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				Proposed Amo	1.:	
N AN AN LOUGH AND AN				Sub. Bill For	r.:	
Date: May	-	6:41 AM			Author: GAROFA	ALO
Dept./Agy.: Coa						
Subject: Aut	horizes CPRA to f	inance RESTORE a	nd NRDA payment	s P	Analyst: Willis Br	rewer
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## **EXPENDITURE EXPLANATION**

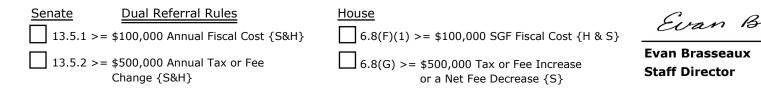
The proposed law may result in an indeterminable cost to Coastal Protection and Restoration Authority (CPRA). The proposed law authorizes the Coastal Protection and Restoration Financing Corporation to issues bonds secured by the revenue from the Deepwater Horizon natural resources damage (NRDA) consent decree (settlement funds) and the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE).

To the extent authorized bonds are sold, the Coastal Protection and Restoration Authority (CPRA) would incur administrative and transactional costs associated with the sale of those bonds which will depend on the number of bonds sold, the dollar amount, bond type, market costs, brokerage fees, interest owed to bondholders, and other associated costs/fees. Any costs cannot be financed with the settlement funds or RESTORE Act funds; therefore, any of these associated costs will have to be paid out of CPRA's operating budget from the Coastal Protection and Restoration Fund (statutory dedication). These expenses will only arise in the event the bonds are sold and cannot be determined at this time.

## **REVENUE EXPLANATION**

The proposed law authorizes the Coastal Protection and Restoration Financing Corporation to issues bonds secured by the revenue from the Deepwater Horizon natural resources damage (NRDA) consent decree (settlement funds) and the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE). Both the NRDA settlement funds and the federal RESTORE Act funds are payable to the Coastal Protection and Restoration Authority (CRPA) in annual payments over the next fifteen years. Bond sales would accelerate the availability of those receipts, but at a cost, and the cumulative total in bond sales shall not exceed the expected gross revenues for the fifteen year period. Any interest owed to the bondholder will be paid via CPRA using its own funds (Coastal Restoration and Protection Fund).

The Coastal Protection and Restoration Financing Corporation is currently authorized to carry out the financing, purchasing, owning, and managing Offshore Royalty Revenues and Offshore Royalty Revenue Assets received under the Gulf of Mexico Energy Security Act (GOMESA). According to CPRA, the CPR Financing Corporation has not sold any bonds using GOMESA funds.



Ein Brasseaux