

By: Representative Patterson

To: Ways and Means

HOUSE BILL NO. 958
(As Passed the House)

1 AN ACT TO AMEND CHAPTER 460, LAWS OF 2006, AS LAST AMENDED BY
2 SECTION 10, CHAPTER 511, LAWS OF 2010, TO INCREASE THE AMOUNT OF
3 GENERAL OBLIGATION BONDS AUTHORIZED TO BE ISSUED FOR THE
4 DEPARTMENT OF MARINE RESOURCES AND AUTHORIZE A PORTION OF THE BOND
5 PROCEEDS FOR CERTAIN IMPROVEMENTS AT POINT CADET MARINA; 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, as amended by Chapter
9 463, Laws of 2007, as amended by Section 10, Chapter 511, Laws of
10 2010, is amended as follows:

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 (e) "City" means the City of Biloxi, Mississippi.

26 (f) "Point Cadet Marina" means the marina owned by the
27 city, as more fully described in the Point Cadet Compromise and
28 Settlement Agreement recorded in Deed Book 390, Page 600, and
29 amendment recorded as Instrument 2012 1168D-J2, in the land
30 records of the Chancery Clerk of the Second Judicial District of
31 Harrison County, Mississippi.

32 Section 2. (1) (a) A special fund, to be designated as the
33 "Department of Marine Resources Equipment and Facilities Fund," is
34 created within the State Treasury. The fund shall be maintained
35 by the State Treasurer as a separate and special fund, separate
36 and apart from the General Fund of the state. Unexpended amounts
37 remaining in the fund at the end of a fiscal year shall not lapse
38 into the State General Fund, and any interest earned or investment
39 earnings on amounts in the fund shall be deposited into such
40 special fund.

41 (b) (i) Except as otherwise authorized in this
42 paragraph (b), monies deposited into the fund shall be disbursed,
43 in the discretion of the department, to provide funds to purchase
44 real property and pay the cost of administration and personnel
45 expenses, necessary equipment and repairs, renovation and



46 construction of facilities necessary for the improvement of the
47 marine resources of the state * * *.

48 (ii) Not more than Eighteen Million Dollars
49 (\$18,000,000.00) of the monies deposited into the fund may be
50 utilized by the department for all or part of the planning design
51 and construction of the following projects for renovations,
52 improvements and expansions of piers, docks, bulkheads, signage
53 and related facilities and equipment for, on, and in the Point
54 Cadet Marina for:

55 1. University of Southern Mississippi
56 research vessels;

57 2. Commercial and recreational vessels;

58 3. The marine breakwater on the east edge of
59 the Point Cadet Marina to establish a public fishing pier on the
60 breakwater structure; and

61 4. Dredging of the water bottom in the marina
62 to remove debris and increase the depth for mooring larger draft
63 vessels.

64 The department shall consult with and obtain the approval of
65 the city regarding the design and specifications for the capital
66 improvements authorized in this subparagraph (ii).

67 (iii) Operational expenses authorized to be paid
68 under this act shall not exceed three percent (3%) of the total
69 amount of bonds issued under this act.



70 (c) Before any real estate may be purchased with the
71 proceeds of bonds authorized to be issued pursuant to this act,
72 the fair market value of the real estate shall be determined by
73 the averaging of at least two (2) appraisals by Mississippi
74 Certified General Appraisers. The proceeds of bonds issued
75 pursuant to this act may be utilized to pay the cost of the
76 appraisals.

77 (2) Amounts deposited into such special fund shall be
78 disbursed to pay the costs described in subsection (1) of this
79 section. If any monies in such special fund are not used within
80 five (5) years after the date the proceeds of the bonds authorized
81 under this act are deposited into the special fund, then the
82 department shall provide an accounting of such unused monies to
83 the commission. Promptly after the commission has certified, by
84 resolution duly adopted, that the projects described in subsection
85 (1) of this section shall have been completed, abandoned, or
86 cannot be completed in a timely fashion, any amounts remaining in
87 such special fund shall be applied to pay debt service on the
88 bonds issued under this act, in accordance with the proceedings
89 authorizing the issuance of the bonds and as directed by the
90 commission.

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



94 (4) The expenditure of monies deposited into the special
95 fund shall be under the direction of the department, and those
96 funds shall be paid by the State Treasurer upon warrants issued by
97 the Department of Finance and Administration, which warrants shall
98 be issued upon requisitions signed by the Executive Director of
99 the Department of Marine Resources or his designee.

100 Section 3. For the purpose of providing for the payment of
101 the principal of and the interest upon bonds issued under the
102 provisions of this act, there is hereby created in the State
103 Treasury the "Department of Marine Resources Equipment and
104 Facilities Bond Sinking Fund." The sinking fund shall consist of
105 the money required to be deposited into such fund pursuant to
106 Section 18 of this act and such other amounts as shall be paid
107 into such fund by appropriation or other authorization by the
108 Legislature. Funds required in excess of the amounts available in
109 the Department of Marine Resources Equipment and Facilities Bond
110 Sinking Fund to pay the principal of and the interest upon bonds
111 issued under the provisions of this act shall be appropriated from
112 the State General Fund. Unexpended amounts remaining in the fund
113 at the end of a fiscal year shall not lapse into the State General
114 Fund, and any interest earned or investment earnings on amounts in
115 the fund shall be deposited into such fund.

116 Section 4. (1) The commission, at one time, or from time to
117 time, may declare by resolution the necessity for issuance of
118 general obligation bonds of the State of Mississippi to provide



119 funds for all costs incurred or to be incurred for the purposes
120 described in Section 2 of this act. Upon the issuance of a
121 certificate by the executive director of the department, declaring
122 the necessity for the issuance of any part or all of the general
123 obligation bonds authorized by this section, the executive
124 director shall deliver a certified copy of his certificate or
125 certificates to the commission. Upon receipt of the certificate,
126 the commission, in its discretion, may act as the issuing agent,
127 prescribe the form of the bonds, determine the appropriate method
128 for sale of the bonds, advertise for and accept bids or negotiate
129 the sale of the bonds, issue and sell the bonds so authorized to
130 be sold and do any and all other things necessary and advisable in
131 connection with the issuance and sale of such bonds. The total
132 amount of bonds issued under this act shall not exceed * * * Fifty
133 Million Dollars (\$50,000,000.00).

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

138 Section 5. The principal of and interest on the bonds
139 authorized under this act shall be payable in the manner provided
140 in this section. The bonds shall bear such date or dates, be in
141 such denomination or denominations, bear interest at such rate or
142 rates (not to exceed the limits set forth in Section 75-17-101,
143 Mississippi Code of 1972), be payable at such place or places



144 within or without the State of Mississippi, shall mature
145 absolutely at such time or times not to exceed twenty-five (25)
146 years from date of issue, be redeemable before maturity at such
147 time or times and upon such terms, with or without premium, shall
148 bear such registration privileges, and shall be substantially in
149 such form, all as shall be determined by resolution of the
150 commission.

151 Section 6. The bonds authorized by this act shall be signed
152 by the chairman of the commission, or by his facsimile signature,
153 and the official seal of the commission shall be affixed thereto,
154 attested by the secretary of the commission. The interest
155 coupons, if any, to be attached to the bonds may be executed by
156 the facsimile signatures of such officers. Whenever any such
157 bonds shall have been signed by the officials designated to sign
158 the bonds who were in office at the time of such signing but who
159 may have ceased to be such officers before the sale and delivery
160 of the bonds, or who may not have been in office on the date that
161 the bonds may bear, the signatures of such officers upon the bonds
162 and coupons shall nevertheless be valid and sufficient for all
163 purposes and have the same effect as if the person so officially
164 signing the bonds had remained in office until their delivery to
165 the purchaser, or had been in office on the date the bonds may
166 bear. However, notwithstanding anything herein to the contrary,
167 such bonds may be issued as provided in the Registered Bond Act of
168 the State of Mississippi.



169 Section 7. All bonds and interest coupons issued under the
170 provisions of this act have all the qualities and incidents of
171 negotiable instruments under the provisions of the Uniform
172 Commercial Code, and in exercising the powers granted by this act,
173 the commission shall not be required to and need not comply with
174 the provisions of the Uniform Commercial Code.

175 Section 8. The commission shall act as the issuing agent for
176 the bonds authorized under this act, prescribe the form of the
177 bonds, determine the appropriate method for sale of the bonds,
178 advertise for and accept bids or negotiate the sale of the bonds,
179 issue and sell the bonds so authorized to be sold, pay all fees
180 and costs incurred in the issuance and sale, and do any and all
181 other things necessary and advisable in connection with the
182 issuance and sale of such bonds. The commission is authorized and
183 empowered to pay the costs that are incident to the sale, issuance
184 and delivery of the bonds authorized under this act from the
185 proceeds derived from the sale of the bonds. The commission shall
186 sell the bonds on sealed bids at public sale or may negotiate the
187 sale of the bonds for such price as it may determine to be for the
188 best interest of the State of Mississippi. All interest accruing
189 on the bonds so issued shall be payable semiannually or annually.

190 If the bonds are sold by sealed bids at public sale, notice
191 of the sale of any such bonds shall be published at least one
192 time, not less than ten (10) days before the date of sale, and
193 shall be so published in one or more newspapers published or



194 having a general circulation in the City of Jackson,
195 Mississippi, selected by the commission.

196 The commission, when issuing any bonds under the authority of
197 this act, may provide that bonds, at the option of the State of
198 Mississippi, may be called in for payment and redemption at the
199 call price named therein and accrued interest on such date or
200 dates named therein.

201 Section 9. The bonds issued under the provisions of this act
202 are general obligations of the State of Mississippi, and for the
203 payment thereof the full faith and credit of the State of
204 Mississippi is irrevocably pledged. If the funds available in the
205 Department of Marine Resources Equipment and Facilities Sinking
206 Fund and any funds appropriated by the Legislature are
207 insufficient to pay the principal of and the interest on the bonds
208 as they become due, then the deficiency shall be paid by the State
209 Treasurer from any funds in the State Treasury not otherwise
210 appropriated. All the bonds shall contain recitals on their faces
211 substantially covering the provisions of this section.

212 Section 10. Upon the issuance and sale of bonds under the
213 provisions of this act, the commission shall transfer the proceeds
214 of any such sale or sales to the special fund created in Section 2
215 of this act. The proceeds of the bonds shall be disbursed solely
216 upon the order of the executive director of the department under
217 such restrictions, if any, as may be contained in the resolution
218 providing for the issuance of the bonds.



219 Section 11. The bonds authorized under this act may be
220 issued without any other proceedings or the happening of any other
221 conditions or things other than those proceedings, conditions and
222 things which are specified or required by this act. Any
223 resolution providing for the issuance of bonds under the
224 provisions of this act shall become effective immediately upon its
225 adoption by the commission, and any such resolution may be adopted
226 at any regular or special meeting of the commission by a majority
227 of its members.

228 Section 12. The bonds authorized under the authority of this
229 act may be validated in the Chancery Court of the First Judicial
230 District of Hinds County, Mississippi, in the manner and with the
231 force and effect provided by Chapter 13, Title 31, Mississippi
232 Code of 1972, for the validation of county, municipal, school
233 district and other bonds. The notice to taxpayers required by
234 such statutes shall be published in a newspaper published or
235 having a general circulation in the City of Jackson, Mississippi.

236 Section 13. Any holder of bonds issued under the provisions
237 of this act or of any of the interest coupons pertaining thereto
238 may, either at law or in equity, by suit, action, mandamus or
239 other proceeding, protect and enforce any and all rights granted
240 under this act, or under such resolution, and may enforce and
241 compel performance of all duties required by this act to be
242 performed, in order to provide for the payment of bonds and
243 interest thereon.



244 Section 14. All bonds issued under the provisions of this
245 act shall be legal investments for trustees and other fiduciaries,
246 and for savings banks, trust companies and insurance companies
247 organized under the laws of the State of Mississippi, and such
248 bonds shall be legal securities which may be deposited with and
249 shall be received by all public officers and bodies of this state
250 and all municipalities and political subdivisions for the purpose
251 of securing the deposit of public funds.

252 Section 15. Bonds issued under the provisions of this act
253 and income therefrom shall be exempt from all taxation in the
254 State of Mississippi.

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

258 Section 17. The State Treasurer is authorized, without
259 further process of law, to certify to the Department of Finance
260 and Administration the necessity for warrants, and the Department
261 of Finance and Administration is authorized and directed to issue
262 such warrants, in such amounts as may be necessary to pay when due
263 the principal of, premium, if any, and interest on, or the
264 accreted value of, all bonds issued under this act; and the State
265 Treasurer shall forward the necessary amount to the designated
266 place or places of payment of the bonds in ample time to discharge
267 the bonds, or the interest thereon, on the due dates thereof.



268 Section 18. From the funds it receives under Section
269 29-15-9, Mississippi Code of 1972, the Commission on Marine
270 Resources shall deposit the amount of funds necessary to annually
271 pay the principal of and interest on bonds issued pursuant to this
272 act into the Department of Marine Resources Equipment and
273 Facilities Bond Sinking Fund created in Section 3 of this act.
274 Any funds received by the Commission on Marine Resources under
275 Section 29-15-9, and used by the Commission on Marine Resources
276 for any purpose related to the cost of necessary equipment and
277 repairs, renovation and construction of facilities necessary for
278 the improvement of the marine resources of the state, other than
279 for deposit into the Department of Marine Resources Equipment and
280 Facilities Bond Sinking Fund created in Section 3 of this act,
281 shall be subject to legislative appropriation.

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

286 **SECTION 2.** This act shall take effect and be in force from
287 and after July 1, 2019, and shall stand repealed on June 30, 2019.

