

Regular Session, 2014

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)

1 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 April 20, 2010.

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) ~~at~~ 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.

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)

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

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 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 proposed law 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.

Proposed law 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 proposed law, 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)