

By: Representatives McCoy, Morris, Smith
(39th)

To: Ways and Means

HOUSE BILL NO. 1596

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 69-46-7, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
5 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD TO SET ASIDE
6 \$1,000,000.00 OF THE MONIES IN THE MISSISSIPPI LAND, WATER AND
7 TIMBER RESOURCES FUND FOR THE PURPOSE OF PROVIDING FUNDS TO THE
8 MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE FOR USE IN
9 MAKING PAYMENTS TO ETHANOL PRODUCERS UNDER SECTION 69-51-5,
10 MISSISSIPPI CODE OF 1972, DURING THE STATE FISCAL YEAR BEGINNING
11 JULY 1, 2003, AND ENDING JUNE 30, 2004; AND FOR RELATED PURPOSES.

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

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

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

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

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

25 **SECTION 2.** (1) The commission, at one time, or from time to
26 time, may declare by resolution the necessity for issuance of
27 general obligation bonds of the State of Mississippi to provide
28 funds for the Mississippi Land, Water and Timber Resources Fund
29 created in Section 69-46-7, Mississippi Code of 1972. Upon the
30 adoption of a resolution by the Mississippi Land, Water and Timber
31 Resources Board, declaring the necessity for the issuance of any



32 part or all of the general obligation bonds authorized by this
33 section, the Mississippi Land, Water and Timber Resources Board
34 shall deliver a certified copy of its resolution or resolutions to
35 the commission. Upon receipt of such resolution, the commission,
36 in its discretion, may act as the issuing agent, prescribe the
37 form of the bonds, advertise for and accept bids, issue and sell
38 the bonds so authorized to be sold and do any and all other things
39 necessary and advisable in connection with the issuance and sale
40 of such bonds. The total amount of bonds issued under Sections 1
41 through 16 of this act shall not exceed Ten Million Dollars
42 (\$10,000,000.00). No bonds shall be issued under Sections 1
43 through 16 of this act after July 1, 2007.

44 (2) The proceeds of bonds issued pursuant to Sections 1
45 through 16 of this act shall be deposited into the Mississippi
46 Land, Water and Timber Resources Fund created pursuant to Section
47 69-46-7. Any investment earnings on bonds issued pursuant to
48 Sections 1 through 16 of this act shall be used to pay debt
49 service on bonds issued under Sections 1 through 16 of this act,
50 in accordance with the proceedings authorizing issuance of such
51 bonds.

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



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

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

90 **SECTION 6.** The commission shall act as the issuing agent for
91 the bonds authorized under Sections 1 through 16 of this act,
92 prescribe the form of the bonds, advertise for and accept bids,
93 issue and sell the bonds so authorized to be sold, pay all fees
94 and costs incurred in such issuance and sale, and do any and all
95 other things necessary and advisable in connection with the
96 issuance and sale of such bonds. The commission is authorized and
97 empowered to pay the costs that are incident to the sale, issuance



98 and delivery of the bonds authorized under Sections 1 through 16
99 of this act from the proceeds derived from the sale of such bonds.
100 The commission shall sell such bonds on sealed bids at public
101 sale, and for such price as it may determine to be for the best
102 interest of the State of Mississippi, but no such sale shall be
103 made at a price less than par plus accrued interest to the date of
104 delivery of the bonds to the purchaser. All interest accruing on
105 such bonds so issued shall be payable semiannually or annually;
106 however, the first interest payment may be for any period of not
107 more than one (1) year.

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

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

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



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

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

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

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



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

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

175 **SECTION 14.** The proceeds of the bonds issued under Sections
176 1 through 16 of this act shall be used solely for the purposes
177 herein provided, including the costs incident to the issuance and
178 sale of such bonds.

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

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



195 **SECTION 17.** Section 69-46-7, Mississippi Code of 1972, is
196 amended as follows:

197 69-46-7. (1) The Mississippi Land, Water and Timber
198 Resources Board may accept and expend funds appropriated or
199 otherwise made available by the Legislature and funds from any
200 other source in order to carry out the provisions of the
201 Mississippi Land, Water and Timber Resources Act. Such funds
202 shall be deposited into a special fund hereby established in the
203 State Treasury, to be known as the "Mississippi Land, Water and
204 Timber Resources Fund." Unexpended amounts derived from bond
205 proceeds or private funds, or both, remaining in the fund at the
206 end of a fiscal year shall not lapse into the State General Fund,
207 and any investment earnings or interest earned on such amounts in
208 the fund shall be deposited to the credit of the fund. All other
209 unexpended amounts remaining in the fund at the end of a fiscal
210 year shall lapse into the State General Fund. At least Eight
211 Million Dollars (\$8,000,000.00) of the monies in the fund that are
212 derived from proceeds of bonds issued under Sections 1 through 16
213 of Laws, 2002, Chapter 542, shall be used for the purposes
214 described in Section 69-46-5(i). The board may provide to the
215 Mississippi Department of Agriculture and Commerce not more than
216 Two Hundred Fifty Thousand Dollars (\$250,000.00), in the
217 aggregate, of monies in the fund for the purpose of providing
218 additional funds to defray costs incurred by the department in
219 assisting the board in carrying out the provisions of the
220 Mississippi Land, Water and Timber Resources Act. However, the
221 Mississippi Department of Agriculture and Commerce may not use any
222 portion of such funds for the purpose of hiring any person as an
223 employee as defined in Section 25-3-91(c). The Mississippi
224 Department of Agriculture may escalate its budget and expend such
225 funds, when provided by the board, in accordance with rules and
226 regulations of the Department of Finance and Administration in a
227 manner consistent with the escalation of federal funds. The board



228 may provide to the Mississippi Development Authority not more than
229 Two Hundred Fifty Thousand Dollars (\$250,000.00), in the
230 aggregate, of monies in the fund for the purpose of providing
231 additional funds to defray costs incurred by the Mississippi
232 Development Authority in assisting the board in carrying out the
233 provisions of the Mississippi Land, Water and Timber Resources
234 Act. However, the Mississippi Development Authority may not use
235 any portion of such funds for the purpose of hiring any person as
236 an employee as defined in Section 25-3-91(c). The Mississippi
237 Development Authority may escalate its budget and expend such
238 funds, when provided by the board, in accordance with rules and
239 regulations of the Department of Finance and Administration in a
240 manner consistent with the escalation of federal funds.

241 (2) The Mississippi Land, Water and Timber Resources Board
242 shall set aside One Million Dollars (\$1,000,000.00) of the monies
243 in the Mississippi Land, Water and Timber Resources Fund for the
244 purpose of providing funds to the Mississippi Department of
245 Agriculture and Commerce for use in making payments to ethanol
246 producers under Section 69-51-5 during the State Fiscal Year
247 beginning July 1, 2003, and ending June 30, 2004. Any monies set
248 aside which are not used for such purposes during the fiscal year
249 shall no longer be set aside for such purposes after the end of
250 the fiscal year. In addition, if the Commissioner of Agriculture
251 and Commerce determines during such fiscal year that no ethanol
252 producer will be eligible for such payments during the fiscal
253 year, the commissioner shall inform the board of his determination
254 and the monies set aside shall no longer be set aside for such
255 purposes. The Mississippi Department of Agriculture and Commerce
256 may escalate its budget and expend funds, when provided by the
257 board under this subsection (2), in accordance with rules and
258 regulations of the Department of Finance and Administration in a
259 manner consistent with the escalation of federal funds.



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

