic Damages Collection Fund shall be null, void, and of no effect at the later of the conclusion of the DWH litigation or July 1, 2024.

<u>Proposed law</u> provides that a portion of the monies received by the state from the settlement, judgment, or final disposition of the state's economic damages claims asserted in State of Louisiana v. BP Exploration & Production, et al. associated with the Deepwater Horizon oil spill as provided for in <u>proposed law</u>, not to exceed \$700 million, shall be deposited into the Medicaid Trust Fund for the Elderly, except when the terms and conditions stipulated in the settlement or judgment require otherwise.

Effective July 1, 2014.

(Amends R.S. 46:2691(A); adds R.S. 39:91)