

By: Representatives Frierson, Janus,
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To: Marine Resources; Ways
and Means

HOUSE BILL NO. 1126
(As Passed the House)

1 AN ACT TO AMEND CHAPTER 460, LAWS OF 2006, TO AUTHORIZE BOND
2 PROCEEDS AUTHORIZED TO BE ISSUED FOR THE DEPARTMENT OF MARINE
3 RESOURCES TO BE UTILIZED TO PURCHASE REAL ESTATE; TO LIMIT THE
4 AMOUNT OF BOND PROCEEDS THAT MAY BE UTILIZED FOR OPERATIONAL
5 EXPENSES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Chapter 460, Laws of 2006, is amended as follows:

8 Section 1. As used in Sections 1 through 19 of this act, the
9 following words shall have the meanings ascribed herein unless the
10 context clearly requires otherwise:

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

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

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

20 (d) "Department" means the Mississippi Department of
21 Marine Resources.

22 Section 2. (1) (a) A special fund, to be designated as the
23 "Department of Marine Resources Equipment and Facilities Fund," is
24 created within the State Treasury. The fund shall be maintained
25 by the State Treasurer as a separate and special fund, separate
26 and apart from the General Fund of the state. Unexpended amounts
27 remaining in the fund at the end of a fiscal year shall not lapse
28 into the State General Fund, and any interest earned or investment

29 earnings on amounts in the fund shall be deposited into such
30 special fund.

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

36 (c) Before any real estate may be purchased with the
37 proceeds of bonds authorized to be issued pursuant to this act,
38 the fair market value of the real estate shall be determined by
39 the averaging of at least two (2) appraisals by Mississippi
40 Certified General Appraisers. The proceeds of bonds issued
41 pursuant to this act may be utilized to pay the cost of the
42 appraisals.

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

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

60 (4) The expenditure of monies deposited into the special
61 fund shall be under the direction of the department, and those

62 funds shall be paid by the State Treasurer upon warrants issued by
63 the Department of Finance and Administration, which warrants shall
64 be issued upon requisitions signed by the Executive Director of
65 the Department of Marine Resources or his designee.

66 Section 3. For the purpose of providing for the payment of
67 the principal of and the interest upon bonds issued under the
68 provisions of this act, there is hereby created in the State
69 Treasury the "Department of Marine Resources Equipment and
70 Facilities Bond Sinking Fund." The sinking fund shall consist of
71 the money required to be deposited into such fund pursuant to
72 Section 18 of this act and such other amounts as shall be paid
73 into such fund by appropriation or other authorization by the
74 Legislature. Funds required in excess of the amounts available in
75 the Department of Marine Resources Equipment and Facilities Bond
76 Sinking Fund to pay the principal of and the interest upon bonds
77 issued under the provisions of this act shall be appropriated from
78 the State General Fund. Unexpended amounts remaining in the fund
79 at the end of a fiscal year shall not lapse into the State General
80 Fund, and any interest earned or investment earnings on amounts in
81 the fund shall be deposited into such fund.

82 Section 4. (1) The commission, at one time, or from time to
83 time, may declare by resolution the necessity for issuance of
84 general obligation bonds of the State of Mississippi to provide
85 funds for all costs incurred or to be incurred for the purposes
86 described in Section 2 of this act. Upon the issuance of a
87 certificate by the executive director of the department, declaring
88 the necessity for the issuance of any part or all of the general
89 obligation bonds authorized by this section, the executive
90 director shall deliver a certified copy of his certificate or
91 certificates to the commission. Upon receipt of the certificate,
92 the commission, in its discretion, may act as the issuing agent,
93 prescribe the form of the bonds, advertise for and accept bids,
94 issue and sell the bonds so authorized to be sold and do any and

95 all other things necessary and advisable in connection with the
96 issuance and sale of such bonds. The total amount of bonds issued
97 under this act shall not exceed Thirty Million Dollars
98 (\$30,000,000.00).

99 (2) Any investment earnings on amounts deposited into the
100 special fund created in Section 2 of this act shall be used to pay
101 debt service on bonds issued under this act, in accordance with
102 the proceedings authorizing issuance of the bonds.

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

116 Section 6. The bonds authorized by this act shall be signed
117 by the chairman of the commission, or by his facsimile signature,
118 and the official seal of the commission shall be affixed thereto,
119 attested by the secretary of the commission. The interest
120 coupons, if any, to be attached to the bonds may be executed by
121 the facsimile signatures of such officers. Whenever any such
122 bonds shall have been signed by the officials designated to sign
123 the bonds who were in office at the time of such signing but who
124 may have ceased to be such officers before the sale and delivery
125 of the bonds, or who may not have been in office on the date that
126 the bonds may bear, the signatures of such officers upon the bonds
127 and coupons shall nevertheless be valid and sufficient for all

128 purposes and have the same effect as if the person so officially
129 signing the bonds had remained in office until their delivery to
130 the purchaser, or had been in office on the date the bonds may
131 bear. However, notwithstanding anything herein to the contrary,
132 such bonds may be issued as provided in the Registered Bond Act of
133 the State of Mississippi.

134 Section 7. All bonds and interest coupons issued under the
135 provisions of this act have all the qualities and incidents of
136 negotiable instruments under the provisions of the Uniform
137 Commercial Code, and in exercising the powers granted by this act,
138 the commission shall not be required to and need not comply with
139 the provisions of the Uniform Commercial Code.

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

157 Notice of the sale of any such bonds shall be published at
158 least one time, not less than ten (10) days before the date of
159 sale, and shall be so published in one or more newspapers
160 published or having a general circulation in the City of Jackson,

161 Mississippi, and in one or more other newspapers or financial
162 journals with a national circulation, to be selected by the
163 commission.

164 The commission, when issuing any bonds under the authority of
165 this act, may provide that bonds, at the option of the State of
166 Mississippi, may be called in for payment and redemption at the
167 call price named therein and accrued interest on such date or
168 dates named therein.

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

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

187 Section 11. The bonds authorized under this act may be
188 issued without any other proceedings or the happening of any other
189 conditions or things other than those proceedings, conditions and
190 things which are specified or required by this act. Any
191 resolution providing for the issuance of bonds under the
192 provisions of this act shall become effective immediately upon its
193 adoption by the commission, and any such resolution may be adopted

194 at any regular or special meeting of the commission by a majority
195 of its members.

196 Section 12. The bonds authorized under the authority of this
197 act may be validated in the Chancery Court of the First Judicial
198 District of Hinds County, Mississippi, in the manner and with the
199 force and effect provided by Chapter 13, Title 31, Mississippi
200 Code of 1972, for the validation of county, municipal, school
201 district and other bonds. The notice to taxpayers required by
202 such statutes shall be published in a newspaper published or
203 having a general circulation in the City of Jackson, Mississippi.

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

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

220 Section 15. Bonds issued under the provisions of this act
221 and income therefrom shall be exempt from all taxation in the
222 State of Mississippi.

223 Section 16. The proceeds of the bonds issued under this act
224 shall be used solely for the purposes herein provided, including
225 the costs incident to the issuance and sale of such bonds.

226 Section 17. The State Treasurer is authorized, without
227 further process of law, to certify to the Department of Finance
228 and Administration the necessity for warrants, and the Department
229 of Finance and Administration is authorized and directed to issue
230 such warrants, in such amounts as may be necessary to pay when due
231 the principal of, premium, if any, and interest on, or the
232 accreted value of, all bonds issued under this act; and the State
233 Treasurer shall forward the necessary amount to the designated
234 place or places of payment of the bonds in ample time to discharge
235 the bonds, or the interest thereon, on the due dates thereof.

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

250 Section 19. This act shall be deemed to be full and complete
251 authority for the exercise of the powers herein granted, but this
252 act shall not be deemed to repeal or to be in derogation of any
253 existing law of this state.

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