HOUSE BILL NO. 1413

AN ACT TO AMEND SECTION 29-1-107, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR INCREASED LEASE RATES ON TIDELANDS LEASES FOR CERTAIN BUSINESSES; TO CREATE A SPECIAL FUND IN THE STATE TREASURY INTO WHICH THE PROCEEDS OF THE INCREASED LEASE PAYMENTS WILL BE DEPOSITED; TO PROVIDE FOR DISBURSEMENTS FROM SUCH FUND TO JACKSON, PEARL RIVER AND STONE COUNTIES ON A PROPORTIONATE PER CAPITA BASIS; TO AMEND SECTION 29-15-9, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 29-1-107, Mississippi Code of 1972, is amended as follows:

29-1-107. (1) The Secretary of State with the approval of the Governor shall, as far as practicable, rent or lease all lands belonging to the state, except as otherwise provided by law for a period of not exceeding one (1) year, and account for the rents therefrom in the same manner as money received from the sale of state lands, provided that no state land shall be rented or leased to individuals, corporations, partnerships, or association of persons for hunting or fishing purposes. Property belonging to the state in municipalities, even though it may have been subdivided into lots, blocks, divisions, or otherwise escheated or was sold to the state by such description, may likewise be leased or rented by the Secretary of State under the terms provided above for other state lands, and the rents accounted for in the same manner. The state shall have all the liens, rights and remedies accorded to landlords in Sections 89-7-1 through 89-7-125; said leases and rental contracts shall automatically terminate on the date provided in said leases or contracts.
(2) The Secretary of State, with the approval of the Governor, may rent or lease surface lands, tidelands or submerged lands owned or controlled by the State of Mississippi lying in or adjacent to the Mississippi Sound or Gulf of Mexico or streams emptying therein, for a period not exceeding forty (40) years for rental payable to the state annually. The lessee under such agreement may construct such necessary items for marking channels, docking, wharfing, mooring or fleeting vessels which shall be in aid of navigation and not obstructions thereto. A lessee of record may be given the option to renew for an additional period not to exceed twenty-five (25) years. The holder of a lease of Public Trust Tidelands, at the expiration thereof, shall have a prior right, exclusive of all other persons, to re-lease as may be agreed upon between the holder of the lease and the Secretary of State. All such leases shall provide for review and rent adjustments at each fifth anniversary tied either to the All Urban Consumer Price Index—All Items (CPI) or to an appraisal which deducts the value of any improvements by the lessee which substantially enhance the value of the land, whichever is greater. In the case where the initial rental was based on the value set by the ad valorem tax rolls, then the rent review and adjustment clause shall be likewise based on the value set by such tax rolls. In the event that the lessor and lessee cannot agree on a rental amount, the lease may be cancelled at the option of the lessor. The lessee shall, within thirty (30) days after execution of a sublease or assignment, file a copy thereof, including the total consideration therefor, with the Secretary of State.

(3) Provided, however, the current occupants of public trust tidelands that were developed after the determinable mean high water line nearest the effective date of the Coastal Wetlands Protection Law shall pay an annual rental based on the fair market value as determined by the assessed valuation of the property. The holder of a lease of Public Trust Tidelands, at the expiration...
of all other persons, to re-lease as may be agreed upon between the holder of the lease and the Secretary of State.

(4) (a) Upon the entering of a lease or the renewal of a lease, the Secretary of State shall require that a lessee that employs more than one thousand (1,000) employees and has more than two hundred and eighty-five thousand (285,000) square feet of business or property area in the leased property, pay an additional lease payment in an amount equal to one-half (½) of one percent (1%) of the lessee's gross revenue for the preceding year. The proceeds of the additional fee will be deposited into a special fund that is created in the State Treasury. The monies in the special fund shall be disbursed to Jackson, Pearl River and Stone Counties based on the proportion that the population of each county bears to the aggregate population of the three (3) counties. Each county shall use such proceeds as follows:

(i) Fifty percent (50%) shall be utilized for educational purposes in the county;

(ii) Twenty-five percent (25%) shall be utilized for infrastructure in the county; and

(iii) Twenty-five percent (25%) shall be utilized for any lawful purpose in the discretion of the county.

(b) Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in such special fund shall be deposited to the credit of the special fund.

SECTION 2. Section 29-15-9, Mississippi Code of 1972, is amended as follows:

29-15-9. There is hereby created in the State Treasury a special fund to be known as the "Public Trust Tidelands Fund." The fund shall be administered by the Secretary of State as trustee.
Except as otherwise provided in Section 29-1-107(4), any funds derived from lease rentals of tidelands and submerged lands, except those funds derived from mineral leases, or funds specifically designated to be applied to other agencies, shall be transferred to the special fund. However, funds derived from lease rentals may be used to cover the administrative cost incurred by the Secretary of State. Any remaining funds derived from lease rentals shall be disbursed pro rata to the local taxing authorities for the replacement of lost ad valorem taxes, if any. Then, any remaining funds shall be disbursed to the commission for new and extra programs of tidelands management, such as conservation, reclamation, preservation, acquisition, education or the enhancement of public access to the public trust tidelands or public improvement projects as they relate to such lands.

SECTION 3. This act shall take effect and be in force from and after July 1, 2001.