

2019 Regular Session

HOUSE BILL NO. 578

BY REPRESENTATIVES MAGEE, AMEDEE, CHAD BROWN, DAVIS, EDMONDS,  
GISCLAIR, JAMES, RICHARD, AND ZERINGUE AND SENATORS CHABERT,  
WARD, AND WHITE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING: Dedicates the economic proceeds from the Deepwater Horizon litigation to transportation projects and redirects funding to the Construction Subfund of the Transportation Trust Fund

1 AN ACT

2 To amend and reenact R.S. 39:91(B)(1) and (2) and (C)(2)(a) and to repeal R.S. 39:91(B)(3)  
3 and (4) and (C)(2)(b), and R.S. 46:2691(A)(1)(b); relative to the Deepwater Horizon  
4 Economic Damages Collection Fund; to dedicate payments from the litigation to the  
5 Construction Subfund of the Transportation Trust Fund for transportation projects;  
6 to authorize the proceeds from the Deepwater Horizon litigation to fund certain  
7 transportation projects; to provide for certain restrictions; to provide for an effective  
8 date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:91(B)(1) and (2) and (C)(2)(a) are hereby amended and reenacted  
11 to read as follows:

12 §91. Deepwater Horizon Economic Damages Collection Fund

13 \* \* \*

14 B. All economic damages proceeds from the DWH litigation in excess of the  
15 first two hundred million dollars deposited in the Fiscal Year 2015-2016 Deficit  
16 Elimination Fund shall be deposited by the treasurer as follows:

17 (1) ~~Notwithstanding any provision of law to the contrary including the~~  
18 ~~provisions of Paragraphs (2), (3), and (4) of this Subsection, and Subsection C of this~~



1        ~~Section 5(D)(4) of the Constitution of Louisiana. The board may also distribute such~~  
 2        ~~appropriations to independent institutions for higher learning in accordance with R.S.~~  
 3        ~~17:2053. The payment dollars pursuant to the provisions of this Section shall not be~~  
 4        ~~used by the Department of Transportation and Development for any project that is~~  
 5        ~~to be funded through Grant Anticipation Revenue Vehicle (GARVEE) bonds.~~

\* \* \*

7        Section 2. Notwithstanding Section 12 of Act No. 612 of the 2018 Regular Session  
 8        of the Legislature, R.S. 39:91(B)(4) as amended by that Act, shall not become effective.

9        Section 3. R.S. 39:91(B)(3) and (4) and (C)(2)(b), and R.S. 46:2691(A)(1)(b) are  
 10       hereby repealed in their entirety.

11       Section 4. This Act shall become effective upon signature by the governor or, if not  
 12       signed by the governor, upon expiration of the time for bills to become law without signature  
 13       by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 14       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 15       effective on the day following such approval.

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)]

HB 578 Original

2019 Regular Session

Magee

**Abstract:** Dedicates the economic proceeds from the Deepwater Horizon litigation to transportation projects and redirects funding to the Construction Subfund of the Transportation Trust Fund

Present law requires the annual payment of \$53,333,333 from the Deepwater Horizon litigation to be deposited into state general fund for Fiscal Year 2018-2019. Proposed law retains present law.

Present law creates the Deepwater Horizon Economic Damages Collection Fund, and requires all economic damages from the Deepwater Horizon litigation, in excess of the first \$200 million deposited into the FY 15-16 Deficit Elimination Fund, to be deposited into the Economic Damages Collection Fund and then deposited as follows:

- (1) 45% to the Budget Stabilization Fund.
- (2) 45% to the Trust Fund for the Elderly.
- (3) 10% to the Health Trust Fund.

Proposed law repeals present law. For Fiscal Years 2020-2026, proposed law requires \$50 million of the annual payments of \$53,333,333 from the Deepwater Horizon litigation to be used as follows:

- (1) For Fiscal Years 2020-2026, \$25 million per year shall fund phase 2 of the LA 1 Improvement Project between Golden Meadow, LA and Leeville, LA.
- (2) For Fiscal Years 2020-2025, \$25 million per year shall fund the planning and construction of the LA 415 Bridge at the Intracoastal Canal.

Proposed law requires the remainder of the economic damages from the Deepwater Horizon litigation to be deposited into the Construction Subfund of the Transportation Trust Fund to be utilized as follows:

- (1) 50% shall be dedicated to preservation, bridges, and safety projects.
- (2) 50% shall be dedicated to capacity projects as specified in the Louisiana Statewide Transportation Plan.

Proposed law prohibits the use of any of the economic proceeds from the Deepwater Horizon litigation by the Dept. of Transportation and Development for any project that is funded through GARVEE bonds.

Present law (§12 of Act No. 612 of 2018 R.S.) directs the balance of economic damages proceeds to the state general fund beginning on July 1, 2020. Proposed law repeals present law.

Present law requires all unspent monies in the fund to remain in the fund at the end of the year. The monies shall be invested by the state treasurer in the same manner as the monies in the state general fund and the interest earned on the investment of monies in the fund shall be credited to the fund. Proposed law retains present law.

Present law limits appropriations from the fund to annual interest earnings and to be made to the Board of Regents for distribution to state public postsecondary education institutions. Additionally, allows appropriations to be distributed to independent institutions of higher learning. Also requires that appropriations to the Board of Regents from the fund shall not displace, replace, or supplant funding for higher education. Proposed law repeals present law.

Present law establishes the economic damages from the Deepwater Horizon litigation to be a source of funding for the Medicaid Trust Fund for the Elderly. Proposed law repeals present law.

(Amends R.S. 39:91(B)(1) and (2) and (C)(2)(a); Repeals R.S. 39:91(B)(3) and (4) and (C)(2)(b), and R.S. 46:2691(A)(1)(b))