

By: Representative Gadd

To: Ways and Means

HOUSE BILL NO. 1382

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 FOREST RESOURCE DEVELOPMENT FUND; TO AMEND SECTION 49-19-227,
4 MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS
5 ACT; AND FOR RELATED PURPOSES.

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

7 SECTION 1. As used in Sections 1 through 16 of this act, the
8 following words shall have the meanings ascribed herein unless the
9 context clearly requires otherwise:

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

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

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

19 SECTION 2. (1) The commission, at one time, or from time to
20 time, may declare by resolution the necessity for issuance of
21 general obligation bonds of the State of Mississippi to provide
22 funds for the Forest Resource Development Fund created in Section
23 49-19-227, Mississippi Code of 1972. Upon the adoption of a
24 resolution by the State Forestry Commission, declaring the
25 necessity for the issuance of any part or all of the general
26 obligation bonds authorized by this section, the State Forestry
27 Commission shall deliver a certified copy of its resolution or
28 resolutions to the commission. Upon receipt of such resolution,

29 the commission, in its discretion, may act as the issuing agent,
30 prescribe the form of the bonds, advertise for and accept bids,
31 issue and sell the bonds so authorized to be sold and do any and
32 all other things necessary and advisable in connection with the
33 issuance and sale of such bonds. The total amount of bonds issued
34 under Sections 1 through 16 of this act shall not exceed Ten
35 Million Dollars (\$10,000,000.00).

36 (2) The proceeds of bonds issued under Sections 1 through 16
37 of this act shall be deposited into the Forest Resource
38 Development Fund created in Section 49-19-227, Mississippi Code of
39 1972. Any investment earnings on amounts deposited into such fund
40 which are derived from bonds issued under Sections 1 through 16 of
41 this act shall be used to pay debt service on bonds issued under
42 Sections 1 through 16 of this act, in accordance with the
43 proceedings authorizing issuance of such bonds.

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

57 SECTION 4. The bonds authorized by Sections 1 through 16 of
58 this act shall be signed by the chairman of the commission, or by
59 his facsimile signature, and the official seal of the commission
60 shall be affixed thereto, attested by the secretary of the
61 commission. The interest coupons, if any, to be attached to such

62 bonds may be executed by the facsimile signatures of such
63 officers. Whenever any such bonds shall have been signed by the
64 officials designated to sign the bonds who were in office at the
65 time of such signing but who may have ceased to be such officers
66 before the sale and delivery of such bonds, or who may not have
67 been in office on the date such bonds may bear, the signatures of
68 such officers upon such bonds and coupons shall nevertheless be
69 valid and sufficient for all purposes and have the same effect as
70 if the person so officially signing such bonds had remained in
71 office until their delivery to the purchaser, or had been in
72 office on the date such bonds may bear. However, notwithstanding
73 anything herein to the contrary, such bonds may be issued as
74 provided in the Registered Bond Act of the State of Mississippi.

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

82 SECTION 6. The commission shall act as the issuing agent for
83 the bonds authorized under Sections 1 through 16 of this act,
84 prescribe the form of the bonds, advertise for and accept bids,
85 issue and sell the bonds so authorized to be sold, pay all fees
86 and costs incurred in such issuance and sale, and do any and all
87 other things necessary and advisable in connection with the
88 issuance and sale of such bonds. The commission is authorized and
89 empowered to pay the costs that are incident to the sale, issuance
90 and delivery of the bonds authorized under Sections 1 through 16
91 of this act from the proceeds derived from the sale of such bonds.
92 The commission shall sell such bonds on sealed bids at public
93 sale, and for such price as it may determine to be for the best
94 interest of the State of Mississippi, but no such sale shall be

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

100 Notice of the sale of any such bonds shall be published at
101 least one (1) time, not less than ten (10) days before the date of
102 sale, and shall be so published in one or more newspapers
103 published or having a general circulation in the City of Jackson,
104 Mississippi, and in one or more other newspapers or financial
105 journals with a national circulation, to be selected by the
106 commission.

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

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

122 SECTION 8. Upon the issuance and sale of bonds under the
123 provisions of Sections 1 through 16 of this act, the commission
124 shall transfer the proceeds of any such sale or sales to the
125 Forest Resource Development Fund created in Section 49-19-227,
126 Mississippi Code of 1972. The proceeds of such bonds shall be
127 disbursed solely upon the order of the Department of Finance and

128 Administration under such restrictions, if any, as may be
129 contained in the resolution providing for the issuance of the
130 bonds.

131 SECTION 9. The bonds authorized under Sections 1 through 16
132 of this act may be issued without any other proceedings or the
133 happening of any other conditions or things other than those
134 proceedings, conditions and things which are specified or required
135 by Sections 1 through 16 of this act. Any resolution providing
136 for the issuance of bonds under the provisions of Sections 1
137 through 16 of this act shall become effective immediately upon its
138 adoption by the commission, and any such resolution may be adopted
139 at any regular or special meeting of the commission by a majority
140 of its members.

141 SECTION 10. The bonds authorized under the authority of
142 Sections 1 through 16 of this act may be validated in the Chancery
143 Court of the First Judicial District of Hinds County, Mississippi,
144 in the manner and with the force and effect provided by Chapter
145 13, Title 31, Mississippi Code of 1972, for the validation of
146 county, municipal, school district and other bonds. The notice to
147 taxpayers required by such statutes shall be published in a
148 newspaper published or having a general circulation in the City of
149 Jackson, Mississippi.

150 SECTION 11. Any holder of bonds issued under the provisions
151 of Sections 1 through 16 of this act or of any of the interest
152 coupons pertaining thereto may, either at law or in equity, by
153 suit, action, mandamus or other proceeding, protect and enforce
154 any and all rights granted under Sections 1 through 16 of this
155 act, or under such resolution, and may enforce and compel
156 performance of all duties required by Sections 1 through 16 of
157 this act to be performed, in order to provide for the payment of
158 bonds and interest thereon.

159 SECTION 12. All bonds issued under the provisions of
160 Sections 1 through 16 of this act shall be legal investments for

161 trustees and other fiduciaries, and for savings banks, trust
162 companies and insurance companies organized under the laws of the
163 State of Mississippi, and such bonds shall be legal securities
164 which may be deposited with and shall be received by all public
165 officers and bodies of this state and all municipalities and
166 political subdivisions for the purpose of securing the deposit of
167 public funds.

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

171 SECTION 14. The proceeds of the bonds issued under the
172 provisions of Sections 1 through 16 of this act shall be used
173 solely for the purposes herein provided, including the costs
174 incident to the issuance and sale of such bonds.

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

186 SECTION 16. Sections 1 through 16 of this act shall be
187 deemed to be full and complete authority for the exercise of the
188 powers herein granted, but Sections 1 through 16 of this act shall
189 not be deemed to repeal or to be in derogation of any existing law
190 of this state.

191 SECTION 17. Section 49-19-227, Mississippi Code of 1972, is
192 amended as follows:

193 49-19-227. There is hereby created in the State Treasury a
194 special fund to be designated the Forest Resource Development
195 Fund, fiscal management and responsibility for which is hereby
196 vested in the State Forestry Commission and which shall consist of
197 that portion of the privilege tax on timber and timber products as
198 authorized by Section 27-25-11, Mississippi Code of 1972, * * *
199 any funds appropriated specifically therefor by the Legislature
200 and proceeds from general obligation bonds authorized by the
201 Legislature. The Legislature shall appropriate such sums as it
202 may deem necessary including any proceeds of general obligation
203 bonds which may be authorized by the Legislature for the support
204 of the Forest Resources Development Program provided for under
205 Sections 49-19-201 through 49-19-227. Those funds appropriated by
206 the Legislature remaining in the special fund at the end of any
207 fiscal year shall lapse into the General Fund, but other funds
208 shall remain in the special fund.

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