

GREEN SHEET REDIGEST

HB 578

2019 Regular Session

Magee

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

DIGEST

Present law requires the annual payment of \$53,333,333 from the Deepwater Horizon litigation to be deposited into the 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 Deepwater Horizon 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 requires, for Fiscal Year 2019-2020 only, that the proceeds from the Deepwater Horizon Economic Damages Collection Fund to go to the Budget Stabilization Fund, the Trust Fund for the Elderly, and the Health Trust Fund.

For Fiscal Years 2021-2034, proposed law requires, after paying of amounts due on bonds and related expenses, the state treasurer to immediately transfer the balance of the annual payments of \$53,333,333 from the Deepwater Horizon litigation to the Construction Subfund of the Transportation Trust Fund. The economic damage proceeds and the bonds shall be issued, after paying the costs associated with the issuance of the bonds, solely and exclusively for the following projects and in the following amounts:

- (a) For Fiscal Years 2021-2026, \$25,000,000 per year for Phase Two of the LA 1 Improvement Project between Golden Meadow, La. and Leeville, La. \$150,000,000
- (b) LA 415 Bridge at the Intracoastal Canal \$125,000,000
- (c) I-49 South \$150,000,000
- (d) LA. Highway 3241 from I-12 to Bush, La. \$50,000,000
- (e) Additional two lanes for the Jimmy Davis Bridge (LA 511) and Repair of the Existing Bridge \$100,000,000
- (f) Acquisition of a New Cameron Parish Ferry \$20,000,000
- (g) On-System Bridge Program for the replacement and rehabilitation program for highway bridges on any federal-aid system over waterways, other topographical barriers, other highways, and railroads \$40,000,000
- (h) Sugarhouse Road Extension/Eddie Williams Boulevard to LA 43 Highway 1, Phase I and II \$19,000,000

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| (i) | Acquisition of Two Cranes for the Port of
New Orleans | \$20,000,000 |
| (j) | Hooper Road Widening from LA 3034 to LA 37 | \$15,000,000 |

Proposed law authorizes the State Bond Commission to securitize the remaining proceeds from the Deepwater Horizon, and provides that the proceeds of the bonds, after paying the costs of issuance, shall be used solely on the listed projects.

Proposed law provides relative to the issuance of the bonds, the procedure to contest the validity of the issuance of the bonds, the rights of bondholders, authorizes the issuance of refunding bonds, and other procedures and details relative to the issuance of the bonds. Provides that the bonds will not be full faith and credit debt of the state.

Proposed law provides that payments into the Budget Stabilization Fund shall be fulfilled first from surplus revenues from the prior fiscal year, secondly, after fulfilling the requirements of R.S. 39:100.61 from excess revenues of the current fiscal year, or by an appropriation from the state general fund.

Proposed law provides that the dollar value listed, plus an amount equal to ten percent, together with other requirements including but not limited to costs of issuance, capitalized interest, if any, credit enhancement and related costs, is the maximum amount that may be financed for each of the following projects.

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 repeals 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.

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

Present law sunsets at the later of the conclusion of the DWH litigation or July 1, 2024. Proposed law repeals present law.

(Amends R.S. 39:91(B)(2), (3), and (4) and (C)(2); Adds R.S. 39:91(B)(5); Repeals R.S. 46:2691(A)(1)(b))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the fiscal years of the annual payments from the Deepwater Horizon

Economic Damages Collection Fund for the phase 2 of the LA 1 Improvement Project between Golden Meadow, LA and Leeville, LA from 2020-2026 to 2021-2026.

2. Change the fiscal years of the annual payments from the Deepwater Horizon Economic Damages Collection Fund for the planning and construction of the LA 415 Bridge at the Intracoastal Canal from 2020-2025 to 2021-2025.

The House Floor Amendments to the engrossed bill:

1. Require the proceeds from the Deepwater Horizon litigation to go to the Budget Stabilization Fund, the Trust Fund for the Elderly, and the Health Trust Fund only for Fiscal Year 2019-2020.
2. Require the remaining settlement proceeds from the Deepwater Horizon litigation to be divided equally among each of the Dept. of Transportation and Development highway districts.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Beginning FY 2021-2034, requires the remaining proceeds from the Deepwater Horizon litigation to be used solely on listed projects.
2. Repeals sunset provision of present law and repeals payments to the Health Trust Fund beginning in FY 21.
3. Authorizes the State Bond Commission to securitize the remaining proceeds from the Deepwater Horizon and provides relative to the bonds.
4. Provides that the proceeds of the bonds, after paying the costs of issuance, shall be used solely on the listed projects.
5. Provides relative to the issuance of the bonds, the procedure to contest the validity of the issuance of the bonds, the rights of bondholders, authorizes the issuance of refunding bonds, and other procedures and details relative to the issuance of the bonds.
6. Provides that the bonds will not be full faith and credit debt of the state.
7. Provides that payments into the Budget Stabilization Fund shall be fulfilled first from surplus revenues from the prior fiscal year, secondly, after fulfilling the requirements of R.S. 39:100.61 from excess revenues of the current fiscal year, or by an appropriation from the state general fund.