

By: Representatives McCoy, Holland

To: Ways and Means

HOUSE BILL NO. 371

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 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; AND FOR
4 RELATED PURPOSES.

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

6 SECTION 1. As used in this act, the following words shall
7 have the meanings ascribed herein unless the context clearly
8 requires otherwise:

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

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

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

18 SECTION 2. The commission, at one time, or from time to
19 time, may declare by resolution the necessity for issuance of
20 general obligation bonds of the State of Mississippi to provide
21 funds for the Mississippi Land, Water and Timber Resources Fund
22 created in Section 69-46-7, Mississippi Code of 1972. Upon the
23 adoption of a resolution by the Department of Finance and
24 Administration, declaring the necessity for the issuance of any
25 part or all of the general obligation bonds authorized by this
26 section, the Department of Finance and Administration shall
27 deliver a certified copy of its resolution or resolutions to the

28 commission. Upon receipt of such resolution, the commission, in
29 its discretion, may act as the issuing agent, prescribe the form
30 of the bonds, advertise for and accept bids, issue and sell the
31 bonds so authorized to be sold and do any and all other things
32 necessary and advisable in connection with the issuance and sale
33 of such bonds. The total amount of bonds issued under this act
34 shall not exceed Ten Million Dollars (\$10,000,000.00).

35 SECTION 3. The principal of and interest on the bonds
36 authorized under this act shall be payable in the manner provided
37 in this section. Such bonds shall bear such date or dates, be in
38 such denomination or denominations, bear interest at such rate or
39 rates (not to exceed the limits set forth in Section 75-17-101,
40 Mississippi Code of 1972), be payable at such place or places
41 within or without the State of Mississippi, shall mature
42 absolutely at such time or times not to exceed twenty-five (25)
43 years from date of issue, be redeemable before maturity at such
44 time or times and upon such terms, with or without premium, shall
45 bear such registration privileges, and shall be substantially in
46 such form, all as shall be determined by resolution of the
47 commission.

48 SECTION 4. The bonds authorized by this act shall be signed
49 by the chairman of the commission, or by his facsimile signature,
50 and the official seal of the commission shall be affixed thereto,
51 attested by the secretary of the commission. The interest
52 coupons, if any, to be attached to such bonds may be executed by
53 the facsimile signatures of such officers. Whenever any such
54 bonds shall have been signed by the officials designated to sign
55 the bonds who were in office at the time of such signing but who
56 may have ceased to be such officers before the sale and delivery
57 of such bonds, or who may not have been in office on the date such
58 bonds may bear, the signatures of such officers upon such bonds
59 and coupons shall nevertheless be valid and sufficient for all
60 purposes and have the same effect as if the person so officially

61 signing such bonds had remained in office until their delivery to
62 the purchaser, or had been in office on the date such bonds may
63 bear. However, notwithstanding anything herein to the contrary,
64 such bonds may be issued as provided in the Registered Bond Act of
65 the State of Mississippi.

66 SECTION 5. All bonds and interest coupons issued under the
67 provisions of this act have all the qualities and incidents of
68 negotiable instruments under the provisions of the Mississippi
69 Uniform Commercial Code, and in exercising the powers granted by
70 this act, the commission shall not be required to and need not
71 comply with the provisions of the Mississippi Uniform Commercial
72 Code.

73 SECTION 6. The commission shall act as the issuing agent for
74 the bonds authorized under this act, prescribe the form of the
75 bonds, advertise for and accept bids, issue and sell the bonds so
76 authorized to be sold, pay all fees and costs incurred in such
77 issuance and sale, and do any and all other things necessary and
78 advisable in connection with the issuance and sale of such bonds.
79 The commission is authorized and empowered to pay the costs that
80 are incident to the sale, issuance and delivery of the bonds
81 authorized under this act from the proceeds derived from the sale
82 of such bonds. The commission shall sell such bonds on sealed
83 bids at public sale, and for such price as it may determine to be
84 for the best interest of the State of Mississippi, but no such
85 sale shall be made at a price less than par plus accrued interest
86 to the date of delivery of the bonds to the purchaser. All
87 interest accruing on such bonds so issued shall be payable
88 semiannually or annually; however, the first interest payment may
89 be for any period of not more than one (1) year.

90 Notice of the sale of any such bonds shall be published at
91 least one time, not less than ten (10) days before the date of
92 sale, and shall be so published in one or more newspapers
93 published or having a general circulation in the City of Jackson,

94 Mississippi, and in one or more other newspapers or financial
95 journals with a national circulation, to be selected by the
96 commission.

97 The commission, when issuing any bonds under the authority of
98 this act, may provide that bonds, at the option of the State of
99 Mississippi, may be called in for payment and redemption at the
100 call price named therein and accrued interest on such date or
101 dates named therein.

102 SECTION 7. The bonds issued under the provisions of this act
103 are general obligations of the State of Mississippi, and for the
104 payment thereof the full faith and credit of the State of
105 Mississippi is irrevocably pledged. If the funds appropriated by
106 the Legislature are insufficient to pay the principal of and the
107 interest on such bonds as they become due, then the deficiency
108 shall be paid by the State Treasurer from any funds in the State
109 Treasury not otherwise appropriated. All such bonds shall contain
110 recitals on their faces substantially covering the provisions of
111 this section.

112 SECTION 8. Upon the issuance and sale of bonds under the
113 provisions of this act, the commission shall transfer the proceeds
114 of any such sale or sales to the Mississippi Land, Water and
115 Timber Resources Fund created in Section 69-46-7, Mississippi Code
116 of 1972. The proceeds of such bonds shall be disbursed solely
117 upon the order of the Department of Finance and Administration
118 under such restrictions, if any, as may be contained in the
119 resolution providing for the issuance of the bonds.

120 SECTION 9. The bonds authorized under this act may be issued
121 without any other proceedings or the happening of any other
122 conditions or things other than those proceedings, conditions and
123 things which are specified or required by this act. Any
124 resolution providing for the issuance of bonds under the
125 provisions of this act shall become effective immediately upon its
126 adoption by the commission, and any such resolution may be adopted

127 at any regular or special meeting of the commission by a majority
128 of its members.

129 SECTION 10. The bonds authorized under the authority of this
130 act may be validated in the Chancery Court of the First Judicial
131 District of Hinds County, Mississippi, in the manner and with the
132 force and effect provided by Chapter 13, Title 31, Mississippi
133 Code of 1972, for the validation of county, municipal, school
134 district and other bonds. The notice to taxpayers required by
135 such statutes shall be published in a newspaper published or
136 having a general circulation in the City of Jackson, Mississippi.

137 SECTION 11. Any holder of bonds issued under the provisions
138 of this act or of any of the interest coupons pertaining thereto
139 may, either at law or in equity, by suit, action, mandamus or
140 other proceeding, protect and enforce any and all rights granted
141 under this act, or under such resolution, and may enforce and
142 compel performance of all duties required by this act to be
143 performed, in order to provide for the payment of bonds and
144 interest thereon.

145 SECTION 12. All bonds issued under the provisions of this
146 act shall be legal investments for trustees and other fiduciaries,
147 and for savings banks, trust companies and insurance companies
148 organized under the laws of the State of Mississippi, and such
149 bonds shall be legal securities which may be deposited with and
150 shall be received by all public officers and bodies of this state
151 and all municipalities and political subdivisions for the purpose
152 of securing the deposit of public funds.

153 SECTION 13. Bonds issued under the provisions of this act
154 and income therefrom shall be exempt from all taxation in the
155 State of Mississippi.

156 SECTION 14. The proceeds of the bonds issued under this act
157 shall be used solely for the purposes herein provided, including
158 the costs incident to the issuance and sale of such bonds.

159 SECTION 15. The State Treasurer is authorized, without
160 further process of law, to certify to the Department of Finance
161 and Administration the necessity for warrants, and the Department
162 of Finance and Administration is authorized and directed to issue
163 such warrants, in such amounts as may be necessary to pay when due
164 the principal of, premium, if any, and interest on, or the
165 accreted value of, all bonds issued under this act; and the State
166 Treasurer shall forward the necessary amount to the designated
167 place or places of payment of such bonds in ample time to
168 discharge such bonds, or the interest thereon, on the due dates
169 thereof.

170 SECTION 16. This act shall be deemed to be full and complete
171 authority for the exercise of the powers herein granted, but this
172 act shall not be deemed to repeal or to be in derogation of any
173 existing law of this state.

174 SECTION 17. This act shall take effect and be in force from
175 and after its passage.