

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2548

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 AND PAY FOR
4 ADMINISTRATION AND PERSONNEL EXPENSES; TO LIMIT THE AMOUNT OF BOND
5 PROCEEDS THAT MAY BE UTILIZED FOR OPERATIONAL EXPENSES; AND FOR
6 RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

32 (b) Monies deposited into the fund shall be disbursed,
33 in the discretion of the department, to provide funds to purchase
34 real property and pay the cost of administration and personnel
35 expenses, necessary equipment and repairs, renovation and
36 construction of facilities necessary for the improvement of the
37 marine resources of the state; however, operational expenses
38 authorized to be paid under this act shall not exceed three
39 percent (3%) of the total amount of bonds issued under this act.

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

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

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

64 (4) The expenditure of monies deposited into the special
65 fund shall be under the direction of the department, and those
66 funds shall be paid by the State Treasurer upon warrants issued by
67 the Department of Finance and Administration, which warrants shall
68 be issued upon requisitions signed by the Executive Director of
69 the Department of Marine Resources or his designee.

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

86 Section 4. (1) The commission, at one time, or from time to
87 time, may declare by resolution the necessity for issuance of
88 general obligation bonds of the State of Mississippi to provide
89 funds for all costs incurred or to be incurred for the purposes
90 described in Section 2 of this act. Upon the issuance of a
91 certificate by the executive director of the department, declaring
92 the necessity for the issuance of any part or all of the general
93 obligation bonds authorized by this section, the executive

94 director shall deliver a certified copy of his certificate or
95 certificates to the commission. Upon receipt of the certificate,
96 the commission, in its discretion, may act as the issuing agent,
97 prescribe the form of the bonds, advertise for and accept bids,
98 issue and sell the bonds so authorized to be sold and do any and
99 all other things necessary and advisable in connection with the
100 issuance and sale of such bonds. The total amount of bonds issued
101 under this act shall not exceed Thirty Million Dollars
102 (\$30,000,000.00).

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

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

120 Section 6. The bonds authorized by this act shall be signed
121 by the chairman of the commission, or by his facsimile signature,
122 and the official seal of the commission shall be affixed thereto,
123 attested by the secretary of the commission. The interest
124 coupons, if any, to be attached to the bonds may be executed by
125 the facsimile signatures of such officers. Whenever any such
126 bonds shall have been signed by the officials designated to sign

127 the bonds who were in office at the time of such signing but who
128 may have ceased to be such officers before the sale and delivery
129 of the bonds, or who may not have been in office on the date that
130 the bonds may bear, the signatures of such officers upon the bonds
131 and coupons shall nevertheless be valid and sufficient for all
132 purposes and have the same effect as if the person so officially
133 signing the bonds had remained in office until their delivery to
134 the purchaser, or had been in office on the date the bonds may
135 bear. However, notwithstanding anything herein to the contrary,
136 such bonds may be issued as provided in the Registered Bond Act of
137 the State of Mississippi.

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

144 Section 8. The commission shall act as the issuing agent for
145 the bonds authorized under this act, prescribe the form of the
146 bonds, advertise for and accept bids, issue and sell the bonds so
147 authorized to be sold, pay all fees and costs incurred in the
148 issuance and sale, and do any and all other things necessary and
149 advisable in connection with the issuance and sale of such bonds.
150 The commission is authorized and empowered to pay the costs that
151 are incident to the sale, issuance and delivery of the bonds
152 authorized under this act from the proceeds derived from the sale
153 of the bonds. The commission shall sell the bonds on sealed bids
154 at public sale, and for such price as it may determine to be for
155 the best interest of the State of Mississippi, but no such sale
156 shall be made at a price less than par plus accrued interest to
157 the date of delivery of the bonds to the purchaser. All interest
158 accruing on the bonds so issued shall be payable semiannually or

159 annually; however, the first interest payment may be for any
160 period of not more than one (1) year.

161 Notice of the sale of any such bonds shall be published at
162 least one time, not less than ten (10) days before the date of
163 sale, and shall be so published in one or more newspapers
164 published or having a general circulation in the City of Jackson,
165 Mississippi, and in one or more other newspapers or financial
166 journals with a national circulation, to be selected by the
167 commission.

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

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

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

191 Section 11. The bonds authorized under this act may be
192 issued without any other proceedings or the happening of any other
193 conditions or things other than those proceedings, conditions and
194 things which are specified or required by this act. Any
195 resolution providing for the issuance of bonds under the
196 provisions of this act shall become effective immediately upon its
197 adoption by the commission, and any such resolution may be adopted
198 at any regular or special meeting of the commission by a majority
199 of its members.

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

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

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

224 Section 15. Bonds issued under the provisions of this act
225 and income therefrom shall be exempt from all taxation in the
226 State of Mississippi.

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

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

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

254 Section 19. This act shall be deemed to be full and complete
255 authority for the exercise of the powers herein granted, but this

256 act shall not be deemed to repeal or to be in derogation of any
257 existing law of this state.

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