

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.