

By: Representatives Reeves, Walley, Staples,
Guice

To: Oil, Gas and Other
Minerals

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 819

1 AN ACT TO CREATE THE MISSISSIPPI GULF PRODUCING STATES TRUST
2 FUND; TO PROVIDE THAT MONEY IN THE TRUST FUND SHALL BE
3 APPROPRIATED BY THE LEGISLATURE TO ASSIST IN THE DEVELOPMENT,
4 REHABILITATION AND PRESERVATION OF COASTAL RESOURCES, PREPAREDNESS
5 AND FOR OTHER PURPOSES CONSISTENT WITH THIS ACT AND THE "GULF OF
6 MEXICO ENERGY SECURITY ACT OF 2006" BEING A PART OF THE "TAX
7 RELIEF AND HEALTH CARE ACT OF 2006," PUBLIC LAW NO. 109-432, THAT
8 PROVIDES FOR THE DISPOSITION AND ALLOCATION OF QUALIFIED OUTER
9 CONTINENTAL SHELF REVENUES TO GULF PRODUCING STATES AND COASTAL
10 POLITICAL SUBDIVISIONS; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** There is created the "Mississippi Gulf Producing
13 States Trust Fund," hereafter referred to as the "trust fund" to
14 be held as a separate fund within the State Treasury to be
15 administered by the Department of Marine Resources, hereinafter
16 referred to as the "department." The fund shall consist of monies
17 received by the state from monies allocated to it pursuant to the
18 "Gulf of Mexico Energy Security Act of 2006" being a part of the
19 "Tax Relief and Health Care Act of 2006" (Public Law No. 109-432).
20 The principal of the fund shall remain inviolate and shall be
21 invested as provided by law. Interest earned on the principal
22 therein shall be credited by the treasurer to the fund. Only the
23 interest and income derived from investment of principal of the
24 trust fund may be expended. Unexpended and unencumbered amounts
25 in the trust fund at the end of each fiscal year shall not lapse.

26 **SECTION 2.** (1) The interest and income derived from the
27 monies in the trust shall be appropriated by the Legislature
28 directly to the department as administrator of the trust fund,
29 which shall formulate a plan of spending subject to approval of
30 the Commission on Marine Resources to be effectuated in a manner

31 consistent to ensure compliance with all federal laws and
32 regulations for one or more of the following purposes:

33 (a) Projects and activities for the purposes of coastal
34 protection, including conservation, coastal restoration, hurricane
35 protection and infrastructure directly affected by coastal wetland
36 losses.

37 (b) Mitigation of damage to fish, wildlife or natural
38 resources.

39 (c) Implementation of a federally approved marine,
40 coastal or comprehensive conservation management plan.

41 (d) Mitigation of the impact of outer continental shelf
42 activities through the funding of onshore infrastructure projects.

43 (e) Not more than three percent (3%) of the amounts
44 received for planning assistance and the administrative costs of
45 complying with this act.

46 (2) Allocation of funds received from revenues generated
47 from the lease of properties on the Outer-Continental Shelf shall
48 be deposited to the credit of the department in amounts as
49 follows:

50 (a) In the first year of funds disbursement, fifty
51 percent (50%) of the amount of incoming payments, interest and
52 invest income;

53 (b) In the second year of funds disbursement, forty
54 percent (40%) of the amount of incoming payments, interest and
55 invest income;

56 (c) In the third year of funds disbursement, thirty
57 percent (30%) of the amount of incoming payments, interest and
58 invest income;

59 (d) In the fourth year of funds disbursement, twenty
60 percent (20%) of the amount of incoming payments, interest and
61 invest income;

62 (e) In the fifth year of funds disbursement, ten
63 percent (10%) of the amount of incoming payments, interest and
64 invest income; and

65 (f) In the sixth and subsequent years thereto of funds
66 disbursement, one hundred percent (100%) of funds received shall
67 be deposited in the fund until the trust funds reaches a balance
68 of Five Hundred Million Dollars (\$500,000,000.00), at which time
69 the Legislature may disburse twenty-five percent (25%) of incoming
70 funds together with interest and investment income for use in
71 accordance with Section 2(1) of this act.

72 (3) In the event that any provision of this act shall be in
73 conflict with any federal laws or regulations, then federal laws
74 or regulations shall control.

75 **SECTION 3.** This act shall take effect and be in force from
76 and after July 1, 2007.