

By: Senator(s) Robertson, Albritton, Butler, Carmichael, Dawkins, Dearing, Harden, Jackson (32nd), Jordan, King, Moffatt, Morgan, Posey, Walls

To: Finance

SENATE BILL NO. 3071

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO
3 THE MISSISSIPPI DEPARTMENT OF MARINE RESOURCES FOR THE PURCHASE OF
4 EQUIPMENT AND CONSTRUCTION AND IMPROVEMENT OF FACILITIES NECESSARY
5 FOR THE IMPROVEMENT OF THE MARINE RESOURCES OF THIS STATE; TO
6 PROVIDE THAT THE COMMISSION ON MARINE RESOURCES SHALL UTILIZE A
7 PORTION OF THE FUNDS IT RECEIVES THAT ARE DERIVED FROM LEASE
8 RENTALS OF TIDELANDS AND SUBMERGED LANDS TO PAY THE ANNUAL DEBT
9 SERVICE ON SUCH BONDS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** As used in Sections 1 through 19 of this act, the
12 following words shall have the meanings ascribed herein unless the
13 context clearly requires otherwise:

14 (a) "Accreted value" of any bond means, as of any date
15 of computation, an amount equal to the sum of (i) the stated
16 initial value of such bond, plus (ii) the interest accrued thereon
17 from the issue date to the date of computation at the rate,
18 compounded semiannually, that is necessary to produce the
19 approximate yield to maturity shown for bonds of the same
20 maturity.

21 (b) "State" means the State of Mississippi.

22 (c) "Commission" means the State Bond Commission.

23 (d) "Department" means the Mississippi Department of
24 Marine Resources.

25 **SECTION 2.** (1) (a) A special fund, to be designated as the
26 "Department of Marine Resources Equipment and Facilities Fund," is
27 created within the State Treasury. The fund shall be maintained
28 by the State Treasurer as a separate and special fund, separate
29 and apart from the General Fund of the state. Unexpended amounts
30 remaining in the fund at the end of a fiscal year shall not lapse

31 into the State General Fund, and any interest earned or investment
32 earnings on amounts in the fund shall be deposited into such
33 special fund.

34 (b) Monies deposited into the fund shall be disbursed,
35 in the discretion of the department, to provide funds to pay the
36 cost of necessary equipment and repairs, renovation and
37 construction of facilities necessary for the improvement of the
38 marine resources of the state.

39 (2) Amounts deposited into such special fund shall be
40 disbursed to pay the costs described in subsection (1) of this
41 section. If any monies in such special fund are not used within
42 five (5) years after the date the proceeds of the bonds authorized
43 under this act are deposited into the special fund, then the
44 department shall provide an accounting of such unused monies to
45 the commission. Promptly after the commission has certified, by
46 resolution duly adopted, that the projects described in subsection
47 (1) of this section shall have been completed, abandoned, or
48 cannot be completed in a timely fashion, any amounts remaining in
49 such special fund shall be applied to pay debt service on the
50 bonds issued under this act, in accordance with the proceedings
51 authorizing the issuance of the bonds and as directed by the
52 commission.

53 (3) The department is expressly authorized and empowered to
54 receive and expend any other source funds in connection with the
55 expenditure of funds provided for in this section.

56 (4) The expenditure of monies deposited into the special
57 fund shall be under the direction of the department, and those
58 funds shall be paid by the State Treasurer upon warrants issued by
59 the Department of Finance and Administration, which warrants shall
60 be issued upon requisitions signed by the Executive Director of
61 the Department of Marine Resources or his designee.

62 **SECTION 3.** For the purpose of providing for the payment of
63 the principal of and the interest upon bonds issued under the

64 provisions of this act, there is hereby created in the State
65 Treasury the "Department of Marine Resources Equipment and
66 Facilities Bond Sinking Fund." The sinking fund shall consist of
67 the money required to be deposited into such fund pursuant to
68 Section 18 of this act and such other amounts as shall be paid
69 into such fund by appropriation or other authorization by the
70 Legislature. Funds required in excess of the amounts available in
71 the Department of Marine Resources Equipment and Facilities Bond
72 Sinking Fund to pay the principal of and the interest upon bonds
73 issued under the provisions of this act shall be appropriated from
74 the State General Fund. Unexpended amounts remaining in the fund
75 at the end of a fiscal year shall not lapse into the State General
76 Fund, and any interest earned or investment earnings on amounts in
77 the fund shall be deposited into such fund.

78 **SECTION 4.** (1) The commission, at one time, or from time to
79 time, may declare by resolution the necessity for issuance of
80 general obligation bonds of the State of Mississippi to provide
81 funds for all costs incurred or to be incurred for the purposes
82 described in Section 2 of this act. Upon the issuance of a
83 certificate by the executive director of the department, declaring
84 the necessity for the issuance of any part or all of the general
85 obligation bonds authorized by this section, the executive
86 director shall deliver a certified copy of his certificate or
87 certificates to the commission. Upon receipt of the certificate,
88 the commission, in its discretion, may act as the issuing agent,
89 prescribe the form of the bonds, advertise for and accept bids,
90 issue and sell the bonds so authorized to be sold and do any and
91 all other things necessary and advisable in connection with the
92 issuance and sale of such bonds. The total amount of bonds issued
93 under this act shall not exceed Thirty Million Dollars
94 (\$30,000,000.00).

95 (2) Any investment earnings on amounts deposited into the
96 special fund created in Section 2 of this act shall be used to pay

97 debt service on bonds issued under this act, in accordance with
98 the proceedings authorizing issuance of the bonds.

99 **SECTION 5.** The principal of and interest on the bonds
100 authorized under this act shall be payable in the manner provided
101 in this section. The bonds shall bear such date or dates, be in
102 such denomination or denominations, bear interest at such rate or
103 rates (not to exceed the limits set forth in Section 75-17-101,
104 Mississippi Code of 1972), be payable at such place or places
105 within or without the State of Mississippi, shall mature
106 absolutely at such time or times not to exceed twenty-five (25)
107 years from date of issue, be redeemable before maturity at such
108 time or times and upon such terms, with or without premium, shall
109 bear such registration privileges, and shall be substantially in
110 such form, all as shall be determined by resolution of the
111 commission.

112 **SECTION 6.** The bonds authorized by this act shall be signed
113 by the chairman of the commission, or by his facsimile signature,
114 and the official seal of the commission shall be affixed thereto,
115 attested by the secretary of the commission. The interest
116 coupons, if any, to be attached to the bonds may be executed by
117 the facsimile signatures of such officers. Whenever any such
118 bonds shall have been signed by the officials designated to sign
119 the bonds who were in office at the time of such signing but who
120 may have ceased to be such officers before the sale and delivery
121 of the bonds, or who may not have been in office on the date that
122 the bonds may bear, the signatures of such officers upon the bonds
123 and coupons shall nevertheless be valid and sufficient for all
124 purposes and have the same effect as if the person so officially
125 signing the bonds had remained in office until their delivery to
126 the purchaser, or had been in office on the date the bonds may
127 bear. However, notwithstanding anything herein to the contrary,
128 such bonds may be issued as provided in the Registered Bond Act of
129 the State of Mississippi.

130 **SECTION 7.** All bonds and interest coupons issued under the
131 provisions of this act have all the qualities and incidents of
132 negotiable instruments under the provisions of the Uniform
133 Commercial Code, and in exercising the powers granted by this act,
134 the commission shall not be required to and need not comply with
135 the provisions of the Uniform Commercial Code.

136 **SECTION 8.** The commission shall act as the issuing agent for
137 the bonds authorized under this act, prescribe the form of the
138 bonds, advertise for and accept bids, issue and sell the bonds so
139 authorized to be sold, pay all fees and costs incurred in the
140 issuance and sale, and do any and all other things necessary and
141 advisable in connection with the issuance and sale of such bonds.
142 The commission is authorized and empowered to pay the costs that
143 are incident to the sale, issuance and delivery of the bonds
144 authorized under this act from the proceeds derived from the sale
145 of the bonds. The commission shall sell the bonds on sealed bids
146 at public sale, and for such price as it may determine to be for
147 the best interest of the State of Mississippi, but no such sale
148 shall be made at a price less than par plus accrued interest to
149 the date of delivery of the bonds to the purchaser. All interest
150 accruing on the bonds so issued shall be payable semiannually or
151 annually; however, the first interest payment may be for any
152 period of not more than one (1) year.

153 Notice of the sale of any such bonds shall be published at
154 least one time, not less than ten (10) days before the date of
155 sale, and shall be so published in one or more newspapers
156 published or having a general circulation in the City of Jackson,
157 Mississippi, and in one or more other newspapers or financial
158 journals with a national circulation, to be selected by the
159 commission.

160 The commission, when issuing any bonds under the authority of
161 this act, may provide that bonds, at the option of the State of
162 Mississippi, may be called in for payment and redemption at the

163 call price named therein and accrued interest on such date or
164 dates named therein.

165 **SECTION 9.** The bonds issued under the provisions of this act
166 are general obligations of the State of Mississippi, and for the
167 payment thereof the full faith and credit of the State of
168 Mississippi is irrevocably pledged. If the funds available in the
169 Department of Marine Resources Equipment and Facilities Sinking
170 Fund and any funds appropriated by the Legislature are
171 insufficient to pay the principal of and the interest on the bonds
172 as they become due, then the deficiency shall be paid by the State
173 Treasurer from any funds in the State Treasury not otherwise
174 appropriated. All the bonds shall contain recitals on their faces
175 substantially covering the provisions of this section.

176 **SECTION 10.** Upon the issuance and sale of bonds under the
177 provisions of this act, the commission shall transfer the proceeds
178 of any such sale or sales to the special fund created in Section 2
179 of this act. The proceeds of the bonds shall be disbursed solely
180 upon the order of the executive director of the department under
181 such restrictions, if any, as may be contained in the resolution
182 providing for the issuance of the bonds.

183 **SECTION 11.** The bonds authorized under this act may be
184 issued without any other proceedings or the happening of any other
185 conditions or things other than those proceedings, conditions and
186 things which are specified or required by this act. Any
187 resolution providing for the issuance of bonds under the
188 provisions of this act shall become effective immediately upon its
189 adoption by the commission, and any such resolution may be adopted
190 at any regular or special meeting of the commission by a majority
191 of its members.

192 **SECTION 12.** The bonds authorized under the authority of this
193 act may be validated in the Chancery Court of the First Judicial
194 District of Hinds County, Mississippi, in the manner and with the
195 force and effect provided by Chapter 13, Title 31, Mississippi

196 Code of 1972, for the validation of county, municipal, school
197 district and other bonds. The notice to taxpayers required by
198 such statutes shall be published in a newspaper published or
199 having a general circulation in the City of Jackson, Mississippi.

200 **SECTION 13.** Any holder of bonds issued under the provisions
201 of this act or of any of the interest coupons pertaining thereto
202 may, either at law or in equity, by suit, action, mandamus or
203 other proceeding, protect and enforce any and all rights granted
204 under this act, or under such resolution, and may enforce and
205 compel performance of all duties required by this act to be
206 performed, in order to provide for the payment of bonds and
207 interest thereon.

208 **SECTION 14.** All bonds issued under the provisions of this
209 act shall be legal investments for trustees and other fiduciaries,
210 and for savings banks, trust companies and insurance companies
211 organized under the laws of the State of Mississippi, and such
212 bonds shall be legal securities which may be deposited with and
213 shall be received by all public officers and bodies of this state
214 and all municipalities and political subdivisions for the purpose
215 of securing the deposit of public funds.

216 **SECTION 15.** Bonds issued under the provisions of this act
217 and income therefrom shall be exempt from all taxation in the
218 State of Mississippi.

219 **SECTION 16.** The proceeds of the bonds issued under this act
220 shall be used solely for the purposes herein provided, including
221 the costs incident to the issuance and sale of such bonds.

222 **SECTION 17.** The State Treasurer is authorized, without
223 further process of law, to certify to the Department of Finance
224 and Administration the necessity for warrants, and the Department
225 of Finance and Administration is authorized and directed to issue
226 such warrants, in such amounts as may be necessary to pay when due
227 the principal of, premium, if any, and interest on, or the
228 accreted value of, all bonds issued under this act; and the State

229 Treasurer shall forward the necessary amount to the designated
230 place or places of payment of the bonds in ample time to discharge
231 the bonds, or the interest thereon, on the due dates thereof.

232 **SECTION 18.** From the funds it receives under Section
233 29-15-9, Mississippi Code of 1972, the Commission on Marine
234 Resources shall deposit the amount of funds necessary to annually
235 pay the principal of and interest on bonds issued pursuant to this
236 act into the Department of Marine Resources Equipment and
237 Facilities Bond Sinking Fund created in Section 3 of this act.
238 Any funds received by the Commission on Marine Resources under
239 Section 29-15-9, and used by the Commission on Marine Resources
240 for any purpose related to the cost of necessary equipment and
241 repairs, renovation and construction of facilities necessary for
242 the improvement of the marine resources of the state, other than
243 for deposit into the Department of Marine Resources Equipment and
244 Facilities Bond Sinking Fund created in Section 3 of this act,
245 shall be subject to legislative appropriation.

246 **SECTION 19.** This act shall be deemed to be full and complete
247 authority for the exercise of the powers herein granted, but this
248 act shall not be deemed to repeal or to be in derogation of any
249 existing law of this state.

250 **SECTION 20.** This act shall take effect and be in force from
251 and after its passage.