

By: Representative Moak

To: Gaming; Sel Cmte on
Hurricane RecoveryCOMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 44

1 AN ACT TO AMEND SECTION 29-1-107, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT ANY LEASES OF TIDELANDS TO PERSONS POSSESSING A
3 GAMING LICENSE UNDER THE MISSISSIPPI GAMING CONTROL ACT SHALL BE
4 FOR A PERIOD NOT LESS THAN 30 YEARS FOR RENTAL PAYABLE TO THE
5 STATE ANNUALLY, AND ANY SUCH LEASES IN EFFECT ON THE EFFECTIVE
6 DATE OF THIS ACT SHALL BE CONVERTED TO A THIRTY-YEAR TERM LEASE;
7 TO PROVIDE THAT LEASES TO PERSONS POSSESSING A GAMING LICENSE
8 UNDER THE MISSISSIPPI GAMING CONTROL ACT SHALL PROVIDE FOR REVIEW
9 AND RENT ADJUSTMENTS ANNUALLY AND BE TIED TO THE ALL URBAN
10 CONSUMER PRICE INDEX-ALL ITEMS (CPI); AND FOR RELATED PURPOSES.

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

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

14 29-1-107. (1) The Secretary of State with the approval of
15 the Governor shall, as far as practicable, rent or lease all lands
16 belonging to the state, except as otherwise provided by law for a
17 period of not exceeding one (1) year, and account for the rents
18 therefrom in the same manner as money received from the sale of
19 state lands, provided that no state land shall be rented or leased
20 to individuals, corporations, partnerships, or association of
21 persons for hunting or fishing purposes. Property belonging to
22 the state in municipalities, even though it may have been
23 subdivided into lots, blocks, divisions, or otherwise escheated or
24 was sold to the state by such description, may likewise be leased
25 or rented by the Secretary of State under the terms provided above
26 for other state lands, and the rents accounted for in the same
27 manner. The state shall have all the liens, rights and remedies
28 accorded to landlords in Sections 89-7-1 through 89-7-125; said
29 leases and rental contracts shall automatically terminate on the
30 date provided in said leases or contracts.

31 (2) The Secretary of State, with the approval of the
32 Governor, may rent or lease surface lands, tidelands or submerged
33 lands owned or controlled by the State of Mississippi lying in or
34 adjacent to the Mississippi Sound or Gulf of Mexico or streams
35 emptying therein, for a period not exceeding forty (40) years for
36 rental payable to the state annually. However, any such leases to
37 persons possessing a gaming license under the Mississippi Gaming
38 Control Act shall be for a period not less than thirty (30) years
39 for rental payable to the state annually, and any such leases in
40 effect on the effective date of this act shall be converted to a
41 thirty-year term lease beginning on any date after August 29,
42 2005, on which a licensed gaming establishment, as defined by
43 Section 75-76-5, opens for business. However, thirty-year term
44 leases for a licensed gaming establishment that existed before
45 August 29, 2005, shall begin on the date after August 29, 2005, on
46 which the licensed gaming establishment reopens for business. The
47 lessee under such agreement may construct such necessary items for
48 marking channels, docking, wharfing, mooring or fleeting vessels
49 which shall be in aid of navigation and not obstructions thereto.
50 A lessee of record may be given the option to renew for an
51 additional period not to exceed twenty-five (25) years. The
52 holder of a lease of Public Trust Tidelands, at the expiration
53 thereof, shall have a prior right, exclusive of all other persons,
54 to re-lease as may be agreed upon between the holder of the lease
55 and the Secretary of State. * * * Leases shall provide for review
56 and rent adjustments at each fifth anniversary tied either to the
57 All Urban Consumer Price Index-All Items (CPI) or to an appraisal
58 which deducts the value of any improvements by the lessee which
59 substantially enhance the value of the land, whichever is greater.
60 However, any such leases to persons possessing a gaming license
61 under the Mississippi Gaming Control Act shall provide for review
62 and rent adjustments annually and be tied to the All Urban
63 Consumer Price Index-All Items (CPI). In the case where the

64 initial rental was based on the value set by the ad valorem tax
65 rolls, then the rent review and adjustment clause shall be
66 likewise based on the value set by such tax rolls. In the event
67 that the lessor and lessee cannot agree on a rental amount, the
68 lease may be cancelled at the option of the lessor. The lessee
69 shall, within thirty (30) days after execution of a sublease or
70 assignment, file a copy thereof, including the total consideration
71 therefor, with the Secretary of State.

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

81 **SECTION 2.** This act shall take effect and be in force from
82 and after its passage.