

By: Representatives Guice, Hamilton, Maples

To: Conservation and Water Resources

HOUSE BILL NO. 1413

1 AN ACT TO AMEND SECTION 29-1-107, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE FOR INCREASED LEASE RATES ON TIDELANDS LEASES FOR
3 CERTAIN BUSINESSES; TO CREATE A SPECIAL FUND IN THE STATE TREASURY
4 INTO WHICH THE PROCEEDS OF THE INCREASED LEASE PAYMENTS WILL BE
5 DEPOSITED; TO PROVIDE FOR DISBURSEMENTS FROM SUCH FUND TO JACKSON,
6 PEARL RIVER AND STONE COUNTIES ON A PROPORTIONATE PER CAPITA
7 BASIS; TO AMEND SECTION 29-15-9, MISSISSIPPI CODE OF 1972, IN
8 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

10 SECTION 1. Section 29-1-107, Mississippi Code of 1972, is
11 amended as follows:

12 29-1-107. (1) The Secretary of State with the approval of
13 the Governor shall, as far as practicable, rent or lease all lands
14 belonging to the state, except as otherwise provided by law for a
15 period of not exceeding one (1) year, and account for the rents
16 therefrom in the same manner as money received from the sale of
17 state lands, provided that no state land shall be rented or leased
18 to individuals, corporations, partnerships, or association of
19 persons for hunting or fishing purposes. Property belonging to
20 the state in municipalities, even though it may have been
21 subdivided into lots, blocks, divisions, or otherwise escheated or
22 was sold to the state by such description, may likewise be leased
23 or rented by the Secretary of State under the terms provided above
24 for other state lands, and the rents accounted for in the same
25 manner. The state shall have all the liens, rights and remedies
26 accorded to landlords in Sections 89-7-1 through 89-7-125; said
27 leases and rental contracts shall automatically terminate on the
28 date provided in said leases or contracts.

29 (2) The Secretary of State, with the approval of the
30 Governor, may rent or lease surface lands, tidelands or submerged
31 lands owned or controlled by the State of Mississippi lying in or
32 adjacent to the Mississippi Sound or Gulf of Mexico or streams
33 emptying therein, for a period not exceeding forty (40) years for
34 rental payable to the state annually. The lessee under such
35 agreement may construct such necessary items for marking channels,
36 docking, wharfing, mooring or fleeting vessels which shall be in
37 aid of navigation and not obstructions thereto. A lessee of
38 record may be given the option to renew for an additional period
39 not to exceed twenty-five (25) years. The holder of a lease of
40 Public Trust Tidelands, at the expiration thereof, shall have a
41 prior right, exclusive of all other persons, to re-lease as may be
42 agreed upon between the holder of the lease and the Secretary of
43 State. All such leases shall provide for review and rent
44 adjustments at each fifth anniversary tied either to the All Urban
45 Consumer Price Index-All Items (CPI) or to an appraisal which
46 deducts the value of any improvements by the lessee which
47 substantially enhance the value of the land, whichever is greater.
48 In the case where the initial rental was based on the value set by
49 the ad valorem tax rolls, then the rent review and adjustment
50 clause shall be likewise based on the value set by such tax rolls.
51 In the event that the lessor and lessee cannot agree on a rental
52 amount, the lease may be cancelled at the option of the lessor.
53 The lessee shall, within thirty (30) days after execution of a
54 sublease or assignment, file a copy thereof, including the total
55 consideration therefor, with the Secretary of State.

56 (3) Provided, however, the current occupants of public trust
57 tidelands that were developed after the determinable mean high
58 water line nearest the effective date of the Coastal Wetlands
59 Protection Law shall pay an annual rental based on the fair market
60 value as determined by the assessed valuation of the property. The
61 holder of a lease of Public Trust Tidelands, at the expiration

62 thereof, shall have a prior right, exclusive of all other persons,
63 to re-lease as may be agreed upon between the holder of the lease
64 and the Secretary of State.

65 (4) (a) Upon the entering of a lease or the renewal of a
66 lease, the Secretary of State shall require that a lessee that
67 employs more than one thousand (1,000) employees and has more than
68 two hundred and eighty-five thousand (285,000) square feet of
69 business or property area in the leased property, pay an
70 additional lease payment in an amount equal to one-half (½) of one
71 percent (1%) of the lessee's gross revenue for the preceding year.
72 The proceeds of the additional fee will be deposited into a
73 special fund that is created in the State Treasury. The monies in
74 the special fund shall be disbursed to Jackson, Pearl River and
75 Stone Counties based on the proportion that the population of each
76 county bears to the aggregate population of the three (3)
77 counties. Each county shall use such proceeds as follows:

78 (i) Fifty percent (50%) shall be utilized for
79 educational purposes in the county;

80 (ii) Twenty-five percent (25%) shall be utilized
81 for infrastructure in the county; and

82 (iii) Twenty-five percent (25%) shall be utilized
83 for any lawful purpose in the discretion of the county.

84 (b) Unexpended amounts remaining in the special fund at
85 the end of a fiscal year shall not lapse into the State General
86 Fund, and any interest earned on amounts in such special fund
87 shall be deposited to the credit of the special fund.

88 SECTION 2. Section 29-15-9, Mississippi Code of 1972, is
89 amended as follows:

90 29-15-9. There is hereby created in the State Treasury a
91 special fund to be known as the "Public Trust Tidelands Fund."

92 The fund shall be administered by the Secretary of State as
93 trustee.

94 Except as otherwise provided in Section 29-1-107(4), any
95 funds derived from lease rentals of tidelands and submerged lands,
96 except those funds derived from mineral leases, or funds * * *
97 specifically designated to be applied to other agencies, shall be
98 transferred to the special fund. However, funds derived from
99 lease rentals may be used to cover the administrative cost
100 incurred by the Secretary of State. Any remaining funds derived
101 from lease rentals shall be disbursed pro rata to the local taxing
102 authorities for the replacement of lost ad valorem taxes, if any.
103 Then, any remaining funds shall be disbursed to the commission for
104 new and extra programs of tidelands management, such as
105 conservation, reclamation, preservation, acquisition, education or
106 the enhancement of public access to the public trust tidelands or
107 public improvement projects as they relate to such lands.

108 SECTION 3. This act shall take effect and be in force from
109 and after July 1, 2001.