

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

To: Finance

SENATE BILL NO. 2273  
(As Sent to Governor)

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; TO AUTHORIZE THE SECRETARY OF STATE TO  
8 BORROW FUNDS FROM THE MISSISSIPPI DEVELOPMENT BANK FOR THE PURPOSE  
9 OF PROVIDING FUNDS FOR THE ACQUISITION, RECLAMATION AND  
10 PRESERVATION OF DEER ISLAND; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** As used in Sections 1 through 19 of this act, the  
13 following words shall have the meanings ascribed herein unless the  
14 context clearly requires otherwise:

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

22 (b) "Coastal" means within the geographical area of  
23 Hancock, Harrison and Jackson Counties.

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

29 (d) "Coastal Preserve System" means the entire body of  
30 Mississippi coastal preserves as heretofore previously designated



31 by the Mississippi Commission on Marine Resources pursuant to  
32 Section 49-27-65(c) and as may be designated in the future.

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

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

35 (g) "Department" means the Mississippi Department of  
36 Marine Resources.

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

46 (b) Monies deposited into the fund shall be disbursed,  
47 in the discretion of the Secretary of State, to provide funds for  
48 the acquisition, reclamation, and preservation of Deer Island as  
49 part of the Coastal Preserve System, with the Coastal Preserve  
50 System to be managed by the Department of Marine Resources in  
51 cooperation with the Secretary of State. However, the Department  
52 of Marine Resources may not take any action relating to Deer  
53 Island unless authorized by the Mississippi Commission on Marine  
54 Resources at a meeting or meetings complying with the provisions  
55 of Section 25-41-1 et seq., Mississippi Code of 1972. The  
56 Mississippi Commission on Marine Resources shall comply with the  
57 Mississippi Administrative Procedures Law (Section 25-43-1 et  
58 seq., Mississippi Code of 1972) in promulgating and adopting rules  
59 or regulations, or both, relating to Deer Island.

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



64 (2) Amounts deposited into such special fund shall be  
65 disbursed to pay the costs of acquisition, reclamation and  
66 preservation of Deer Island as described in subsection (1) of this  
67 section. If any monies in such special fund are not used within  
68 five (5) years after the date the proceeds of the bonds authorized  
69 under Sections 1 through 19 of this act are deposited into the  
70 special fund, then the Secretary of State shall provide an  
71 accounting of such unused monies to the commission. Promptly  
72 after the commission has certified, by resolution duly adopted,  
73 that the projects described in subsection (1) of this section  
74 shall have been completed, abandoned, or cannot be completed in a  
75 timely fashion, any amounts remaining in such special fund shall  
76 be applied to pay debt service on the bonds issued under Sections  
77 1 through 19 of this act, in accordance with the proceedings  
78 authorizing the issuance of such bonds and as directed by the  
79 commission.

80 (3) The Secretary of State is expressly authorized and  
81 empowered to receive and expend any other source funds in  
82 connection with the expenditure of funds provided for in this  
83 section. The expenditure of monies deposited into the special  
84 fund shall be under the direction of the Secretary of State, and  
85 such funds shall be paid by the State Treasurer upon warrants  
86 issued by the Department of Finance and Administration, which  
87 warrants shall be issued upon requisitions signed by the Executive  
88 Director of the Department of Finance and Administration or his  
89 designee.

90 **SECTION 3.** For the purpose of providing for the payment of  
91 the principal of and the interest upon bonds issued under the  
92 provisions of Sections 1 through 19 of this act or any  
93 indebtedness incurred under Section 20 of this act, or both, there  
94 is hereby created in the State Treasury the "Deer Island  
95 Acquisition, Reclamation and Preservation Bond Sinking Fund."  
96 Such sinking fund shall consist of the money required to be



97 deposited into such fund pursuant to Section 18 of this act and  
98 such other amounts as shall be paid into such fund by  
99 appropriation or other authorization by the Legislature. Funds  
100 required in excess of the amounts available in the Deer Island  
101 Acquisition, Reclamation and Preservation Bond Sinking Fund to pay  
102 the principal of and the interest upon bonds issued under the  
103 provisions of Sections 1 through 19 of this act shall be  
104 appropriated from the State General Fund. Unexpended amounts  
105 remaining in the fund at the end of a fiscal year shall not lapse  
106 into the State General Fund, and any interest earned or investment  
107 earnings on amounts in the fund shall be deposited into such fund.

108       **SECTION 4.** (1) The commission, at one time, or from time to  
109 time, may declare by resolution the necessity for issuance of  
110 general obligation bonds of the State of Mississippi to provide  
111 funds for all costs incurred or to be incurred for the purposes  
112 described in Section 2 of this act. Upon the issuance of a  
113 certificate by the Secretary of State, declaring the necessity for  
114 the issuance of any part or all of the general obligation bonds  
115 authorized by this section, the Secretary of State shall deliver a  
116 certified copy of his certificate or certificates to the  
117 commission. Upon receipt of such certificate, the commission, in  
118 its discretion, may act as the issuing agent, prescribe the form  
119 of the bonds, advertise for and accept bids, issue and sell the  
120 bonds so authorized to be sold and do any and all other things  
121 necessary and advisable in connection with the issuance and sale  
122 of such bonds. Subject to the provisions of this act, the total  
123 amount of bonds issued under Sections 1 through 19 of this act  
124 shall not exceed Ten Million Dollars (\$10,000,000.00).

125       (2) Any investment earnings on amounts deposited into the  
126 special fund created in Section 2 of this act shall be used to pay  
127 debt service on bonds issued under Sections 1 through 19 of this  
128 act, in accordance with the proceedings authorizing issuance of  
129 such bonds.



130           **SECTION 5.** The principal of and interest on the bonds  
131 authorized under Sections 1 through 19 of this act shall be  
132 payable in the manner provided in this section. Such bonds shall  
133 bear such date or dates, be in such denomination or denominations,  
134 bear interest at such rate or rates (not to exceed the limits set  
135 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
136 at such place or places within or without the State of  
137 Mississippi, shall mature absolutely at such time or times not to  
138 exceed ten (10) years from date of issue, be redeemable before  
139 maturity at such time or times and upon such terms, with or  
140 without premium, shall bear such registration privileges, and  
141 shall be substantially in such form, all as shall be determined by  
142 resolution of the commission.

143           **SECTION 6.** The bonds authorized by Sections 1 through 19 of  
144 this act shall be signed by the chairman of the commission, or by  
145 his facsimile signature, and the official seal of the commission  
146 shall be affixed thereto, attested by the secretary of the  
147 commission. The interest coupons, if any, to be attached to such  
148 bonds may be executed by the facsimile signatures of such  
149 officers. Whenever any such bonds shall have been signed by the  
150 officials designated to sign the bonds who were in office at the  
151 time of such signing but who may have ceased to be such officers  
152 before the sale and delivery of such bonds, or who may not have  
153 been in office on the date such bonds may bear, the signatures of  
154 such officers upon such bonds and coupons shall nevertheless be  
155 valid and sufficient for all purposes and have the same effect as  
156 if the person so officially signing such bonds had remained in  
157 office until their delivery to the purchaser, or had been in  
158 office on the date such bonds may bear. However, notwithstanding  
159 anything herein to the contrary, such bonds may be issued as  
160 provided in the Registered Bond Act of the State of Mississippi.

161           **SECTION 7.** All bonds and interest coupons issued under the  
162 provisions of Sections 1 through 19 of this act have all the



163 qualities and incidents of negotiable instruments under the  
164 provisions of the Uniform Commercial Code, and in exercising the  
165 powers granted by Sections 1 through 19 of this act, the  
166 commission shall not be required to and need not comply with the  
167 provisions of the Uniform Commercial Code.

168       **SECTION 8.** The commission shall act as the issuing agent for  
169 the bonds authorized under Sections 1 through 19 of this act,  
170 prescribe the form of the bonds, advertise for and accept bids,  
171 issue and sell the bonds so authorized to be sold, pay all fees  
172 and costs incurred in such issuance and sale, and do any and all  
173 other things necessary and advisable in connection with the  
174 issuance and sale of such bonds. The commission is authorized and  
175 empowered to pay the costs that are incident to the sale, issuance  
176 and delivery of the bonds authorized under Sections 1 through 19  
177 of this act from the proceeds derived from the sale of such bonds.  
178 The commission shall sell such bonds on sealed bids at public  
179 sale, and for such price as it may determine to be for the best  
180 interest of the State of Mississippi, but no such sale shall be  
181 made at a price less than par plus accrued interest to the date of  
182 delivery of the bonds to the purchaser. All interest accruing on  
183 such bonds so issued shall be payable semiannually or annually;  
184 however, the first interest payment may be for any period of not  
185 more than one (1) year.

186       Notice of the sale of any such bonds shall be published at  
187 least one time, not less than ten (10) days before the date of  
188 sale, and shall be so published in one or more newspapers  
189 published or having a general circulation in the City of Jackson,  
190 Mississippi, and in one or more other newspapers or financial  
191 journals with a national circulation, to be selected by the  
192 commission.

193       The commission, when issuing any bonds under the authority of  
194 Sections 1 through 19 of this act, may provide that bonds, at the  
195 option of the State of Mississippi, may be called in for payment



196 and redemption at the call price named therein and accrued  
197 interest on such date or dates named therein.

198         **SECTION 9.** The bonds issued under the provisions of Sections  
199 1 through 19 of this act are general obligations of the State of  
200 Mississippi, and for the payment thereof the full faith and credit  
201 of the State of Mississippi is irrevocably pledged. If the funds  
202 available in the Deer Island Acquisition, Reclamation and  
203 Preservation Bond Sinking Fund and any funds appropriated by the  
204 Legislature are insufficient to pay the principal of and the  
205 interest on such bonds as they become due, then the deficiency  
206 shall be paid by the State Treasurer from any funds in the State  
207 Treasury not otherwise appropriated. All such bonds shall contain  
208 recitals on their faces substantially covering the provisions of  
209 this section.

210         **SECTION 10.** Upon the issuance and sale of bonds under the  
211 provisions of Sections 1 through 19 of this act, the commission  
212 shall transfer the proceeds of any such sale or sales to the  
213 special fund created in Section 2 of this act. The proceeds of  
214 such bonds shall be disbursed solely upon the order of the  
215 Secretary of State under such restrictions, if any, as may be  
216 contained in the resolution providing for the issuance of the  
217 bonds.

218         **SECTION 11.** The bonds authorized under Sections 1 through 19  
219 of this act may be issued without any other proceedings or the  
220 happening of any other conditions or things other than those  
221 proceedings, conditions and things which are specified or required  
222 by Sections 1 through 19 of this act. Any resolution providing  
223 for the issuance of bonds under the provisions of Sections 1  
224 through 19 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  
229 Sections 1 through 19 of this act may be validated in the Chancery  
230 Court of the First Judicial District of Hinds County, Mississippi,  
231 in the manner and with the force and effect provided by Chapter  
232 13, Title 31, Mississippi Code of 1972, for the validation of  
233 county, municipal, school district and other bonds. The notice to  
234 taxpayers required by such statutes shall be published in a  
235 newspaper published or having a general circulation in the City of  
236 Jackson, Mississippi.

237           **SECTION 13.** Any holder of bonds issued under the provisions  
238 of Sections 1 through 19 of this act or of any of the interest  
239 coupons pertaining thereto may, either at law or in equity, by  
240 suit, action, mandamus or other proceeding, protect and enforce  
241 any and all rights granted under Sections 1 through 19 of this  
242 act, or under such resolution, and may enforce and compel  
243 performance of all duties required by Sections 1 through 19 of  
244 this act to be performed, in order to provide for the payment of  
245 bonds and interest thereon.

246           **SECTION 14.** All bonds issued under the provisions of  
247 Sections 1 through 19 of this act shall be legal investments for  
248 trustees and other fiduciaries, and for savings banks, trust  
249 companies and insurance companies organized under the laws of the  
250 State of Mississippi, and such bonds shall be legal securities  
251 which may be deposited with and shall be received by all public  
252 officers and bodies of this state and all municipalities and  
253 political subdivisions for the purpose of securing the deposit of  
254 public funds.

255           **SECTION 15.** Bonds issued under the provisions of Sections 1  
256 through 19 of this act and income therefrom shall be exempt from  
257 all taxation in the State of Mississippi.

258           **SECTION 16.** The proceeds of the bonds issued under Sections  
259 1 through 19 of this act shall be used solely for the purposes





260 herein provided, including the costs incident to the issuance and  
261 sale of such bonds.

262         **SECTION 17.** The State Treasurer is authorized, without  
263 further process of law, to certify to the Department of Finance  
264 and Administration the necessity for warrants, and the Department  
265 of Finance and Administration is authorized and directed to issue  
266 such warrants, in such amounts as may be necessary to pay when due  
267 the principal of, premium, if any, and interest on, or the  
268 accreted value of, all bonds issued under Sections 1 through 19 of  
269 this act; and the State Treasurer shall forward the necessary  
270 amount to the designated place or places of payment of such bonds  
271 in ample time to discharge such bonds, or the interest thereon, on  
272 the due dates thereof.

273         **SECTION 18.** From the funds it receives under Section  
274 29-15-9, Mississippi Code of 1972, the Commission on Marine  
275 Resources shall deposit the amount of funds necessary to annually  
276 pay the principal of and interest on bonds issued pursuant to  
277 Sections 1 through 19 of this act or any indebtedness incurred  
278 under Section 20 of this act, or both, into the Deer Island  
279 Acquisition, Reclamation and Preservation Bond Sinking Fund  
280 created in Section 3 of this act. Any funds received by the  
281 Commission on Marine Resources under Section 29-15-9, and used by  
282 the Commission on Marine Resources for any purpose related to the  
283 acquisition, reclamation and preservation of Deer Island, other  
284 than for deposit into the Deer Island Acquisition, Reclamation and  
285 Preservation Bond Sinking Fund created in Section 3 of this act,  
286 shall be subject to legislative appropriation.

287         **SECTION 19.** Except as otherwise provided in this act,  
288 Sections 1 through 19 of this act shall be deemed to be full and  
289 complete authority for the exercise of the powers herein granted,  
290 but Sections 1 through 19 of this act shall not be deemed to  
291 repeal or to be in derogation of any existing law of this state.



292           **SECTION 20.** In addition to, and not as a limitation of, the  
293 availability of the use of proceeds from general obligation bonds  
294 issued under Sections 1 through 19 of this act, the Secretary of  
295 State may borrow money from the Mississippi Development Bank  
296 pursuant to Section 31-25-1 et seq., Mississippi Code of 1972, to  
297 provide funds for the acquisition, reclamation, and preservation  
298 of Deer Island as described in Section 2 of this act. Subject to  
299 the provisions of this act, any loan made by the Mississippi  
300 Development Bank to the Secretary of State for the purposes stated  
301 in this section may be made upon such terms and conditions as  
302 prescribed by and between the Mississippi Development Bank and the  
303 Secretary of State pursuant to Section 31-25-1 et seq. The  
304 Secretary of State may not borrow money from the Mississippi  
305 Development Bank under this section after July 1, 2005.

306           **SECTION 21.** The total amount of bonds issued under Sections  
307 1 through 19 of this act and any indebtedness incurred under  
308 Section 20 of this act shall not exceed Ten Million Dollars  
309 (\$10,000,000.00) in the aggregate.

310           **SECTION 22.** This act shall take effect and be in force from  
311 and after its passage.

