

By: Representatives McCoy, Holland

To: Ways and Means

HOUSE BILL NO. 371  
(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 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; TO AMEND  
4 SECTION 69-46-5, MISSISSIPPI CODE OF 1972, TO DELETE THE  
5 REQUIREMENT THAT MONIES IN THE MISSISSIPPI LAND, WATER AND TIMBER  
6 RESOURCES FUND BE APPROPRIATED IN ORDER TO BE EXPENDED; AND FOR  
7 RELATED PURPOSES.

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

9       SECTION 1. As used in Sections 1 through 16 of this act, the  
10 following words shall have the meanings ascribed herein unless the  
11 context clearly 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) "State" means the State of Mississippi.

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

21       SECTION 2. The commission, at one time, or from time to  
22 time, may declare by resolution the necessity for issuance of  
23 general obligation bonds of the State of Mississippi to provide  
24 funds for the Mississippi Land, Water and Timber Resources Fund  
25 created in Section 69-46-7, Mississippi Code of 1972. Upon the  
26 adoption of a resolution by the Mississippi Land, Water and Timber  
27 Resources Board, declaring the necessity for the issuance of any  
28 part or all of the general obligation bonds authorized by this

29 section, the Mississippi Land, Water and Timber Resources Board  
30 shall deliver a certified copy of its resolution or resolutions to  
31 the commission. Upon receipt of such resolution, the commission,  
32 in its discretion, may act as the issuing agent, prescribe the  
33 form of the bonds, advertise for and accept bids, issue and sell  
34 the bonds so authorized to be sold and do any and all other things  
35 necessary and advisable in connection with the issuance and sale  
36 of such bonds. The total amount of bonds issued under Sections 1  
37 through 16 of this act shall not exceed Ten Million Dollars  
38 (\$10,000,000.00). No bonds shall be issued under Sections 1  
39 through 16 of this act after July 1, 2005.

40 SECTION 3. The principal of and interest on the bonds  
41 authorized under Sections 1 through 16 of this act shall be  
42 payable in the manner provided in this section. Such bonds shall  
43 bear such date or dates, be in such denomination or denominations,  
44 bear interest at such rate or rates (not to exceed the limits set  
45 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
46 at such place or places within or without the State of  
47 Mississippi, shall mature absolutely at such time or times not to  
48 exceed twenty-five (25) years from date of issue, be redeemable  
49 before maturity at such time or times and upon such terms, with or  
50 without premium, shall bear such registration privileges, and  
51 shall be substantially in such form, all as shall be determined by  
52 resolution of the commission.

53 SECTION 4. The bonds authorized by Sections 1 through 16 of  
54 this act shall be signed by the chairman of the commission, or by  
55 his facsimile signature, and the official seal of the commission  
56 shall be affixed thereto, attested by the secretary of the  
57 commission. The interest coupons, if any, to be attached to such  
58 bonds may be executed by the facsimile signatures of such  
59 officers. Whenever any such bonds shall have been signed by the  
60 officials designated to sign the bonds who were in office at the  
61 time of such signing but who may have ceased to be such officers

62 before the sale and delivery of such bonds, or who may not have  
63 been in office on the date such bonds may bear, the signatures of  
64 such officers upon such bonds and coupons shall nevertheless be  
65 valid and sufficient for all purposes and have the same effect as  
66 if the person so officially signing such bonds had remained in  
67 office until their delivery to the purchaser, or had been in  
68 office on the date such bonds may bear. However, notwithstanding  
69 anything herein to the contrary, such bonds may be issued as  
70 provided in the Registered Bond Act of the State of Mississippi.

71 SECTION 5. All bonds and interest coupons issued under the  
72 provisions of Sections 1 through 16 of this act have all the  
73 qualities and incidents of negotiable instruments under the  
74 provisions of the Mississippi Uniform Commercial Code, and in  
75 exercising the powers granted by Sections 1 through 16 of this  
76 act, the commission shall not be required to and need not comply  
77 with the provisions of the Mississippi Uniform Commercial Code.

78 SECTION 6. The commission shall act as the issuing agent for  
79 the bonds authorized under Sections 1 through 16 of this act,  
80 prescribe the form of the bonds, advertise for and accept bids,  
81 issue and sell the bonds so authorized to be sold, pay all fees  
82 and costs incurred in such issuance and sale, and do any and all  
83 other things necessary and advisable in connection with the  
84 issuance and sale of such bonds. The commission is authorized and  
85 empowered to pay the costs that are incident to the sale, issuance  
86 and delivery of the bonds authorized under Sections 1 through 16  
87 of this act from the proceeds derived from the sale of such bonds.  
88 The commission shall sell such bonds on sealed bids at public  
89 sale, and for such price as it may determine to be for the best  
90 interest of the State of Mississippi, but no such sale shall be  
91 made at a price less than par plus accrued interest to the date of  
92 delivery of the bonds to the purchaser. All interest accruing on  
93 such bonds so issued shall be payable semiannually or annually;

94 however, the first interest payment may be for any period of not  
95 more than one (1) year.

96 Notice of the sale of any such bonds shall be published at  
97 least one time, not less than ten (10) days before the date of  
98 sale, and shall be so published in one or more newspapers  
99 published or having a general circulation in the City of Jackson,  
100 Mississippi, and in one or more other newspapers or financial  
101 journals with a national circulation, to be selected by the  
102 commission.

103 The commission, when issuing any bonds under the authority of  
104 Sections 1 through 16 of this act, may provide that bonds, at the  
105 option of the State of Mississippi, may be called in for payment  
106 and redemption at the call price named therein and accrued  
107 interest on such date or dates named therein.

108 SECTION 7. The bonds issued under the provisions of Sections  
109 1 through 16 of this act are general obligations of the State of  
110 Mississippi, and for the payment thereof the full faith and credit  
111 of the State of Mississippi is irrevocably pledged. If the funds  
112 appropriated by the Legislature are insufficient to pay the  
113 principal of and the interest on such bonds as they become due,  
114 then the deficiency shall be paid by the State Treasurer from any  
115 funds in the State Treasury not otherwise appropriated. All such  
116 bonds shall contain recitals on their faces substantially covering  
117 the provisions of this section.

118 SECTION 8. Upon the issuance and sale of bonds under the  
119 provisions of Sections 1 through 16 of this act, the commission  
120 shall transfer the proceeds of any such sale or sales to the  
121 Mississippi Land, Water and Timber Resources Fund created in  
122 Section 69-46-7, Mississippi Code of 1972.

123 SECTION 9. The bonds authorized under Sections 1 through 16  
124 of this act may be issued without any other proceedings or the  
125 happening of any other conditions or things other than those  
126 proceedings, conditions and things which are specified or required

127 by Sections 1 through 16 of this act. Any resolution providing  
128 for the issuance of bonds under the provisions of Sections 1  
129 through 16 of this act shall become effective immediately upon its  
130 adoption by the commission, and any such resolution may be adopted  
131 at any regular or special meeting of the commission by a majority  
132 of its members.

133 SECTION 10. The bonds authorized under the authority of  
134 Sections 1 through 16 of this act may be validated in the Chancery  
135 Court of the First Judicial District of Hinds County, Mississippi,  
136 in the manner and with the force and effect provided by Chapter  
137 13, Title 31, Mississippi Code of 1972, for the validation of  
138 county, municipal, school district and other bonds. The notice to  
139 taxpayers required by such statutes shall be published in a  
140 newspaper published or having a general circulation in the City of  
141 Jackson, Mississippi.

142 SECTION 11. Any holder of bonds issued under the provisions  
143 of Sections 1 through 16 of this act or of any of the interest  
144 coupons pertaining thereto may, either at law or in equity, by  
145 suit, action, mandamus or other proceeding, protect and enforce  
146 any and all rights granted under Sections 1 through 16 of this  
147 act, or under such resolution, and may enforce and compel  
148 performance of all duties required by Sections 1 through 16 of  
149 this act to be performed, in order to provide for the payment of  
150 bonds and interest thereon.

151 SECTION 12. All bonds issued under the provisions of Section  
152 1 through 16 of this act shall be legal investments for trustees  
153 and other fiduciaries, and for savings banks, trust companies and  
154 insurance companies organized under the laws of the State of  
155 Mississippi, and such bonds shall be legal securities which may be  
156 deposited with and shall be received by all public officers and  
157 bodies of this state and all municipalities and political  
158 subdivisions for the purpose of securing the deposit of public  
159 funds.

160        SECTION 13. Bonds issued under the provisions of Sections 1  
161 through 16 of this act and income therefrom shall be exempt from  
162 all taxation in the State of Mississippi.

163        SECTION 14. The proceeds of the bonds issued under Sections  
164 1 through 16 of this act shall be used solely for the purposes  
165 herein provided, including the costs incident to the issuance and  
166 sale of such bonds.

167        SECTION 15. The State Treasurer is authorized, without  
168 further process of law, to certify to the Department of Finance  
169 and Administration the necessity for warrants, and the Department  
170 of Finance and Administration is authorized and directed to issue  
171 such warrants, in such amounts as may be necessary to pay when due  
172 the principal of, premium, if any, and interest on, or the  
173 accreted value of, all bonds issued under Sections 1 through 16 of  
174 this act; and the State Treasurer shall forward the necessary  
175 amount to the designated place or places of payment of such bonds  
176 in ample time to discharge such bonds, or the interest thereon, on  
177 the due dates thereof.

178        SECTION 16. Sections 1 through 16 of this act shall be  
179 deemed to be full and complete authority for the exercise of the  
180 powers herein granted, but Sections 1 through 16 of this act shall  
181 not be deemed to repeal or to be in derogation of any existing law  
182 of this state.

183        SECTION 17. Section 69-46-5, Mississippi Code of 1972 is  
184 amended as follows:

185        69-46-5. The board shall have the following powers and  
186 duties:

187                (a) To develop marketing plans and opportunities for  
188 independent farmers in Mississippi;

189                (b) To encourage the commercialization of new  
190 agricultural technology businesses;

191                (c) To initiate the development of processing  
192 facilities for Mississippi agricultural commodities;

193                         (d) To initiate the development of Mississippi  
194 wholesale distribution businesses for agricultural inputs and  
195 products;

196                         (e) To promote the development of institutional and  
197 specialty markets for Mississippi agriculture products;

198                         (f) To encourage additional research for new  
199 agricultural product development;

200                         (g) To develop a working relationship with the state  
201 offices of the United States Department of Agriculture as may be  
202 appropriate for the promotion and development of agriculture in  
203 Mississippi;

204                         (h) To promote the rural quality of life in Mississippi  
205 through such programs as 4-H, Future Farmers of America and  
206 agricultural education;

207                         (i) To file an annual report with the Governor,  
208 Secretary of the Senate and the Clerk of the House of  
209 Representatives not later than December 1 of each year, with  
210 recommendations for any legislation necessary to accomplish the  
211 purposes of the Mississippi Land, Water and Timber Resources Act;

212                         (j) The board may promulgate and enforce rules and  
213 regulations, in accordance with the Mississippi Administrative  
214 Procedures Law, as may be necessary to carry out the provisions of  
215 the Mississippi Land, Water and Timber Resources Act;

216                         (k) To expend funds out of the Mississippi Land, Water  
217 and Timber Resources Fund \* \* \* to carry out its powers and duties  
218 under the Mississippi Land, Water and Timber Resources Act.

219                         SECTION 18. This act shall take effect and be in force from  
220 and after its passage.