

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 22** SLS 19RS 135
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: May 6, 2019 4:24 PM	Author: JOHNS
Dept./Agy.: DOTD and State Treasurer	Analyst: Alan M. Boxberger
Subject: Dedicates litigation funds and creates a statutory dedication	

FUNDS/FUNDING EG SEE FISC NOTE SD EX See Note Page 1 of 1

Dedicates funds from litigation filed by the state to recover damages caused by an ethylene dichloride (EDC) spill in the Calcasieu River in Lake Charles. (gov siq)

Proposed law creates the Calcasieu Parish Bridge Fund as a special fund in the treasury; provides that after allocation of money to the bond security and redemption fund BSRF, the treasurer shall deposit in and credit to the fund the proceeds received by the state of Louisiana from the settlement, judgment, or final disposition of the litigation filed by the state or DOTD against Conoco, Phillips 66, or ConocoPhillips to recover damages; provides that all unexpended and unencumbered monies in the fund shall remain in the fund at the end of each fiscal year; provides that subject to legislative appropriation, monies in the fund shall be used solely for the planning and construction of a new I-10 Calcasieu River Bridge in Lake Charles; and provides that **proposed law** is effective upon signature of the governor or lapse of time for gubernatorial action.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will result in the deposit of specific potential funds into the new statutorily dedicated Calcasieu Parish Bridge Fund and specifies allowable uses. **Proposed law** creates the Calcasieu Parish Bridge Fund as a special fund in the treasury and provides for deposit of the proceeds received from litigation filed against Conoco, Phillips 66, or ConocoPhillips to recover damages.

Proposed law will restrict any proceeds from the aforementioned litigation to be used solely for the planning and construction of a new I-10 Calcasieu River Bridge in Lake Charles. DOTD reports that current estimated planning and construction costs for a new bridge range between \$550 M and \$610 M, depending on design and construction alternatives under consideration. DOTD reports that its litigation experts estimate the extra cost to build a span across and over the underground contamination is approximately \$286 M and DOTD filed suit in 2008 to recover the extra cost. The litigation has been suspended and inactive pending completion of the normal project development process, including an Environmental Impact Statement based on several alternatives. The anticipated timeframe for completion of the project development process and Environmental Impact Statement is estimated around Winter of 2020 or Spring of 2021. Once a settlement or judgment is reached, the proceeds would flow into the newly created Calcasieu Parish Bridge Fund.

DOTD is unable to estimate the time that funds may remain in the statutory dedication before the department is able to proceed with construction of the new bridge. The project is currently designated Priority A of the Highway Priority Program, but no decision has been reached with regard to funding the full project. The total funds necessary to construct the new bridge and the funding source(s) to be used are still unknown. Funds deposited into the Calcasieu Parish Bridge Fund would supplement normal highway funds or reduce necessary tolls should the state utilize a public private partnership to fund construction.

Creating a new statutory dedication (Calcasieu Parish Bridge Fund) within the state treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 399 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates a personal services expenditure increase of approximately \$71,000 for 1 T.O. position plus approximately \$2,500 for a one-time purchase of office equipment. These expenditures are assumed to be SGF.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Proposed law will result in the deposit of specific potential funds resultant from litigation between the state or DOTD against Conoco, Phillips 66, or ConocoPhillips into the new statutorily dedicated Calcasieu Parish Bridge Fund. The amount and timing of such funds is unknown but resolution of the litigation may occur as early as Winter 2020 or Spring 2021.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>Dual Referral Rules</u></p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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