

ACT No. 357

2017 Regular Session

HOUSE BILL NO. 618

BY REPRESENTATIVE GAROFALO

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AN ACT

To amend and reenact R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(introductory paragraph) and (1), 99.38(A), (B), and (C), 99.41, and 99.42 and to enact R.S. 39:99.27(19) through (28), 99.43, and 99.44, relative to the Louisiana Coastal Protection and Restoration Financing Corporation; to authorize the financing, purchasing, owning, and managing payments from the Deepwater Horizon natural resource damage act and the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act; to provide for terms and conditions associated with the financing, purchasing, owning, and managing; to direct the Louisiana State Law Institute to redesignate section numbers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(introductory paragraph) and (1), 99.38(A), (B), and (C), 99.41, and 99.42 are hereby amended and reenacted and R.S. 39:99.27(19) through (28), 99.43, and 99.44 are hereby enacted to read as follows:

§99.27. Definitions

As used in this Subpart:

(1) "Agreement" means the agreement or agreements, as authorized under this Subpart, between the state of Louisiana, as the seller, and the corporation, as the purchaser, of the ~~offshore royalty~~ revenue assets. The sale by the state of the ~~offshore royalty~~ revenue assets pursuant to any such agreement shall be a true sale and absolute transfer and not a borrowing, nor a pledge or other security interest for any borrowing.

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

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

6 * * *

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

10 * * *

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

18 (19) "Consent decree" means the settlement agreement and related
 19 documents between the state of Louisiana and other gulf coast states, the United
 20 States, and BP Exploration & Production Inc. (BPXP) including the consent decree
 21 among defendant BPXP, the United States of America, and the states of Alabama,
 22 Florida, Louisiana, Mississippi, and Texas and final judgment approving the consent
 23 decree entered in the case "In re: Oil Spill by the Oil Rig 'Deepwater Horizon' in the
 24 Gulf of Mexico, on April 20, 2010," bearing MDL No. 2179 of the docket of the
 25 United States District Court for the Eastern District of Louisiana.

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

29 (21) "DWH NRD bonds" means the bonds, notes, and other obligations
 30 issued by the corporation, exclusive of bonds that the corporation may issue to

1 refund bonds, the net proceeds, after financing costs, of the first issue of which shall
2 be used by the corporation to pay a portion of the purchase price to the state of
3 Louisiana to purchase the DWH NRD assets.

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

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

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

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

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

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

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

26 * * *

27 §99.30. Purposes and powers

28 A. The corporation's purposes are, and it shall have the authority and powers,
29 to carry out the financing, purchasing, owning, and managing of the Offshore
30 Royalty Revenues and the Offshore Royalty Revenue Assets, the DWH NRD

1 revenues and the DWH NRD assets, and the RESTORE revenues and the RESTORE
 2 assets, the corporation being vested, subject to R.S. 39:99.34 and the other provisions
 3 hereof, with all the powers of a private corporation to effectuate the purposes of the
 4 corporation including, without limitation, the power to sue and be sued, to make
 5 contracts, to adopt and use a corporate seal and to alter same, and is further
 6 particularly authorized and empowered to:

7 (1) Purchase the Offshore Royalty Revenue Assets, the DWH NRD assets,
 8 and the RESTORE assets, and receive, or authorize the indenture trustee to receive,
 9 as the same shall become due, the Offshore Royalty Revenue payments, the DWH
 10 NRD payments, and the RESTORE payments.

11 * * *

12 §99.38. Issuance of offshore royalty revenue bonds of the corporation

13 A. In order to provide current assets and funds for the Coastal Protection and
 14 Restoration Fund pursuant to this Subpart for the benefit of the state, the board is
 15 hereby authorized and empowered to provide by resolution, at one time or from time
 16 to time, for the issuance of offshore royalty revenue bonds of the corporation in such
 17 amount or amounts as the board shall determine, subject to the approval of the State
 18 Bond Commission and the Joint Legislative Committee on the Budget. Such bonds
 19 shall be payable solely from funds of the corporation, including, without limitation,
 20 all or any combination of the following sources: (i) Offshore Royalty Revenue
 21 assets, (ii) the proceeds of the sales of any such bonds, (iii) earnings on funds of the
 22 corporation or the indenture trustee, (iv) income, and (v) such other funds as may
 23 become available, as shall be provided by the resolution of the board authorizing any
 24 such bonds. ~~Bonds~~ Offshore royalty revenue bonds issued under the provisions of
 25 this Subpart shall not be deemed to nor constitute a debt or obligation of the state of
 26 Louisiana or a pledge of the full faith or credit of the state, and all bonds shall
 27 contain on the face thereof a statement to the effect that neither the full faith and
 28 credit nor the taxing power nor any other asset or revenues of the state or any
 29 political subdivision thereof is or shall be obligated or pledged to the payment of the
 30 principal of or the interest on such bonds.

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

28 C. ~~Bonds~~ Offshore royalty revenue bonds of the corporation shall not be
29 invalid because of any irregularity or defect in the proceedings or in the issuance and
30 sale thereof and shall be incontestable in the hands of a bona fide purchaser or

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

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

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

A. Sale of DWH NRD assets

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

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

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

11 On and after the effective date of each sale of DWH NRD assets, the state of
12 Louisiana shall have no right, title, or interest in or to the DWH NRD assets sold and
13 conveyed; and the DWH NRD payments shall be property of the corporation and not
14 of the state, and shall be owned, received, held, and disbursed by the corporation or
15 the indenture trustee and not the state or the state treasury. On or before the closing
16 date and the effective date of any subsequent sale, the state, through the attorney
17 general, shall notify the necessary parties as provided for in the consent decree that
18 the DWH NRD assets have been sold and conveyed to the corporation, irrevocably
19 instruct such necessary parties as provided for in the consent decree that, subsequent
20 to the closing date or other effective date, the DWH NRD payments are to be paid
21 directly to the corporation or to the indenture trustee or other designee for the
22 account of the corporation, and take such other actions necessary and appropriate to
23 effectuate such notice and instruction.

24 C. Issuance of DWH NRD bonds of the corporation

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

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

3 (i) DWH NRD assets.

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

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

29 (4) Neither the members of the board, its staff, nor any other person or
30 persons executing the bonds shall be subject to any personal liability or

1 responsibility by reason of the issuance thereof, and shall have the indemnification
2 rights provided in R.S. 13:5108.1 with respect to such issuance.

3 D. Pledge and agreement

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

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

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

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

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

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

20 ~~§99.42. Bond and other proceeds received by the state~~ RESTORE revenue

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

25 A. Sale of RESTORE assets

26 (1) The State Bond Commission, subject to approval of the Joint Legislative
27 Committee on the Budget and subject to approval by a majority vote of the
28 legislature if the legislature is in session and by mail ballot during the interim, is
29 authorized to sell and convey to the corporation, from time to time, a portion of the
30 state allocation, up to one hundred percent thereof from and after such date, and, in

1 particular, to execute and deliver an agreement on the closing date. The agreement
2 shall provide, among other matters, that the purchase price payable by the
3 corporation to the state for the RESTORE assets sold, up to one hundred percent of
4 the state allocation from and after such date, shall consist of the net proceeds, after
5 financing costs, of the first issue of RESTORE bonds and the residual interests to be
6 paid and transferred semiannually pursuant to the provisions of this Subpart.

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

16 B. Ownership of RESTORE assets and RESTORE payments

17 On and after the effective date of each sale of RESTORE assets, the state of
18 Louisiana shall have no right, title, or interest in or to the RESTORE assets sold and
19 conveyed; and, subject to compliance with the RESTORE Act and other applicable
20 state or federal laws, the RESTORE payments shall be property of the corporation
21 and not of the state, and shall be owned, received, held, and disbursed by the
22 corporation or the indenture trustee and not the state or the state treasury. On or
23 before the closing date and the effective date of any subsequent sale, the state,
24 through the attorney general, shall notify the necessary parties as provided for in the
25 consent decree that the RESTORE assets have been sold and conveyed to the
26 corporation, irrevocably instruct such necessary parties as provided for in the consent
27 decree that, subsequent to the closing date or other effective date and in compliance
28 with the RESTORE Act and other applicable state or federal laws, the RESTORE
29 payments are to be paid directly to the corporation or to the indenture trustee or other
30 designee for the account of the corporation or as authorized by the RESTORE Act

1 and any agreement reached by the state and the corporation to ensure such
 2 compliance, and take such other actions necessary and appropriate to effectuate such
 3 notice and instruction.

4 C. Issuance of RESTORE bonds of the corporation

5 (1)(a) In order to provide current assets and funds for the Coastal Protection
 6 and Restoration Fund pursuant to this Subpart for the benefit of the state, the board
 7 is hereby authorized and empowered to provide by resolution, at one time or from
 8 time to time, for the issuance of RESTORE bonds of the corporation in such amount
 9 or amounts as the board shall determine, subject to the approval of the State Bond
 10 Commission and the Joint Legislative Committee on the Budget. Such bonds shall
 11 be payable solely from funds of the corporation, including, without limitation, all or
 12 any combination of the following sources:

13 (i) RESTORE assets.

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

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

16 (iv) Income.

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

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

25 (2) The RESTORE bonds of each issue shall be dated, shall bear interest,
 26 which may be includable or excludable in the gross income of the holder for federal
 27 income tax purposes, at such fixed or variable rates, payable at or prior to maturity,
 28 and shall mature at such time or times, as may be determined by the board and may
 29 be redeemable before maturity, at the option of the corporation, at such price or
 30 prices and under such terms and conditions as may be fixed by the board, subject to

1 approval of the State Bond Commission and the Joint Legislative Committee on the
2 Budget. The board shall determine the form of the bonds, including any interest
3 coupons to be attached thereon, and the manner of execution of the bonds and shall
4 fix the denomination or denominations of the bonds and the place or places of
5 payment of principal and interest thereof, which may be at any bank or trust
6 company within or without the state. The bonds may be issued in coupon or in
7 registered form or both, as the board may determine, and provisions may be made
8 for the registration of any coupon bonds as to principal alone and as to both principal
9 and interest and for the reconversion of any bonds registered as to both principal and
10 interest into coupon bonds. The board may sell such bonds in such manner, either
11 at public or at private sale, and for such price as it may determine to be in the best
12 interests of the corporation, subject to approval of the State Bond Commission and
13 the Joint Legislative Committee on the Budget. The proceeds of such bonds shall
14 be disbursed for the purposes for which such bonds were issued under such
15 restrictions, if any, as the laws of the state of Louisiana, any applicable federal laws,
16 and the resolution authorizing the issuance of such bond or the trust indenture may
17 provide. The corporation may also provide for temporary bonds and for the
18 replacement of any bond that shall become mutilated or shall be destroyed or lost.
19 Such bonds may be issued without any other proceedings or the happening of any
20 other conditions or things than the proceedings, conditions and things that are
21 specified and required by this Subpart.

22 (3) RESTORE bonds of the corporation shall not be invalid because of any
23 irregularity or defect in the proceedings or in the issuance and sale thereof and shall
24 be incontestable in the hands of a bona fide purchaser or holder. The corporation,
25 after authorizing the issuance of bonds by resolution, shall publish once in a
26 newspaper of general circulation in the parish in which the corporation is domiciled,
27 a notice of intention to issue the bonds. The notice shall include a description of the
28 bonds and the security therefor. Within thirty days after the publication, any person
29 in interest may contest the legality of the resolution, any provisions of the bonds to
30 be issued pursuant to it, the provisions securing the bonds, and the validity of all

1 other provisions and proceedings relating to the authorization and issuance of the
2 bonds. If no action or proceeding is instituted within the thirty days, no person may
3 contest the validity of the bonds, the provisions of the resolution pursuant to which
4 the bonds were issued, the security of the bonds, or the validity of any other
5 provisions or proceedings relating to their authorization and issuance, and the bonds
6 shall be presumed conclusively to be legal. Thereafter no court shall have authority
7 to inquire into such matters.

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

12 D. Pledge and agreement

13 The state covenants and agrees with the corporation, and the holders of the
14 bonds in which the corporation has included such pledge and agreement, that the
15 state will:

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

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

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

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

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

1 ~~§99.41.~~ §99.43. Bonds exempt from taxation

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

5 ~~§99.42~~ §99.44. Bond and other proceeds received by the state

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____