

2017 Regular Session

HOUSE BILL NO. 618

BY REPRESENTATIVE GAROFALO

COASTAL RESOURCES: Authorizes the Coastal Protection and Restoration Financing Corporation to finance payments from the RESTORE Act and Natural Resources Damages Act

1 AN ACT

2 To amend and reenact R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(introductory

3 paragraph) and (1), 99.38(A), (B), and (C), 99.41, 99.42, and 99.44 and to enact R.S.

4 39:99.27(19) through (28), relative to the Louisiana Coastal Protection and

5 Restoration Financing Corporation; to authorize the financing, purchasing, owning,

6 and managing payments from the Deepwater Horizon natural resource damage act

7 and the Resources and Ecosystems Sustainability, Tourist Opportunities, and

8 Revived Economies of the Gulf Coast States Act; to provide for terms and conditions

9 associated with the financing, purchasing, owning, and managing; to direct the

10 Louisiana State Law Institute to redesignate section numbers; and to provide for

11 related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(introductory paragraph)

14 and (1), 99.38(A), (B), and (C), 99.41, 99.42, and 99.44 are hereby amended and reenacted

15 and R.S. 39:99.27(19) through (28) are hereby enacted to read as follows:

16 §99.27. Definitions

17 As used in this Subpart:

18 (1) "Agreement" means the agreement or agreements, as authorized under

19 this Subpart, between the state of Louisiana, as the seller, and the corporation, as the

1 purchaser, of the ~~offshore royalty~~ revenue assets. The sale by the state of the
2 ~~offshore royalty~~ revenue assets pursuant to any such agreement shall be a true sale
3 and absolute transfer and not a borrowing, nor a pledge or other security interest for
4 any borrowing.

5 * * *

6 (4) "Bonds" means ~~Offshore Royalty Revenue~~ bonds and refunding bonds,
7 notes, and other evidences of indebtedness issued by the corporation pursuant to this
8 Subpart.

9 (5) "Closing date" means the date of delivery of the first issue of ~~Offshore~~
10 ~~Royalty Revenue~~ bonds.

11 * * *

12 (10) "Income" means the ~~Offshore Royalty Revenue~~ payments and all fees,
13 charges, payments, and other income and receipts paid or payable to the corporation
14 or a trustee or other party for the account of the corporation or the holders.

15 * * *

16 (18) "State allocation" means all monies to be received by the state of
17 Louisiana as a result of the Gulf of Mexico Energy Security Act of 2006, the
18 Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived
19 Economies of the Gulf Coast States Act as provided in the consent decree, or the
20 Deepwater Horizon (DWH) natural resource damages as provided in the consent
21 decree including all of the state of Louisiana's allocable share as determined
22 thereunder, without giving effect to any sale of any portion thereof.

23 (19) "Consent decree" means the settlement agreement and related documents
24 between the state of Louisiana and other gulf coast states, the United States, and BP
25 Exploration & Production Inc. (BPXP) including the consent decree among
26 defendant BPXP, the United States of America, and the states of Alabama, Florida,
27 Louisiana, Mississippi, and Texas and final judgment approving the consent decree
28 entered in the case "In re: Oil Spill by the Oil Rig 'Deepwater Horizon' in the Gulf

1 of Mexico, on April 20, 2010," bearing MDL No. 2179 of the docket of the United
2 States District Court for the Eastern District of Louisiana.

3 (20) "DWH NRD assets" means all rights, title, and interest in and to the
4 portion of the state allocation of DWH natural resource damages as set forth in the
5 consent decree that may be sold to the corporation from time to time.

6 (21) "DWH NRD bonds" means the bonds, notes, and other obligations
7 issued by the corporation, exclusive of bonds that the corporation may issue to
8 refund bonds, the net proceeds, after financing costs, of the first issue of which shall
9 be used by the corporation to pay a portion of the purchase price to the state of
10 Louisiana to purchase the DWH NRD assets.

11 (22) "DWH NRD payments" means the monies paid or payable for natural
12 resource damages, pursuant to the consent decree, to the corporation and the
13 agreement as in effect from time to time.

14 (23) "DWH NRD revenue" means all monies constituting the state of
15 Louisiana's allocable share of natural resource damages pursuant to the consent
16 decree.

17 (24) "RESTORE Act" means the Resources and Ecosystems Sustainability,
18 Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012.

19 (25) "RESTORE assets" means all rights, title, and interest in and to the
20 portion of the state allocation of civil penalties related to the Deepwater Horizon oil
21 spill as set forth in the RESTORE Act and the consent decree.

22 (26) "RESTORE bonds" means the bonds, notes, and other obligations issued
23 by the corporation, exclusive of bonds that the corporation may issue to refund
24 bonds, the net proceeds, after financing costs, of the first issue of which shall be used
25 by the corporation to pay a portion of the purchase price to the state of Louisiana to
26 purchase the RESTORE assets.

27 (27) "RESTORE payments" means the monies paid or payable for civil
28 penalties, pursuant to the RESTORE Act and the consent decree, to the corporation,
29 and the agreement as in effect from time to time.

1 (28) "RESTORE revenue" means all monies constituting the state of
2 Louisiana's allocable share of civil penalties related to the Deepwater Horizon oil
3 spill as set forth in the RESTORE Act and the consent decree.

4 * * *

5 §99.30. Purposes and powers

6 A. The corporation's purposes are, and it shall have the authority and powers,
7 to carry out the financing, purchasing, owning, and managing of the Offshore
8 Royalty Revenues and the Offshore Royalty Revenue Assets, the DWH NRD
9 revenues and the DWH NRD assets, and the RESTORE revenues and the RESTORE
10 assets, the corporation being vested, subject to R.S. 39:99.34 and the other provisions
11 hereof, with all the powers of a private corporation to effectuate the purposes of the
12 corporation including, without limitation, the power to sue and be sued, to make
13 contracts, to adopt and use a corporate seal and to alter same, and is further
14 particularly authorized and empowered to:

15 (1) Purchase the Offshore Royalty Revenue Assets, the DWH NRD assets,
16 and the RESTORE assets, and receive, or authorize the indenture trustee to receive,
17 as the same shall become due, the Offshore Royalty Revenue, the DWH NRD
18 revenues and the DWH NRD, and the RESTORE payments.

19 * * *

20 §99.38. Issuance of offshore royalty revenue bonds of the corporation

21 A. In order to provide current assets and funds for the Coastal Protection and
22 Restoration Fund pursuant to this Subpart for the benefit of the state, the board is
23 hereby authorized and empowered to provide by resolution, at one time or from time
24 to time, for the issuance of offshore royalty revenue bonds of the corporation in such
25 amount or amounts as the board shall determine, subject to the approval of the State
26 Bond Commission and the Joint Legislative Committee on the Budget. Such bonds
27 shall be payable solely from funds of the corporation, including, without limitation,
28 all or any combination of the following sources: (i) Offshore Royalty Revenue
29 assets, (ii) the proceeds of the sales of any such bonds, (iii) earnings on funds of the

1 corporation or the indenture trustee, (iv) income, and (v) such other funds as may
2 become available, as shall be provided by the resolution of the board authorizing any
3 such bonds. ~~Bonds~~ Offshore royalty revenue bonds issued under the provisions of
4 this Subpart shall not be deemed to nor constitute a debt or obligation of the state of
5 Louisiana or a pledge of the full faith or credit of the state, and all bonds shall
6 contain on the face thereof a statement to the effect that neither the full faith and
7 credit nor the taxing power nor any other asset or revenues of the state or any
8 political subdivision thereof is or shall be obligated or pledged to the payment of the
9 principal of or the interest on such bonds.

10 B. The offshore royalty revenue bonds of each issue shall be dated, shall
11 bear interest, which may be includable or excludable in the gross income of the
12 holder for federal income tax purposes, at such fixed or variable rates, payable at or
13 prior to maturity, and shall mature at such time or times, as may be determined by
14 the board and may be redeemable before maturity, at the option of the corporation,
15 at such price or prices and under such terms and conditions as may be fixed by the
16 board, subject to approval of the State Bond Commission and the Joint Legislative
17 Committee on the Budget. The board shall determine the form of the bonds,
18 including any interest coupons to be attached thereon, and the manner of execution
19 of the bonds and shall fix the denomination or denominations of the bonds and the
20 place or places of payment of principal and interest thereof, which may be at any
21 bank or trust company within or without the state. The bonds may be issued in
22 coupon or in registered form or both, as the board may determine, and provisions
23 may be made for the registration of any coupon bonds as to principal alone and as
24 to both principal and interest and for the reconversion of any bonds registered as to
25 both principal and interest into coupon bonds. The board may sell such bonds in
26 such manner, either at public or at private sale, and for such price as it may
27 determine to be in the best interests of the corporation, subject to approval of the
28 State Bond Commission and the Joint Legislative Committee on the Budget. The
29 proceeds of such bonds shall be disbursed for the purposes for which such bonds

1 were issued under such restrictions, if any, as the laws of the state of Louisiana and
 2 the resolution authorizing the issuance of such bond or the trust indenture may
 3 provide. The corporation may also provide for temporary bonds and for the
 4 replacement of any bond that shall become mutilated or shall be destroyed or lost.
 5 Such bonds may be issued without any other proceedings or the happening of any
 6 other conditions or things than the proceedings, conditions and things that are
 7 specified and required by this Subpart.

8 C. ~~Bonds~~ Offshore royalty revenue bonds of the corporation shall not be
 9 invalid because of any irregularity or defect in the proceedings or in the issuance and
 10 sale thereof and shall be incontestable in the hands of a bona fide purchaser or
 11 holder. The corporation, after authorizing the issuance of bonds by resolution, shall
 12 publish once in a newspaper of general circulation in the parish in which the
 13 corporation is domiciled, a notice of intention to issue the bonds. The notice shall
 14 include a description of the bonds and the security therefor. Within thirty days after
 15 the publication, any person in interest may contest the legality of the resolution, any
 16 provisions of the bonds to be issued pursuant to it, the provisions securing the bonds,
 17 and the validity of all other provisions and proceedings relating to the authorization
 18 and issuance of the bonds. If no action or proceeding is instituted within the thirty
 19 days, no person may contest the validity of the bonds, the provisions of the resolution
 20 pursuant to which the bonds were issued, the security of the bonds, or the validity of
 21 any other provisions or proceedings relating to their authorization and issuance, and
 22 the bonds shall be presumed conclusively to be legal. Thereafter no court shall have
 23 authority to inquire into such matters.

24 * * *

25 §99.41. ~~Bonds exempt from taxation~~ DWH NRD revenue

26 ~~The bonds, their transfer and the income therefrom, including any profit~~
 27 ~~made on the sale thereof, shall at all times be free and exempt from taxation by the~~
 28 ~~state of Louisiana and by any other political subdivision of the state.~~

1 A. Sale of DWH NRD assets

2 (1) The State Bond Commission, subject to approval of the Joint Legislative
3 Committee on the Budget and subject to approval by a majority vote of the
4 legislature if the legislature is in session and by mail ballot if during the interim, is
5 authorized to sell and convey to the corporation, from time to time, a portion of the
6 state allocation, up to one hundred percent thereof from and after such date, and, in
7 particular, to execute and deliver an agreement on the closing date. The agreement
8 shall provide, among other matters, that the purchase price payable by the
9 corporation to the state for the DWH NRD assets sold, up to one hundred percent of
10 the state allocation from and after such date, shall consist of the net proceeds, after
11 financing costs, of the first issue of DWH NRD bonds and the residual interests to
12 be paid and transferred semiannually pursuant to the provisions of this Subpart.

13 (2) Any sale of DWH NRD assets hereunder shall be treated as a true sale
14 and absolute conveyance and transfer of the property, and all of the rights, title, and
15 interest in and to such property, so conveyed and transferred, and not as a pledge or
16 any other security interest or lien for borrowing. The characterization of such a sale
17 as an absolute transfer by the parties and herein shall not be negated or adversely
18 affected if less than all of the state allocation is conveyed and transferred, nor by the
19 state's acquisition of residual interests or a subordinate interest in the DWH NRD
20 assets, nor by any characterization of the corporation or its bonds for purposes of
21 accounting, taxation, or securities regulation, nor by any other factor whatsoever.

22 B. Ownership of DWH NRD assets and DWH NRD payments

23 On and after the effective date of each sale of DWH NRD assets, the state of
24 Louisiana shall have no right, title, or interest in or to the DWH NRD assets sold and
25 conveyed; and the DWH NRD payments shall be property of the corporation and not
26 of the state, and shall be owned, received, held, and disbursed by the corporation or
27 the indenture trustee and not the state or the state treasury. On or before the closing
28 date and the effective date of any subsequent sale, the state, through the attorney
29 general, shall notify the necessary parties as provided for in the consent decree that

1 the DWH NRD assets have been sold and conveyed to the corporation, irrevocably
2 instruct such necessary parties as provided for in the consent decree that, subsequent
3 to the closing date or other effective date, the DWH NRD payments are to be paid
4 directly to the corporation or to the indenture trustee or other designee for the
5 account of the corporation, and take such other actions necessary and appropriate to
6 effectuate such notice and instruction.

7 C. Issuance of DWH NRD bonds of the corporation

8 (1)(a) In order to provide current assets and funds for the Coastal Protection
9 and Restoration Fund pursuant to this Subpart for the benefit of the state, the board
10 is hereby authorized and empowered to provide by resolution, at one time or from
11 time to time, for the issuance of DWH NRD bonds of the corporation in such amount
12 or amounts as the board shall determine, subject to the approval of the State Bond
13 Commission and the Joint Legislative Committee on the Budget.

14 (b) Such bonds shall be payable solely from funds of the corporation,
15 including, without limitation, all or any combination of the following sources:

16 (i) DWH NRD assets.

17 (ii) The proceeds of the sales of any such bonds.

18 (iii) Earnings on funds of the corporation or the indenture trustee.

19 (iv) Income.

20 (v) Such other funds as may become available, as shall be provided by the
21 resolution of the board authorizing any such bonds.

22 (c) DWH NRD bonds issued under the provisions of this Subpart shall not
23 be deemed to nor constitute a debt or obligation of the state of Louisiana or a pledge
24 of the full faith or credit of the state, and all bonds shall contain on the face thereof
25 a statement to the effect that neither the full faith and credit nor the taxing power nor
26 any other asset or revenues of the state or any political subdivision thereof is or shall
27 be obligated or pledged to the payment of the principal of or the interest on such
28 bonds.

1 (2) The DWH NRD bonds of each issue shall be dated, shall bear interest,
2 which may be includable or excludable in the gross income of the holder for federal
3 income tax purposes, at such fixed or variable rates, payable at or prior to maturity,
4 and shall mature at such time or times, as may be determined by the board and may
5 be redeemable before maturity, at the option of the corporation, at such price or
6 prices and under such terms and conditions as may be fixed by the board, subject to
7 approval of the State Bond Commission and the Joint Legislative Committee on the
8 Budget. The board shall determine the form of the bonds, including any interest
9 coupons to be attached thereon, and the manner of execution of the bonds and shall
10 fix the denomination or denominations of the bonds and the place or places of
11 payment of principal and interest thereof, which may be at any bank or trust
12 company within or without the state. The bonds may be issued in coupon or in
13 registered form, or both, as the board may determine, and provisions may be made
14 for the registration of any coupon bonds as to principal alone and as to both principal
15 and interest and for the reconversion of any bonds registered as to both principal and
16 interest into coupon bonds. The board may sell such bonds in such manner, either at
17 public or at private sale, and for such price as it may determine to be in the best
18 interests of the corporation, subject to approval of the State Bond Commission and
19 the Joint Legislative Committee on the Budget. The proceeds of such bonds shall be
20 disbursed for the purposes for which such bonds were issued under such restrictions,
21 if any, as the laws of the state of Louisiana, any applicable federal laws, and the
22 resolution authorizing the issuance of such bond or the trust indenture may provide.
23 The corporation may also provide for temporary bonds and for the replacement of
24 any bond that shall become mutilated or shall be destroyed or lost. Such bonds may
25 be issued without any other proceedings or the happening of any other conditions or
26 things than the proceedings, conditions, and things that are specified and required by
27 this Subpart.

28 (3) DWH NRD bonds of the corporation shall not be invalid because of any
29 irregularity or defect in the proceedings or in the issuance and sale thereof and shall

1 be incontestable in the hands of a bona fide purchaser or holder. The corporation,
2 after authorizing the issuance of bonds by resolution, shall publish once in a
3 newspaper of general circulation in the parish in which the corporation is domiciled,
4 a notice of intention to issue the bonds. The notice shall include a description of the
5 bonds and the security therefor. Within thirty days after the publication, any person
6 in interest may contest the legality of the resolution, any provisions of the bonds to
7 be issued pursuant to it, the provisions securing the bonds, and the validity of all
8 other provisions and proceedings relating to the authorization and issuance of the
9 bonds. If no action or proceeding is instituted within the thirty days, no person may
10 contest the validity of the bonds, the provisions of the resolution pursuant to which
11 the bonds were issued, the security of the bonds, or the validity of any other
12 provisions or proceedings relating to their authorization and issuance, and the bonds
13 shall be presumed conclusively to be legal. Thereafter no court shall have authority
14 to inquire into such matters.

15 (4) Neither the members of the board, its staff, nor any other person or
16 persons executing the bonds shall be subject to any personal liability or
17 responsibility by reason of the issuance thereof, and shall have the indemnification
18 rights provided in R.S. 13:5108.1 with respect to such issuance.

19 D. Pledge and agreement

20 The state covenants and agrees with the corporation, and the holders of the
21 bonds in which the corporation has included such pledge and agreement, that the
22 state will do the following:

23 (1) Irrevocably direct the necessary parties as provided for in the consent
24 decree to transfer all conveyed DWH NRD payments directly to the corporation or
25 its assignee.

26 (2) Enforce the corporation's rights to receive the DWH NRD payments to
27 the full extent permitted by the law.

28 (3) Not amend the state law in any manner that would materially impair the
29 rights of the holders.

1 (4) Not limit or alter the rights of the corporation to fulfill the terms of its
2 agreements with such holders.

3 (5) Not in any way impair the rights and remedies of such holders or the
4 security for such bonds until such bonds, together with the interest thereon and all
5 costs and expenses in connection with any action or proceeding by or on behalf of
6 such holders, are fully paid and discharged.

7 ~~§99.42. Bond and other proceeds received by the state~~ RESTORE revenue

8 ~~All proceeds and monies received by the state, whether received as purchase~~
9 ~~price for Offshore Royalty Revenue assets sold or as the residual interests or in any~~
10 ~~other way pursuant to this Subpart, shall be deposited in and credited to the Coastal~~
11 ~~Protection and Restoration Fund.~~

12 A. Sale of RESTORE assets

13 (1) The State Bond Commission, subject to approval of the Joint Legislative
14 Committee on the Budget and subject to approval by a majority vote of the
15 legislature if the legislature is in session and by mail ballot during the interim, is
16 authorized to sell and convey to the corporation, from time to time, a portion of the
17 state allocation, up to one hundred percent thereof from and after such date, and, in
18 particular, to execute and deliver an agreement on the closing date. The agreement
19 shall provide, among other matters, that the purchase price payable by the
20 corporation to the state for the RESTORE assets sold, up to one hundred percent of
21 the state allocation from and after such date, shall consist of the net proceeds, after
22 financing costs, of the first issue of RESTORE bonds and the residual interests to be
23 paid and transferred semiannually pursuant to the provisions of this Subpart.

24 (2) Any sale of RESTORE assets hereunder shall be treated as a true sale and
25 absolute conveyance and transfer of the property, and all of the rights, title, and
26 interest in and to such property, so conveyed and transferred, and not as a pledge or
27 any other security interest or lien for borrowing. The characterization of such a sale
28 as an absolute transfer by the parties and herein shall not be negated or adversely
29 affected if less than all of the state allocation is conveyed and transferred, nor by the

1 state's acquisition of residual interests or a subordinate interest in the RESTORE
2 assets, nor by any characterization of the corporation or its bonds for purposes of
3 accounting, taxation, or securities regulation, nor by any other factor whatsoever.

4 B. Ownership of RESTORE assets and RESTORE payments

5 On and after the effective date of each sale of RESTORE assets, the state of
6 Louisiana shall have no right, title, or interest in or to the RESTORE assets sold and
7 conveyed; and, subject to compliance with the RESTORE Act and other applicable
8 state or federal laws, the RESTORE payments shall be property of the corporation
9 and not of the state, and shall be owned, received, held, and disbursed by the
10 corporation or the indenture trustee and not the state or the state treasury. On or
11 before the closing date and the effective date of any subsequent sale, the state,
12 through the attorney general, shall notify the necessary parties as provided for in the
13 consent decree that the RESTORE assets have been sold and conveyed to the
14 corporation, irrevocably instruct such necessary parties as provided for in the consent
15 decree that, subsequent to the closing date or other effective date and in compliance
16 with the RESTORE Act and other applicable state or federal laws, the RESTORE
17 payments are to be paid directly to the corporation or to the indenture trustee or other
18 designee for the account of the corporation or as authorized by the RESTORE Act
19 and any agreement reached by the state and the corporation to ensure such
20 compliance, and take such other actions necessary and appropriate to effectuate such
21 notice and instruction.

22 C. Issuance of RESTORE bonds of the corporation

23 (1)(a) In order to provide current assets and funds for the Coastal Protection
24 and Restoration Fund pursuant to this Subpart for the benefit of the state, the board
25 is hereby authorized and empowered to provide by resolution, at one time or from
26 time to time, for the issuance of RESTORE bonds of the corporation in such amount
27 or amounts as the board shall determine, subject to the approval of the State Bond
28 Commission and the Joint Legislative Committee on the Budget. Such bonds shall

1 be payable solely from funds of the corporation, including, without limitation, all or
2 any combination of the following sources:

3 (i) RESTORE assets.

4 (ii) Proceeds of the sales of any such bonds.

5 (iii) Earnings on funds of the corporation or the indenture trustee.

6 (iv) Income.

7 (v) Such other funds as may become available, as shall be provided by the
8 resolution of the board authorizing any such bonds.

9 (b) Bonds issued under the provisions of this Subpart shall not be deemed
10 to nor constitute a debt or obligation of the state of Louisiana or a pledge of the full
11 faith or credit of the state, and all bonds shall contain on the face thereof a statement
12 to the effect that neither the full faith and credit nor the taxing power nor any other
13 asset or revenues of the state or any political subdivision thereof is or shall be
14 obligated or pledged to the payment of the principal of or the interest on such bonds.

15 (2) The RESTORE bonds of each issue shall be dated, shall bear interest,
16 which may be includable or excludable in the gross income of the holder for federal
17 income tax purposes, at such fixed or variable rates, payable at or prior to maturity,
18 and shall mature at such time or times, as may be determined by the board and may
19 be redeemable before maturity, at the option of the corporation, at such price or
20 prices and under such terms and conditions as may be fixed by the board, subject to
21 approval of the State Bond Commission and the Joint Legislative Committee on the
22 Budget. The board shall determine the form of the bonds, including any interest
23 coupons to be attached thereon, and the manner of execution of the bonds and shall
24 fix the denomination or denominations of the bonds and the place or places of
25 payment of principal and interest thereof, which may be at any bank or trust
26 company within or without the state. The bonds may be issued in coupon or in
27 registered form or both, as the board may determine, and provisions may be made
28 for the registration of any coupon bonds as to principal alone and as to both principal
29 and interest and for the reconversion of any bonds registered as to both principal and

1 interest into coupon bonds. The board may sell such bonds in such manner, either at
2 public or at private sale, and for such price as it may determine to be in the best
3 interests of the corporation, subject to approval of the State Bond Commission and
4 the Joint Legislative Committee on the Budget. The proceeds of such bonds shall be
5 disbursed for the purposes for which such bonds were issued under such restrictions,
6 if any, as the laws of the state of Louisiana, any applicable federal laws, and the
7 resolution authorizing the issuance of such bond or the trust indenture may provide.
8 The corporation may also provide for temporary bonds and for the replacement of
9 any bond that shall become mutilated or shall be destroyed or lost. Such bonds may
10 be issued without any other proceedings or the happening of any other conditions or
11 things than the proceedings, conditions and things that are specified and required by
12 this Subpart.

13 (3) RESTORE bonds of the corporation shall not be invalid because of any
14 irregularity or defect in the proceedings or in the issuance and sale thereof and shall
15 be incontestable in the hands of a bona fide purchaser or holder. The corporation,
16 after authorizing the issuance of bonds by resolution, shall publish once in a
17 newspaper of general circulation in the parish in which the corporation is domiciled,
18 a notice of intention to issue the bonds. The notice shall include a description of the
19 bonds and the security therefor. Within thirty days after the publication, any person
20 in interest may contest the legality of the resolution, any provisions of the bonds to
21 be issued pursuant to it, the provisions securing the bonds, and the validity of all
22 other provisions and proceedings relating to the authorization and issuance of the
23 bonds. If no action or proceeding is instituted within the thirty days, no person may
24 contest the validity of the bonds, the provisions of the resolution pursuant to which
25 the bonds were issued, the security of the bonds, or the validity of any other
26 provisions or proceedings relating to their authorization and issuance, and the bonds
27 shall be presumed conclusively to be legal. Thereafter no court shall have authority
28 to inquire into such matters.

1 (4) Neither the members of the board, its staff, nor any other person or
2 persons executing the bonds shall be subject to any personal liability or
3 responsibility by reason of the issuance thereof, and shall have the indemnification
4 rights provided in R.S. 13:5108.1 with respect to such issuance.

5 D. Pledge and agreement

6 The state covenants and agrees with the corporation, and the holders of the
7 bonds in which the corporation has included such pledge and agreement, that the
8 state will do the following:

9 (1) Irrevocably direct the necessary parties as provided for in the RESTORE
10 Act and the consent decree to transfer all conveyed RESTORE payments directly to
11 the corporation or its assignee.

12 (2) Enforce the corporation's rights to receive the RESTORE payments to the
13 full extent permitted by the law.

14 (3) Not amend the state law in any manner that would materially impair the
15 rights of the holders.

16 (4) Not limit or alter the rights of the corporation to fulfill the terms of its
17 agreements with such holders.

18 (5) Not in any way impair the rights and remedies of such holders or the
19 security for such bonds until such bonds, together with the interest thereon and all
20 costs and expenses in connection with any action or proceeding by or on behalf of
21 such holders, are fully paid and discharged.

22 ~~§99.41.~~ §99.43. Bonds exempt from taxation

23 The bonds, their transfer and the income therefrom, including any profit
24 made on the sale thereof, shall at all times be free and exempt from taxation by the
25 state of Louisiana and by any other political subdivision of the state.

26 ~~§99.42~~ §99.44 Bond and other proceeds received by the state

27 All proceeds and monies received by the state, whether received as purchase
28 price for ~~Offshore Royalty Revenue~~ assets sold or as the residual interests or in any

1 other way pursuant to this Subpart, shall be deposited in and credited to the Coastal
 2 Protection and Restoration Fund.

3 Section 2. The Louisiana State Law Institute is hereby authorized and directed to
 4 redesignate the existing R.S. 39:99.43 and 99.44 as R.S. 39:99.45 and 99.46.

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 618 Reengrossed

2017 Regular Session

Garofalo

Abstract: Authorizes the Coastal Protection and Restoration Financing Corporation to issue bonds with revenues from the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE) and the Deepwater Horizon natural resources damages (DWH NRD).

Present law generally authorizes the Coastal Protection and Restoration Financing Corporation to carry out financing, purchasing, owning, and managing Offshore Royalty Revenues and Offshore Royalty Revenue Assets received under the Gulf of Mexico Energy Security Act (GOMESA).

Proposed law would allow the same for assets and revenues received under the Deepwater Horizon natural resources damage (DWH NRD) consent decree and the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE).

For assets and revenues from NRDA and RESTORE, in accordance with the requirements of the RESTORE Act and other applicable state and federal law, proposed law authorizes the State Bond Commission, subject to approval from the Joint Legislative Committee on the Budget and a majority of each house of the legislature, to sell to the Coastal Protection and Restoration Financing Corp. allocation received by the state from those two settlements. Authorizes the corporation to use the assets received from the sale to support the sale of bonds, either RESTORE bonds or DWH NRD bonds.

Proposed law authorizes the corporation to issue revenue bonds backed by the RESTORE assets or the DWH NRD assets. Provides for the procedures that are to be followed for each, including approval by the State Bond Commission and the Joint Legislative Committee on the Budget. Requires that the proceeds of the sale of the bonds be used for the purposes for which the bonds were issued. Specifies that the bonds are bonds of the corporation and are in no way backed by the full faith and credit of the state.

Proposed law requires that all proceeds and monies received by the state, whether through purchase of assets, as residual interests, or any other way be deposited to the Coastal Protection and Restoration Fund.

(Amends R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(intro. para.) and (1), 99.38(A), (B), and (C), and 99.41, 99.42, and 99.44; Adds R.S. 39:99.27(19)-(28))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Specify that activities concerning the sale of assets and transfer of payments be made in accordance with the requirements of the RESTORE Act and other applicable state and federal law.