

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 1836  
(As Passed the House)

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 AND THE MISSISSIPPI DEVELOPMENT AUTHORITY  
19 FOR THE PURPOSE OF PROVIDING ADDITIONAL FUNDS TO THE DEPARTMENT OF  
20 AGRICULTURE AND COMMERCE AND THE MISSISSIPPI DEVELOPMENT AUTHORITY  
21 TO DEFRAY COSTS INCURRED IN ASSISTING THE MISSISSIPPI LAND, WATER  
22 AND TIMBER RESOURCES BOARD IN CARRYING OUT THE PROVISIONS OF THE  
23 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES ACT; AND FOR RELATED  
24 PURPOSES.

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

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

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

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

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



38           **SECTION 2.** (1) The commission, at one time, or from time to  
39 time, may declare by resolution the necessity for issuance of  
40 general obligation bonds of the State of Mississippi to provide  
41 funds for the Mississippi Land, Water and Timber Resources Fund  
42 created in Section 69-46-7, Mississippi Code of 1972. Upon the  
43 adoption of a resolution by the Mississippi Land, Water and Timber  
44 Resources Board, declaring the necessity for the issuance of any  
45 part or all of the general obligation bonds authorized by this  
46 section, the Mississippi Land, Water and Timber Resources Board  
47 shall deliver a certified copy of its resolution or resolutions to  
48 the commission. Upon receipt of such resolution, the commission,  
49 in its discretion, may act as the issuing agent, prescribe the  
50 form of the bonds, advertise for and accept bids, issue and sell  
51 the bonds so authorized to be sold and do any and all other things  
52 necessary and advisable in connection with the issuance and sale  
53 of such bonds. The total amount of bonds issued under Sections 1  
54 through 16 of this act shall not exceed Twenty Million Dollars  
55 (\$20,000,000.00). No bonds shall be issued under Sections 1  
56 through 16 of this act after July 1, 2006.

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

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



71 exceed twenty-five (25) years from date of issue, be redeemable  
72 before maturity at such time or times and upon such terms, with or  
73 without premium, shall bear such registration privileges, and  
74 shall be substantially in such form, all as shall be determined by  
75 resolution of the commission.

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

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

101       **SECTION 6.** The commission shall act as the issuing agent for  
102 the bonds authorized under Sections 1 through 16 of this act,  
103 prescribe the form of the bonds, advertise for and accept bids,



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

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

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

131 **SECTION 7.** The bonds issued under the provisions of Sections  
132 1 through 16 of this act are general obligations of the State of  
133 Mississippi, and for the payment thereof the full faith and credit  
134 of the State of Mississippi is irrevocably pledged. If the funds  
135 appropriated by the Legislature are insufficient to pay the  
136 principal of and the interest on such bonds as they become due,



137 then the deficiency shall be paid by the State Treasurer from any  
138 funds in the State Treasury not otherwise appropriated. All such  
139 bonds shall contain recitals on their faces substantially covering  
140 the provisions of this section.

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

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

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

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



170 act, or under such resolution, and may enforce and compel  
171 performance of all duties required by Sections 1 through 16 of  
172 this act to be performed, in order to provide for the payment of  
173 bonds and interest thereon.

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

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

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

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

201 **SECTION 16.** Sections 1 through 16 of this act shall be  
202 deemed to be full and complete authority for the exercise of the



203 powers herein granted, but Sections 1 through 16 of this act shall  
204 not be deemed to repeal or to be in derogation of any existing law  
205 of this state.

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

208         69-46-5. The board shall have the following powers and  
209 duties:

210                 (a) To develop marketing plans and opportunities for  
211 independent farmers in Mississippi;

212                 (b) To encourage the commercialization of new  
213 agricultural technology businesses;

214                 (c) To initiate the development of processing  
215 facilities for Mississippi agricultural commodities;

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

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

221                 (f) To encourage additional research for new  
222 agricultural product development;

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

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

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



235           (j) To file an annual report with the Governor,  
236 Secretary of the Senate and the Clerk of the House of  
237 Representatives not later than December 1 of each year, with  
238 recommendations for any legislation necessary to accomplish the  
239 purposes of the Mississippi Land, Water and Timber Resources Act;

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

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

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

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

254           69-46-7. The Mississippi Land, Water and Timber Resources  
255 Board may accept and expend funds appropriated or otherwise made  
256 available by the Legislature and funds from any other source in  
257 order to carry out the provisions of the Mississippi Land, Water  
258 and Timber Resources Act. Such funds shall be deposited into a  
259 special fund hereby established in the State Treasury, to be known  
260 as the "Mississippi Land, Water and Timber Resources Fund."  
261 Unexpended amounts derived from bond proceeds or private funds, or  
262 both, remaining in the fund at the end of a fiscal year shall not  
263 lapse into the State General Fund, and any investment earnings or  
264 interest earned on such amounts in the fund shall be deposited to  
265 the credit of the fund. All other unexpended amounts remaining in  
266 the fund at the end of a fiscal year shall lapse into the State  
267 General Fund. At least Ten Million Dollars (\$10,000,000.00) of





268 the monies in the fund that are derived from proceeds of bonds  
269 issued under Sections 1 through 16 of House Bill No. 1836, 2002  
270 Regular Session, shall be used for the purposes described in  
271 Section 69-46-5(i). The board may provide to the Mississippi  
272 Department of Agriculture and Commerce not more than Two Hundred  
273 Fifty Thousand Dollars (\$250,000.00), in the aggregate, of monies  
274 in the fund for the purpose of providing additional funds to  
275 defray costs incurred by the department in assisting the board in  
276 carrying out the provisions of the Mississippi Land, Water and  
277 Timber Resources Act. The Mississippi Department of Agriculture  
278 may escalate its budget and expend such funds, when provided by  
279 the board, in accordance with rules and regulations of the  
280 Department of Finance and Administration in a manner consistent  
281 with the escalation of federal funds. The board may provide to  
282 the Mississippi Development Authority not more than Two Hundred  
283 Fifty Thousand Dollars (\$250,000.00), in the aggregate, of monies  
284 in the fund for the purpose of providing additional funds to  
285 defray costs incurred by the Mississippi Development Authority in  
286 assisting the board in carrying out the provisions of the  
287 Mississippi Land, Water and Timber Resources Act. The Mississippi  
288 Development Authority may escalate its budget and expend such  
289 funds, when provided by the board, in accordance with rules and  
290 regulations of the Department of Finance and Administration in a  
291 manner consistent with the escalation of federal funds.

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

