

Regular Session, 2014

HOUSE BILL NO. 1026

BY REPRESENTATIVE FANNIN

FUNDS/FUNDING: Provides for the transfer and deposit of monies among state funds

1 AN ACT

2 To amend and reenact R.S. 39:94(A)(3) and (C)(4)(b) and R.S. 47:1676(E) and to enact  
3 Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised  
4 Statutes of 1950, to be comprised of R.S. 39:91, relative to special treasury funds;  
5 to provide for the transfer, dedication, use, and appropriations as specified of certain  
6 treasury funds; to provide for the deposit of certain funds into the state treasury; to  
7 provide for deposits into the Budget Stabilization Fund; to establish the Deepwater  
8 Horizon Economic Damages Collection Fund; to establish the Debt Recovery Fund;  
9 to provide for effective dates; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:94(A)(3) and (C)(4)(b) are hereby amended and reenacted and  
12 Subpart A of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised  
13 Statutes of 1950, comprised of R.S. 39:91, is hereby enacted to read as follows:

14 SUBPART A. DEEPWATER HORIZON ECONOMIC DAMAGES COLLECTION  
15 FUND

16 §91. Deepwater Horizon Economic Damages Collection Fund

17 A. There shall be established in the state treasury as a special permanent trust  
18 fund named the Deepwater Horizon Economic Damages Collection Fund. After  
19 allocation of money to the Bond Security and Redemption Fund as provided in  
20 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit

1       in and credit to the Deepwater Horizon Economic Damages Collection Fund  
2       proceeds of the settlement, judgment, or final disposition of the state's economic  
3       damages claims asserted in State of Louisiana v. BP Exploration & Production, et  
4       al., MDL NO. 2179 (E.D.LA. pending) (hereinafter "DWH litigation") to recover  
5       economic damages sustained by the state from the Deepwater Horizon explosion and  
6       oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of  
7       Mexico.

8               B. Within thirty days of each receipt of economic damages proceeds from  
9       the DWH litigation, the treasurer shall transfer up to fifty percent of each such  
10       receipt of economic damages proceeds to the Budget Stabilization Fund until that  
11       fund reaches the amount statutorily mandated by R.S. 39:94.

12               C. This Subpart shall be null, void, and of no effect at the later of the  
13       conclusion of the DWH litigation or July 1, 2024.

14   \*       \*       \*

15       §94. Budget Stabilization Fund

16               A. There is hereby created in the state treasury a special fund to be  
17       designated as the Budget Stabilization Fund, hereafter referred to in this Section as  
18       the "fund", which shall consist of all money deposited into the fund in accordance  
19       with Article VII, Section 10.3 of the Constitution of Louisiana. Money shall be  
20       deposited in the fund as follows:

21   \*       \*       \*

22               (3) ~~Twenty-five~~ The greater of twenty-five million dollars from any source,  
23       or twenty-five percent of any money designated in the official forecast as  
24       nonrecurring as provided in Article VII, Section 10(D)(2) of the Constitution of  
25       Louisiana, shall annually be deposited in and credited to the fund.

26   \*       \*       \*

27               C. The money in the fund shall not be available for appropriation except  
28       under the following conditions:

29   \*       \*       \*

1 (4)

2 \* \* \*

3 (b) Notwithstanding any provision of this Section to the contrary, except  
4 pursuant to a specific appropriation by the legislature or the annual deposit required  
5 by Paragraph (A)(3) of this Section, no appropriation or deposit to the fund shall be  
6 made in the same fiscal year as an appropriation, use or withdrawal is made from the  
7 fund or until such time as the official forecast exceeds the actual collections of state  
8 general fund (direct) revenue for Fiscal Year 2008. The provisions of this  
9 Subparagraph shall be null, void, and of no effect on July 1, ~~2015~~2017.

10 Section 2. R.S. 47:1676(E) is hereby amended and reenacted to read as follows:

11 §1676. Debt recovery

12 \* \* \*

13 E.(1) The office shall charge the debtor a fee not to exceed twenty-five  
14 percent of the total liability of debt which has become final after the initial effective  
15 date of this Section. The amount of the fee shall be established by rule promulgated  
16 by the department and shall be uniformly applied to all debts. Fees collected under  
17 this Subsection shall be retained by the office after the debt is collected and shall be  
18 divided in accordance with an agreement between the office and the office of the  
19 attorney general after payment of costs set forth in the agreement. Monies collected  
20 by the office pursuant to the provisions of this Section shall be transferred to the  
21 ~~referring agency within thirty days after the end of the month in which the monies~~  
22 ~~were collected~~ Debt Recovery Fund and shall be used by ~~such~~ the referring agency  
23 as they would have been had they been timely collected. However, any monies  
24 collected for delinquent debt as a result of nonpayment of tax liabilities pursuant to  
25 Title 47 of the Louisiana Revised Statutes of 1950, as amended, after deposit into the  
26 state general fund, the first five million dollars shall be appropriated by the  
27 legislature beginning in Fiscal Year 2013-2014, and for four consecutive fiscal years  
28 thereafter, to the office of state police for a training academy class.



1 (9) Two Million Six Hundred Eighty-One Thousand Seven Hundred Twenty-Nine  
2 Dollars from the Hazardous Waste Site Cleanup Fund.

3 (10) Two Hundred Sixty-Seven Thousand Nine Hundred Dollars from the Health  
4 Care Facility Fund.

5 (11) Seventeen Thousand Three Hundred Twenty-Nine Dollars from the Louisiana  
6 Interoperability Communications Fund.

7 (12) Four Hundred Ninety-Six Dollars from the Louisiana Help Our Wildlife Fund.

8 (13) Twenty-Four Thousand Sixty-Four Dollars from the Marketing Fund.

9 (14) One Hundred Eighty-Seven Dollars from the Medical and Allied Health  
10 Professional Education Scholarship and Loan Fund.

11 (15) Four Hundred Nine Thousand One Hundred Forty-Four Dollars from the Small  
12 Business Surety Bonding Fund.

13 (16) One Million Five Hundred Forty-Four Thousand Forty-Six Dollars from the  
14 Two Percent Fire Insurance Fund.

15 (17) One Hundred Eleven Dollars from the UNO Slidell Technology Park Fund.

16 (18) Nineteen Thousand Eight Hundred Ninety-Two Dollars from the Variable  
17 Earnings Transaction Fund.

18 (B) Notwithstanding any provision of law to the contrary, the Louisiana Housing  
19 Finance Agency or its successor is hereby authorized and directed to deposit into the state  
20 treasury the unrestricted or unencumbered fund assets of Twenty-Seven Million Dollars. The  
21 state treasurer is hereby authorized and directed to transfer the funds to the Overcollections  
22 Fund as nonrecurring revenues.

23 (C) Notwithstanding any provision of the law to the contrary, the state treasurer is  
24 hereby authorized and directed to transfer Thirty-Two Million Five Hundred Thousand  
25 Dollars from the Self-Insurance Fund to the Overcollections Fund.

26 (D) Notwithstanding any provision of law to the contrary, the state treasurer is  
27 hereby authorized and directed to transfer Thirty-Six Million Dollars from Fees and Self-  
28 Generated Revenues by the division of administration to the Overcollections Fund.

1 (E) Notwithstanding any provision of law to the contrary, the Louisiana Property  
2 Assistance Agency is hereby authorized and directed to deposit into the state treasury the  
3 unrestricted or unencumbered balance of Three Million Seven Hundred Thousand Dollars.  
4 The state treasurer is hereby authorized and directed to transfer the funds to the  
5 Overcollections Fund.

6 (F) Notwithstanding any provision of law to the contrary, the Office of Aircraft  
7 Services is hereby authorized and directed to deposit into the state treasury the unrestricted  
8 or unencumbered balance of Two Hundred Fifty Thousand Dollars. The state treasurer is  
9 hereby authorized and directed to transfer the funds to the Overcollections Fund.

10 (G) Notwithstanding any laws to the contrary, the treasurer is hereby authorized and  
11 directed to transfer to the Overcollections Fund interest amounts from the recoupment of  
12 underground storage tank payments.

13 (H) Notwithstanding any provision of law to the contrary, the state treasurer shall  
14 transfer to the Overcollections Fund all cash balances from unexpended and unencumbered  
15 state general fund appropriations which are subject to remission to the state treasury under  
16 the provisions of R.S. 39:82 and 352 at the end of Fiscal Year 2013-2014.

17 Section 4. The state treasurer is authorized and directed to transfer the nonrecurring  
18 revenues within the Overcollections Fund in the following order:

19 (1) The amount appropriated out of the Overcollections Fund out of nonrecurring  
20 revenues for the supplemental payment of debt defeasance, not to exceed Thirty-Seven  
21 Million Two Thousand One Hundred Twenty-Four Dollars (\$37,002,124).

22 (2) Second, the treasurer shall transfer the amount appropriated out of the  
23 Overcollections Fund out of nonrecurring revenues for the supplemental payment of the  
24 unfunded accrued liability of the Louisiana State Employees' Retirement System and the  
25 Teachers' Retirement System of Louisiana, not to exceed Six Million Dollars (\$6,000,000).

26 (3) Third, the treasurer shall transfer the next Twenty-Five Million Dollars  
27 (\$25,000,000) to the Budget Stabilization Fund.

1           (4) Five percent of any remaining nonrecurring revenues within the Overcollections  
2 Fund shall be available for appropriation to the unfunded accrued liability of the Louisiana  
3 State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

4           Section 5. Notwithstanding any provision of the law to the contrary, the state  
5 treasurer is hereby authorized and directed to transfer Forty-Four Million Four Hundred  
6 Thousand Dollars of Fees and Self-Generated Revenues collected by the Department of  
7 Revenue to the 2013 Amnesty Collections Fund.

8           Section 6. Notwithstanding any provision of law to the contrary, the state treasurer  
9 shall not include unexpended and unencumbered monies in the Rapid Response Fund at the  
10 end of the 2013-2014 Fiscal Year in the determination of the unencumbered balance of the  
11 fund for purposes of determining the amount to be deposited into the fund at the beginning  
12 of the fiscal year pursuant to R.S. 51:2361(A)(2).

13           Section 7.(A) Notwithstanding any provision of law to the contrary, the state  
14 hospitals, or its successor state agencies, are hereby authorized and directed to deposit into  
15 the state general fund all receipts of lease payments for the lease of state hospital buildings  
16 and equipment as recognized by the Revenue Estimating Conference.

17           (B) After satisfying the requirements of the Bond Security and Redemption Fund  
18 as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer  
19 is hereby authorized and directed to transfer all loan payments received from political  
20 subdivisions, under Section 7 of Act No. 41 of the 2006 First Extraordinary Session of the  
21 Legislature, to the state general fund as recognized by the Revenue Estimating Conference.

22           (C) After satisfying the requirements of the Bond Security and Redemption Fund  
23 as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the state treasurer  
24 is hereby authorized and directed to transfer to the state general fund all LA1 toll receipts  
25 received in reimbursement of the LA1 loan payment as recognized by the Revenue  
26 Estimating Conference.

27           Section 8.(A) Notwithstanding any laws to the contrary, the treasurer is hereby  
28 authorized and directed to transfer to the Overcollections Fund the amount of nonrecurring

1 revenues from increased net state tax receipts realized from the implementation of additional  
2 fraud initiatives.

3 (B) Notwithstanding any provision of law to the contrary, the treasurer is hereby  
4 authorized and directed to transfer to the Overcollections Fund the amount of nonrecurring  
5 state funds identified by the Department of Revenue as collected from debt recovery efforts  
6 of the office of debt recovery established in Act No. 399 of the 2013 Regular Session of the  
7 Legislature.

8 Section 9. Sections 3, 4, 5, 9, and 10 of this Act shall become effective upon  
9 signature of the governor, or if not signed by the governor, upon expiration of the time for  
10 bills to become law without signature by the governor, as provided by Article III, Section  
11 18 of the Constitution of Louisiana.

12 Section 10. Sections 1, 2, and 6 through 8 of this Act shall become effective on July  
13 1, 2014.

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#### 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)]

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Fannin

HB No. 1026

**Abstract:** Provides for the transfer and deposit of monies among state funds.

#### **DEEPWATER HORIZON ECONOMIC DAMAGES COLLECTION FUND (EFFECTIVE JULY 1, 2014)**

Proposed law establishes the Deepwater Horizon Economic Damages Collection Fund as a special permanent trust fund in the state treasury for deposits of the proceeds of the settlement of the state's economic damages lawsuit to recover economic damages sustained from the Deepwater Horizon explosion and oil spill (DWH litigation) into the fund.

Within 30 days of the receipt of economic damages proceeds from the DWH litigation, proposed law requires the treasurer to transfer up to 50% of each such receipt to the Budget Stabilization Fund until that fund reaches the amount statutorily mandated by present law (4% of the previous fiscal year's state revenue receipts).

Proposed law shall be null, void, and of no effect at the later of the conclusion of the DWH litigation or July 1, 2024.

#### **BUDGET STABILIZATION FUND (EFFECTIVE JULY 1, 2014)**

Present law provides for the deposit of monies into the Budget Stabilization Fund. Requires 25% of nonrecurring money to be deposited into the fund.

Proposed law retains present law and requires that at least \$25 million from any source be annually deposited or appropriated into the fund.

Present law prohibits appropriations or deposits into the Budget Stabilization Fund except pursuant to specific legislative appropriation in the same fiscal year in which funds are used, appropriated, or withdrawn until the official forecast reaches the FY 2008 forecast. Present law becomes null, void, and of no effect on July 1, 2015.

Proposed law excepts the annual deposit of at least \$25 million from the prohibition in present law. Changes the date that present law is nullified from July 1, 2015, to July 1, 2017.

**DEBT RECOVERY FUND (EFFECTIVE JULY 1, 2014)**

Present law requires monies collected by the office of debt recovery to be transferred to the state agency which referred the delinquent debt to the office for collection within 30 days of collection. Further requires the monies to be used by the referring agency as if the monies had been timely collected.

Proposed law deletes present law and instead provides for the deposit of monies from the collection of delinquent debt be deposited into the Debt Recovery Fund. After satisfying all warrants drawn upon the fund for the return of nonstate monies, unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund unless appropriated.

**OVERCOLLECTIONS FUND**

Effective upon signature of the governor, authorizes the following to be deposited into the Overcollections Fund:

<b>Amount</b>	<b>Source</b>
\$ 777,318	Community Water Enrichment Fund
\$ 90,375	Dept. of Justice Debt Collection Fund
\$ 191,558	Dept. of Justice Legal Support Fund
\$ 238	Dept. of Health and Hospitals' Facility Support Fund
\$ 1,773	DNA Testing Post-Conviction Relief for Indigents Fund
\$ 3,850,189	Employment Security Administration Account
\$ 35,375	FEMA Reimbursement Fund
\$ 679	Fish and Wildlife Violations Reward Fund
\$ 2,681,729	Hazardous Waste Site Cleanup Fund
\$ 267,900	Health Care Facility Fund
\$ 17,329	La. Interoperability Communications Fund
\$ 496	La. Help Our Wildlife Fund
\$ 24,064	Marketing Fund
\$ 187	Medical and Allied Health Professional Education Scholarship and Loan Fund
\$ 409,144	Small Business Surety Bonding Fund
\$ 1,544,046	Two Percent Fire Insurance Fund
\$ 111	UNO Slidell Technology Park
\$ 19,892	Variable Earnings Transaction Fund
\$ 27,000,000	La. Housing Finance Agency or its successor from unrestricted or unencumbered fund assets - nonrecurring
\$ 32,500,000	Self-Insurance Fund
\$ 36,000,000	Fees & Self-Generated Revenues by the division of administration
\$ 3,700,000	La. Property Assistance Agency
\$ 250,000	Office of Aircraft Services

Unspecified	Interest amounts from the recoupment of underground storage tank payments
Unspecified	Cash balances subject to remission at the end of FY 2013-2014

Effective upon governor's signature, determines the order in which the state treasurer shall transfer nonrecurring revenues into the Overcollections Fund and directs the treasurer to transfer certain funds as follows:

- (1) The amount appropriated out of the fund from nonrecurring revenues for debt defeasance, not to exceed \$37,002,124.
- (2) The amount appropriated out of the fund from nonrecurring revenues for unfunded accrued liability (UAL) payments to the La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL), not to exceed \$6,000,000.
- (3) \$25,000,000 transferred to the Budget Stabilization Fund.
- (4) 5% of any remaining nonrecurring revenues shall be available for appropriation to the UAL of LASERS and TRSL.

Effective July 1, 2014, authorizes and directs the state treasurer to transfer the following into the Overcollections Fund:

<b>Amount</b>	<b>Source</b>
Unspecified	Nonrecurring revenue from increased net state tax receipts realized from the implementation of additional fraud initiatives.
Unspecified	The amount of nonrecurring state funds identified by the Dept. of Revenue as collected from debt recovery efforts of the office of debt recovery.

**2013 AMNESTY COLLECTIONS FUND  
(EFFECTIVE ON GOV'S SIGNATURE)**

Effective upon signature of the governor, transfers \$44,400,000 of Fees and Self-Generated Revenues collected by the Dept. of Revenue to the 2013 Amnesty Collections Fund.

**RAPID RESPONSE FUND (EFFECTIVE JULY 1, 2014)**

Effective July 1, 2014, provides that the state treasurer shall not include unexpended and unencumbered monies in the Rapid Response Fund at the end of FY 2013-2014 in the determination of the unencumbered balance of the fund for purposes of determining the amount to be deposited into the fund at the beginning of the fiscal year pursuant to R.S. 51:2361(A)(2).

**STATE GENERAL FUND (EFFECTIVE JULY 1, 2014)**

Effective July 1, 2014, authorizes the following to be deposited into the state general fund:

- (1) All receipts of lease payments for the lease of state hospital buildings and equipment as determined by the Revenue Estimating Conference (REC).
- (2) GO Zone Bond Payments, as recognized by the REC.

- (3) LA1 toll receipts received in reimbursement of the LA1 loan payment as recognized by the REC.

(Amends R.S. 39:94(A)(3) and (C)(4)(b) and R.S. 47:1676(E); Adds R.S. 39:91)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Reduced the amount of the transfer out of the Employment Security Administration Account into the Overcollections Fund.
2. Deleted the transfer of nonrecurring revenues out of the Overcollections Fund into the Coastal Protection and Restoration Fund and the transfer of recurring revenues out of the Coastal Protection and Restoration Fund into the Overcollections Fund.
3. Deleted the transfer of nonrecurring revenues from the Ernest N. Morial N.O. Exhibition Hall Authority to the Overcollections Fund.
4. Modified the description of the order of transferring nonrecurring revenues out of the Overcollections Fund.