

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 1836

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 REVISE THE POWERS
 5 AND DUTIES OF THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES
 6 BOARD TO AUTHORIZE THE BOARD TO ENCOURAGE, PROMOTE AND INITIATE
 7 THE DEVELOPMENT OF ALTERNATIVE ENERGY STRATEGIES, APPLIED RESEARCH
 8 TECHNOLOGIES AND COMMERCIALIZATION ENTERPRISES THAT FOCUS ON
 9 MISSISSIPPI NATURAL RESOURCES; TO PROVIDE THAT THE MISSISSIPPI
 10 LAND, WATER AND TIMBER RESOURCES BOARD MAY PROVIDE FUNDS TO PUBLIC
 11 ENTITIES AND PRIVATE ENTITIES THROUGH LOANS, GRANTS, CONTRACTS AND
 12 ANY OTHER MANNER THE BOARD DETERMINES APPROPRIATE FOR THE PURPOSES
 13 OF CARRYING OUT THE PROVISIONS OF THE MISSISSIPPI LAND, WATER AND
 14 TIMBER RESOURCES ACT; TO AMEND SECTION 69-46-7, MISSISSIPPI CODE
 15 OF 1972, TO AUTHORIZE THE MISSISSIPPI LAND, WATER AND TIMBER
 16 RESOURCES BOARD TO PROVIDE MONIES FROM THE MISSISSIPPI LAND, WATER
 17 AND TIMBER RESOURCES FUND TO THE MISSISSIPPI DEPARTMENT OF
 18 AGRICULTURE AND COMMERCE FOR THE PURPOSE OF PROVIDING ADDITIONAL
 19 FUNDS TO THE DEPARTMENT TO DEFRAY COSTS INCURRED BY THE DEPARTMENT
 20 IN ASSISTING THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES
 21 BOARD IN CARRYING OUT THE PROVISIONS OF THE MISSISSIPPI LAND,
 22 WATER AND TIMBER RESOURCES ACT; AND FOR RELATED PURPOSES.

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

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

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

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

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

36 **SECTION 2.** (1) The commission, at one time, or from time to
 37 time, may declare by resolution the necessity for issuance of



38 general obligation bonds of the State of Mississippi to provide
39 funds for the Mississippi Land, Water and Timber Resources Fund
40 created in Section 69-46-7, Mississippi Code of 1972. Upon the
41 adoption of a resolution by the Mississippi Land, Water and Timber
42 Resources Board, declaring the necessity for the issuance of any
43 part or all of the general obligation bonds authorized by this
44 section, the Mississippi Land, Water and Timber Resources Board
45 shall deliver a certified copy of its resolution or resolutions to
46 the commission. Upon receipt of such resolution, the commission,
47 in its discretion, may act as the issuing agent, prescribe the
48 form of the bonds, advertise for and accept bids, issue and sell
49 the bonds so authorized to be sold and do any and all other things
50 necessary and advisable in connection with the issuance and sale
51 of such bonds. The total amount of bonds issued under Sections 1
52 through 16 of this act shall not exceed Twenty Million Dollars
53 (\$20,000,000.00). No bonds shall be issued under Sections 1
54 through 16 of this act after July 1, 2006.

55 (2) The proceeds of bonds issued pursuant to this act shall
56 be deposited into the Mississippi Land, Water and Timber Resources
57 Fund created pursuant to Section 69-46-7. Any investment earnings
58 on bonds issued pursuant to this act shall be used to pay debt
59 service on bonds issued under this act, in accordance with the
60 proceedings authorizing issuance of such bonds.

61 **SECTION 3.** The principal of and interest on the bonds
62 authorized under Sections 1 through 16 of this act shall be
63 payable in the manner provided in this section. Such bonds shall
64 bear such date or dates, be in such denomination or denominations,
65 bear interest at such rate or rates (not to exceed the limits set
66 forth in Section 75-17-101, Mississippi Code of 1972), be payable
67 at such place or places within or without the State of
68 Mississippi, shall mature absolutely at such time or times not to
69 exceed twenty-five (25) years from date of issue, be redeemable
70 before maturity at such time or times and upon such terms, with or



71 without premium, shall bear such registration privileges, and
72 shall be substantially in such form, all as shall be determined by
73 resolution of the commission.

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

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

99 **SECTION 6.** The commission shall act as the issuing agent for
100 the bonds authorized under Sections 1 through 16 of this act,
101 prescribe the form of the bonds, advertise for and accept bids,
102 issue and sell the bonds so authorized to be sold, pay all fees
103 and costs incurred in such issuance and sale, and do any and all



104 other things necessary and advisable in connection with the
105 issuance and sale of such bonds. The commission is authorized and
106 empowered to pay the costs that are incident to the sale, issuance
107 and delivery of the bonds authorized under Sections 1 through 16
108 of this act from the proceeds derived from the sale of such bonds.
109 The commission shall sell such bonds on sealed bids at public
110 sale, and for such price as it may determine to be for the best
111 interest of the State of Mississippi, but no such sale shall be
112 made at a price less than par plus accrued interest to the date of
113 delivery of the bonds to the purchaser. All interest accruing on
114 such bonds so issued shall be payable semiannually or annually;
115 however, the first interest payment may be for any period of not
116 more than one (1) year.

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

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

129 **SECTION 7.** The bonds issued under the provisions of Sections
130 1 through 16 of this act are general obligations of the State of
131 Mississippi, and for the payment thereof the full faith and credit
132 of the State of Mississippi is irrevocably pledged. If the funds
133 appropriated by the Legislature are insufficient to pay the
134 principal of and the interest on such bonds as they become due,
135 then the deficiency shall be paid by the State Treasurer from any
136 funds in the State Treasury not otherwise appropriated. All such



137 bonds shall contain recitals on their faces substantially covering
138 the provisions of this section.

139 **SECTION 8.** Upon the issuance and sale of bonds under the
140 provisions of Sections 1 through 16 of this act, the commission
141 shall transfer the proceeds of any such sale or sales to the
142 Mississippi Land, Water and Timber Resources Fund created in
143 Section 69-46-7, Mississippi Code of 1972.

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

154 **SECTION 10.** The bonds authorized under the authority of
155 Sections 1 through 16 of this act may be validated in the Chancery
156 Court of the First Judicial District of Hinds County, Mississippi,
157 in the manner and with the force and effect provided by Chapter
158 13, Title 31, Mississippi Code of 1972, for the validation of
159 county, municipal, school district and other bonds. The notice to
160 taxpayers required by such statutes shall be published in a
161 newspaper published or having a general circulation in the City of
162 Jackson, Mississippi.

163 **SECTION 11.** Any holder of bonds issued under the provisions
164 of Sections 1 through 16 of this act or of any of the interest
165 coupons pertaining thereto may, either at law or in equity, by
166 suit, action, mandamus or other proceeding, protect and enforce
167 any and all rights granted under Sections 1 through 16 of this
168 act, or under such resolution, and may enforce and compel
169 performance of all duties required by Sections 1 through 16 of



170 this act to be performed, in order to provide for the payment of
171 bonds and interest thereon.

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

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

184 **SECTION 14.** The proceeds of the bonds issued under Sections
185 1 through 16 of this act shall be used solely for the purposes
186 herein provided, including the costs incident to the issuance and
187 sale of such bonds.

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

199 **SECTION 16.** Sections 1 through 16 of this act shall be
200 deemed to be full and complete authority for the exercise of the
201 powers herein granted, but Sections 1 through 16 of this act shall



202 not be deemed to repeal or to be in derogation of any existing law
203 of this state.

204 **SECTION 17.** Section 69-46-5, Mississippi Code of 1972, is
205 amended as follows:

206 69-46-5. The board shall have the following powers and
207 duties:

208 (a) To develop marketing plans and opportunities for
209 independent farmers in Mississippi;

210 (b) To encourage the commercialization of new
211 agricultural technology businesses;

212 (c) To initiate the development of processing
213 facilities for Mississippi agricultural commodities;

214 (d) To initiate the development of Mississippi
215 wholesale distribution businesses for agricultural inputs and
216 products;

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

219 (f) To encourage additional research for new
220 agricultural product development;

221 (g) To develop a working relationship with the state
222 offices of the United States Department of Agriculture as may be
223 appropriate for the promotion and development of agriculture in
224 Mississippi;

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

228 (i) To encourage, promote and initiate the development
229 of alternative energy strategies, applied research technologies
230 and commercialization enterprises that focus on Mississippi
231 natural resources, including, but not limited to, agriculture,
232 timber and poultry products and byproducts;

233 (j) To file an annual report with the Governor,
234 Secretary of the Senate and the Clerk of the House of



235 Representatives not later than December 1 of each year, with
236 recommendations for any legislation necessary to accomplish the
237 purposes of the Mississippi Land, Water and Timber Resources Act;

238 (k) The board may promulgate and enforce rules and
239 regulations, in accordance with the Mississippi Administrative
240 Procedures Law, as may be necessary to carry out the provisions of
241 the Mississippi Land, Water and Timber Resources Act;

242 (l) To expend funds out of the Mississippi Land, Water
243 and Timber Resources Fund to carry out its powers and duties under
244 the Mississippi Land, Water and Timber Resources Act; and

245 (m) The board may provide funds to public entities and
246 private entities through loans, grants, contracts and any other
247 manner the board determines appropriate for the purposes of
248 carrying out the provisions of the Mississippi Land, Water and
249 Timber Resources Act.

250 **SECTION 18.** Section 69-46-7, Mississippi Code of 1972, is
251 amended as follows:

252 69-46-7. The Mississippi Land, Water and Timber Resources
253 Board may accept and expend funds appropriated or otherwise made
254 available by the Legislature and funds from any other source in
255 order to carry out the provisions of the Mississippi Land, Water
256 and Timber Resources Act. Such funds shall be deposited into a
257 special fund hereby established in the State Treasury, to be known
258 as the "Mississippi Land, Water and Timber Resources Fund."
259 Unexpended amounts derived from bond proceeds or private funds, or
260 both, remaining in the fund at the end of a fiscal year shall not
261 lapse into the State General Fund, and any investment earnings or
262 interest earned on such amounts in the fund shall be deposited to
263 the credit of the fund. All other unexpended amounts remaining in
264 the fund at the end of a fiscal year shall lapse into the State
265 General Fund. At least Ten Million Dollars (\$10,000,000.00) of
266 the monies in the fund that are derived from proceeds of bonds
267 issued under Sections 1 through 16 of House Bill No. , 2002



268 Regular Session, shall be used for the purposes described in
269 Section 69-46-5(i). The board may provide to the Mississippi
270 Department of Agriculture and Commerce not more than Five Hundred
271 Thousand Dollars (\$500,000.00), in the aggregate, of monies in the
272 fund for the purpose of providing additional funds to defray costs
273 incurred by the department in assisting the board in carrying out
274 the provisions of the Mississippi Land, Water and Timber Resources
275 Act. The Mississippi Department of Agriculture may escalate its
276 budget and expend such funds, when provided by the board, in
277 accordance with rules and regulations of the Department of Finance
278 and Administration in a manner consistent with the escalation of
279 federal funds.

280 **SECTION 19.** This act shall take effect and be in force from
281 and after its passage.

