

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 812 HLS 12RS 433

Bill Text Version: REENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: May 28, 2012 5:31 PM, Author: CHAMPAGNE. Row 2: Dept./Agy.: Office of Coastal Protection and Restoration, Analyst: Evelyn McWilliams. Subject: Const. Amend. dedicating Deepwater Horizon monies.

FUNDS/FUNDING RE SEE FISC NOTE SD RV See Note Page 1 of 2
(Constitutional Amendment) Requires that any monies received by the state from lawsuits arising from the Deepwater Horizon oil spill shall be deposited into the Coastal Protection and Restoration Fund
Provides for a constitutional amendment to be submitted to voters at the November 6, 2012 election that requires any state monies received from violations of the Federal Water Pollution Control Act, the Louisiana Environmental Quality Act, and the Louisiana Water Control Law associated with the Deepwater Horizon oil spill be deposited into the Coastal Protection and Restoration Fund for integrated coastal protection efforts, including coastal restoration, hurricane protection and improving the resiliency of the Louisiana coastal area affected by the Deepwater Horizon oil spill. The enabling legislation is HB 838 of the 2012 Regular Legislative Session.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed bill provides for a constitutional amendment to be submitted to voters at the November 6, 2012 election that requires any state monies received from violations of the Federal Water Pollution Control Act, the Louisiana Environmental Quality Act, and the Louisiana Water Control Law associated with the Deepwater Horizon oil spill be deposited into the Coastal Protection and Restoration Fund. The November 6, 2012 election is a statewide election, when all precincts in the state are scheduled to be opened. The costs for the November 6th election, as well as the statewide election scheduled in December 2012, are included in the FY 13 recommended budget. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION
The proposed legislation will have an indeterminable impact on state revenues. The Legislative Fiscal Office (LFO) cannot anticipate the amount of revenue the state may receive from violations of the Federal Water Pollution Control Act, the Louisiana Environmental Quality Act, and the Louisiana Water Control Law associated with the Deepwater Horizon oil spill.

The Federal Clean Water Act allows the Environmental Protection Agency to collect \$1,100 per barrel of oil spilled, or \$4,300 per barrel if there is a finding of gross negligence, from any party found responsible for an oil spill in federal waters. Based on the estimated 4.9 million barrels of oil spilled in the Gulf of Mexico, British Petroleum (BP) could face fines between \$5.4 billion and \$21.1 billion. Under current federal law, this money would go to the federal Treasury to be spent for purposes unaffiliated with the spill. The federal RESTORE Act would dedicate 80% of BP penalties paid under the federal Clean Water Act to Gulf coast states to restore coastal ecosystems and rebuild local economies damaged by the 2010 Deepwater Horizon Oil Spill. Thirty-five percent of the 80% is to be divided equally among five Gulf Coast states for expenditure by the state and must be spent in the coastal zone or land, water, or watersheds within 25 miles of the coastal zone.

CONTINUED ON PAGE TWO

Table with 2 rows and 2 columns. Row 1: Senate Dual Referral Rules House, 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}, 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}. Row 2: 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}, 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}. Signature of Evan Brasseaux, Staff Director.



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CONTINUED EXPLANATION from page one:

Page 2 of 2

Revenue Explanation ctd:  
The proposed legislation also redirects any future proceeds from penalties paid under the state Environmental Quality Act, and the Louisiana Water Control Law associated with the Deepwater Horizon oil spill be deposited into the Coastal Protection and Restoration Fund. Under current law, this money would have been deposited into the Department of Environmental Quality’s Hazardous Waste Site Cleanup Fund until the fund’s balance reaches \$6 million. Once the balance in the Hazardous Waste Fund reaches \$6 million, the proceeds would then be deposited into the Environmental Trust Fund. The attorney general reports the state will soon receive \$6.75 million in settlement proceeds from the Deepwater Horizon litigation. Most of the \$6.75 million would likely be deposited into the Environmental Trust Fund, since the balance in the Hazardous Waste Site Fund is already close to \$6 million.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
- ☐ 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*

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Dual Referral Rules

House

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☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**