

By: Senator(s) Gollott, Hewes, Cuevas,  
Dawkins, Moffatt, Lee, Robertson

To: Finance

SENATE BILL NO. 2273

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR  
3 THE ACQUISITION, RECLAMATION AND PRESERVATION OF DEER ISLAND; TO  
4 PROVIDE THAT THE COMMISSION ON MARINE RESOURCES SHALL UTILIZE A  
5 PORTION OF THE FUNDS IT RECEIVES THAT ARE DERIVED FROM LEASE  
6 RENTALS OF TIDELANDS AND SUBMERGED LANDS TO PAY THE ANNUAL DEBT  
7 SERVICE ON SUCH BONDS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** As used in this act, the following words shall  
10 have the meanings ascribed herein unless the context clearly  
11 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) "Coastal" means within the geographical area of  
20 Hancock, Harrison and Jackson Counties.

21 (c) "Coastal preserve" means an exceptional area of  
22 uplands, wetlands, tidelands or submerged lands and their  
23 associated waters set aside for preserving their ecological  
24 integrity and for being maintained essentially in their natural  
25 state or existing condition for the public benefit.

26 (d) "Coastal Preserve System" means the entire body of  
27 Mississippi coastal preserves as heretofore previously designated  
28 by the Mississippi Commission on Marine Resources pursuant to  
29 Section 49-27-65(c) and as may be designated in the future.



30 (e) "State" means the State of Mississippi.

31 (f) "Commission" means the State Bond Commission.

32 (d) "Department" means the Mississippi Department of  
33 Marine Resources.

34 **SECTION 2.** (1) (a) A special fund, to be designated as the  
35 "Deer Island Acquisition, Reclamation and Preservation Fund," is  
36 created within the State Treasury. The fund shall be maintained  
37 by the State Treasurer as a separate and special fund, separate  
38 and apart from the General Fund of the state. Unexpended amounts  
39 remaining in the fund at the end of a fiscal year shall not lapse  
40 into the State General Fund, and any interest earned or investment  
41 earnings on amounts in the fund shall be deposited into such  
42 special fund.

43 (b) Monies deposited into the fund shall be disbursed,  
44 in the discretion of the Secretary of State, to provide funds for  
45 the acquisition, reclamation, and preservation of Deer Island as  
46 part of the Coastal Preserve System, with the Coastal Preserve  
47 System to be managed by the Department of Marine Resources in  
48 cooperation with the Secretary of State.

49 (c) Acquisition of Deer Island shall be based upon  
50 appraisal and the acquisition price shall not be an amount in  
51 excess of its appraised value. For purposes of this paragraph one  
52 (1) appraisal shall be sufficient.

53 (2) Amounts deposited into such special fund shall be  
54 disbursed to pay the costs of acquisition, reclamation and  
55 preservation of Deer Island as described in subsection (1) of this  
56 section. If any monies in such special fund are not used within  
57 five (5) years after the date the proceeds of the bonds authorized  
58 under this act are deposited into the special fund, then the  
59 Secretary of State shall provide an accounting of such unused  
60 monies to the commission. Promptly after the commission has  
61 certified, by resolution duly adopted, that the projects described  
62 in subsection (1) of this section shall have been completed,



63 abandoned, or cannot be completed in a timely fashion, any amounts  
64 remaining in such special fund shall be applied to pay debt  
65 service on the bonds issued under this act, in accordance with the  
66 proceedings authorizing the issuance of such bonds and as directed  
67 by the commission.

68 (3) The Secretary of State is expressly authorized and  
69 empowered to receive and expend any other source funds in  
70 connection with the expenditure of funds provided for in this  
71 section. The expenditure of monies deposited into the special  
72 fund shall be under the direction of the Secretary of State, and  
73 such funds shall be paid by the State Treasurer upon warrants  
74 issued by the Department of Finance and Administration, which  
75 warrants shall be issued upon requisitions signed by the Executive  
76 Director of the Department of Finance and Administration or his  
77 designee.

78 **SECTION 3.** For the purpose of providing for the payment of  
79 the principal of and the interest upon bonds issued under the  
80 provisions of this act, there is hereby created in the State  
81 Treasury the "Deer Island Acquisition, Reclamation and  
82 Preservation Bond Sinking Fund." Such sinking fund shall consist  
83 of the money required to be deposited into such fund pursuant to  
84 Section 18 of this act and such other amount as shall be paid into  
85 such fund by appropriation or other authorization by the  
86 Legislature. Funds required in excess of the amounts available in  
87 the Deer Island Acquisition, Reclamation and Preservation Bond  
88 Sinking Fund to pay the principal of and the interest upon bonds  
89 issued under the provisions of this act shall be appropriated from  
90 the State General Fund. Unexpended amounts remaining in the fund  
91 at the end of a fiscal year shall not lapse into the State General  
92 Fund, and any interest earned or investment earnings on amounts in  
93 the fund shall be deposited into such fund.

94 **SECTION 4.** (1) The commission, at one time, or from time to  
95 time, may declare by resolution the necessity for issuance of



96 general obligation bonds of the State of Mississippi to provide  
97 funds for all costs incurred or to be incurred for the purposes  
98 described in Section 2 of this act. Upon the issuance of a  
99 certificate by the Secretary of State, declaring the necessity for  
100 the issuance of any part or all of the general obligation bonds  
101 authorized by this section, the Secretary of State shall deliver a  
102 certified copy of his certificate or certificates to the  
103 commission. Upon receipt of such certificate, the commission, in  
104 its discretion, may act as the issuing agent, prescribe the form  
105 of the bonds, advertise for and accept bids, issue and sell the  
106 bonds so authorized to be sold and do any and all other things  
107 necessary and advisable in connection with the issuance and sale  
108 of such bonds. The total amount of bonds issued under this act  
109 shall not exceed Ten Million Dollars (\$10,000,000.00).

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

114 **SECTION 5.** The principal of and interest on the bonds  
115 authorized under this act shall be payable in the manner provided  
116 in this section. Such bonds shall bear such date or dates, be in  
117 such denomination or denominations, bear interest at such rate or  
118 rates (not to exceed the limits set forth in Section 75-17-101,  
119 Mississippi Code of 1972), be payable at such place or places  
120 within or without the State of Mississippi, shall mature  
121 absolutely at such time or times not to exceed twenty (20) years  
122 from date of issue, be redeemable before maturity at such time or  
123 times and upon such terms, with or without premium, shall bear  
124 such registration privileges, and shall be substantially in such  
125 form, all as shall be determined by resolution of the commission.

126 **SECTION 6.** The bonds authorized by this act shall be signed  
127 by the chairman of the commission, or by his facsimile signature,  
128 and the official seal of the commission shall be affixed thereto,



129 attested by the secretary of the commission. The interest  
130 coupons, if any, to be attached to such bonds may be executed by  
131 the facsimile signatures of such officers. Whenever any such  
132 bonds shall have been signed by the officials designated to sign  
133 the bonds who were in office at the time of such signing but who  
134 may have ceased to be such officers before the sale and delivery  
135 of such bonds, or who may not have been in office on the date such  
136 bonds may bear, the signatures of such officers upon such bonds  
137 and coupons shall nevertheless be valid and sufficient for all  
138 purposes and have the same effect as if the person so officially  
139 signing such bonds had remained in office until their delivery to  
140 the purchaser, or had been in office on the date such bonds may  
141 bear. However, notwithstanding anything herein to the contrary,  
142 such bonds may be issued as provided in the Registered Bond Act of  
143 the State of Mississippi.

144 **SECTION 7.** All bonds and interest coupons issued under the  
145 provisions of this act have all the qualities and incidents of  
146 negotiable instruments under the provisions of the Uniform  
147 Commercial Code, and in exercising the powers granted by this act,  
148 the commission shall not be required to and need not comply with  
149 the provisions of the Uniform Commercial Code.

150 **SECTION 8.** The commission shall act as the issuing agent for  
151 the bonds authorized under this act, prescribe the form of the  
152 bonds, advertise for and accept bids, issue and sell the bonds so  
153 authorized to be sold, pay all fees and costs incurred in such  
154 issuance and sale, and do any and all other things necessary and  
155 advisable in connection with the issuance and sale of such bonds.  
156 The commission is authorized and empowered to pay the costs that  
157 are incident to the sale, issuance and delivery of the bonds  
158 authorized under this act from the proceeds derived from the sale  
159 of such bonds. The commission shall sell such bonds on sealed  
160 bids at public sale, and for such price as it may determine to be  
161 for the best interest of the State of Mississippi, but no such



162 sale shall be made at a price less than par plus accrued interest  
163 to the date of delivery of the bonds to the purchaser. All  
164 interest accruing on such bonds so issued shall be payable  
165 semiannually or annually; however, the first interest payment may  
166 be for any period of not more than one (1) year.

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

174 The commission, when issuing any bonds under the authority of  
175 this act, may provide that bonds, at the option of the State of  
176 Mississippi, may be called in for payment and redemption at the  
177 call price named therein and accrued interest on such date or  
178 dates named therein.

179 **SECTION 9.** The bonds issued under the provisions of this act  
180 are general obligations of the State of Mississippi, and for the  
181 payment thereof the full faith and credit of the State of  
182 Mississippi is irrevocably pledged. If the funds available in the  
183 Deer Island Acquisition, Reclamation and Preservation Bond Sinking  
184 Fund and any funds appropriated by the Legislature are  
185 insufficient to pay the principal of and the interest on such  
186 bonds as they become due, then the deficiency shall be paid by the  
187 State Treasurer from any funds in the State Treasury not otherwise  
188 appropriated. All such bonds shall contain recitals on their  
189 faces substantially covering the provisions of this section.

190 **SECTION 10.** Upon the issuance and sale of bonds under the  
191 provisions of this act, the commission shall transfer the proceeds  
192 of any such sale or sales to the special fund created in Section 2  
193 of this act. The proceeds of such bonds shall be disbursed solely  
194 upon the order of the Secretary of State under such restrictions,



195 if any, as may be contained in the resolution providing for the  
196 issuance of the bonds.

197       **SECTION 11.** The bonds authorized under this act may be  
198 issued without any other proceedings or the happening of any other  
199 conditions or things other than those proceedings, conditions and  
200 things which are specified or required by this act. Any  
201 resolution providing for the issuance of bonds under the  
202 provisions of this act shall become effective immediately upon its  
203 adoption by the commission, and any such resolution may be adopted  
204 at any regular or special meeting of the commission by a majority  
205 of its members.

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

214       **SECTION 13.** Any holder of bonds issued under the provisions  
215 of this act or of any of the interest coupons pertaining thereto  
216 may, either at law or in equity, by suit, action, mandamus or  
217 other proceeding, protect and enforce any and all rights granted  
218 under this act, or under such resolution, and may enforce and  
219 compel performance of all duties required by this act to be  
220 performed, in order to provide for the payment of bonds and  
221 interest thereon.

222       **SECTION 14.** All bonds issued under the provisions of this  
223 act shall be legal investments for trustees and other fiduciaries,  
224 and for savings banks, trust companies and insurance companies  
225 organized under the laws of the State of Mississippi, and such  
226 bonds shall be legal securities which may be deposited with and  
227 shall be received by all public officers and bodies of this state



228 and all municipalities and political subdivisions for the purpose  
229 of securing the deposit of public funds.

230       **SECTION 15.** Bonds issued under the provisions of this act  
231 and income therefrom shall be exempt from all taxation in the  
232 State of Mississippi.

233       **SECTION 16.** The proceeds of the bonds issued under this act  
234 shall be used solely for the purposes herein provided, including  
235 the costs incident to the issuance and sale of such bonds.

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

247       **SECTION 18.** From the funds it receives under Section  
248 29-15-9, Mississippi Code of 1972, the Commission on Marine  
249 Resources shall deposit the amount of funds necessary to annually  
250 pay the principal of and interest on bonds issued pursuant to this  
251 act into the Deer Island Acquisition, Reclamation and Preservation  
252 Bond Sinking Fund created in Section 3 of this act.

253       **SECTION 19.** This act shall be deemed to be full and complete  
254 authority for the exercise of the powers herein granted, but this  
255 act shall not be deemed to repeal or to be in derogation of any  
256 existing law of this state.

257       **SECTION 20.** This act shall take effect and be in force from  
258 and after its passage.

