HOUSE BILL NO. 1382

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR THE FOREST RESOURCE DEVELOPMENT FUND; TO AMEND SECTION 49-19-227, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

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

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

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

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

SECTION 2. (1) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for the Forest Resource Development Fund created in Section 49-19-227, Mississippi Code of 1972. Upon the adoption of a resolution by the State Forestry Commission, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the State Forestry Commission shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution,
the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under Sections 1 through 16 of this act shall not exceed Ten Million Dollars ($10,000,000.00).

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

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

SECTION 4. The bonds authorized by Sections 1 through 16 of this act shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such
bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

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

SECTION 6. The commission shall act as the issuing agent for the bonds authorized under Sections 1 through 16 of this act, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under Sections 1 through 16 of this act from the proceeds derived from the sale of such bonds. The commission shall sell such bonds on sealed bids at public sale, and for such price as it may determine to be for the best interest of the State of Mississippi, but no such sale shall be
made at a price less than par plus accrued interest to the date of
delivery of the bonds to the purchaser. All interest accruing on
such bonds so issued shall be payable semiannually or annually;
however, the first interest payment may be for any period of not
more than one (1) year.

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

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

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

SECTION 8. Upon the issuance and sale of bonds under the
provisions of Sections 1 through 16 of this act, the commission
shall transfer the proceeds of any such sale or sales to the
Forest Resource Development Fund created in Section 49-19-227,
Mississippi Code of 1972. The proceeds of such bonds shall be
disbursed solely upon the order of the Department of Finance and
Administration under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

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

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

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

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

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

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

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

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

SECTION 17. Section 49-19-227, Mississippi Code of 1972, is
amended as follows:
There is hereby created in the State Treasury a special fund to be designated the Forest Resource Development Fund, fiscal management and responsibility for which is hereby vested in the State Forestry Commission and which shall consist of that portion of the privilege tax on timber and timber products as authorized by Section 27-25-11, Mississippi Code of 1972, * * * any funds appropriated specifically therefor by the Legislature and proceeds from general obligation bonds authorized by the Legislature. The Legislature shall appropriate such sums as it may deem necessary including any proceeds of general obligation bonds which may be authorized by the Legislature for the support of the Forest Resources Development Program provided for under Sections 49-19-201 through 49-19-227. Those funds appropriated by the Legislature remaining in the special fund at the end of any fiscal year shall lapse into the General Fund, but other funds shall remain in the special fund.

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