H. B. No. 1596
(As Sent to Governor)

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; TO AMEND SECTION 69-46-7, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD TO SET ASIDE $1,000,000.00 OF THE MONIES IN THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND FOR THE PURPOSE OF PROVIDING FUNDS TO THE MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE FOR USE IN MAKING PAYMENTS TO ETHANOL PRODUCERS UNDER SECTION 69-51-5, MISSISSIPPI CODE OF 1972, DURING THE STATE FISCAL YEAR BEGINNING JULY 1, 2003, AND ENDING JUNE 30, 2004; TO AUTHORIZE BORROWING BY THE STATE BOND COMMISSION IN ANTICIPATION OF THE ISSUANCE OF BONDS AUTHORIZED FOR THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; 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 Mississippi Land, Water and Timber Resources Fund created in Section 69-46-7, Mississippi Code of 1972. Upon the adoption of a resolution by the Mississippi Land, Water and Timber
Resources Board, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the Mississippi Land, Water and Timber Resources Board 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). No bonds shall be issued under Sections 1 through 16 of this act after July 1, 2007.

(2) The proceeds of bonds issued pursuant to Sections 1 through 16 of this act shall be deposited into the Mississippi Land, Water and Timber Resources Fund created pursuant to Section 69-46-7. Any investment earnings on bonds issued pursuant to 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
Sections 1 through 16 of the provisions of this act have all the
qualities and incidents of negotiable instruments under the
provisions of the 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 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 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 Mississippi Land, Water and Timber Resources Fund created in Section 69-46-7, Mississippi Code of 1972.

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
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 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 accreted value of, all bonds issued under 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 69-46-7, Mississippi Code of 1972, is amended as follows:

69-46-7. (1) (a) The Mississippi Land, Water and Timber Resources Board may accept and expend funds appropriated or otherwise made available by the Legislature and funds from any other source in order to carry out the provisions of the Mississippi Land, Water and Timber Resources Act. Such funds shall be deposited into a special fund hereby established in the State Treasury, to be known as the "Mississippi Land, Water and Timber Resources Fund." Unexpended amounts derived from bond proceeds or private funds, or both, remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or interest earned on such amounts in the fund shall be deposited to the credit of the fund. All other unexpended amounts remaining in the fund at the end of a fiscal year shall lapse into the State General Fund. * * * The board may provide to the Mississippi Department of Agriculture and Commerce not more than Two Hundred Fifty Thousand Dollars ($250,000.00), in the aggregate, of monies in the fund, that are derived from proceeds of bonds issued under Sections 1 through 16 of Laws, 2001, Chapter 538, and/or Sections 1 through 16 of Laws, 2002, Chapter 542, for the purpose of providing additional funds to defray costs incurred by the department in assisting the board in carrying out the provisions of the Mississippi Land, Water and Timber Resources Act. However, the Mississippi Department of Agriculture and Commerce may not use any portion of such funds for the purpose of hiring any person as an employee as defined in Section 25-3-91(c). The Mississippi Department of Agriculture may escalate its budget and expend such funds, when provided by the board, in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the
escalation of federal funds. The board may provide to the
Mississippi Development Authority not more than Two Hundred Fifty
Thousand Dollars ($250,000.00), in the aggregate, of monies in the
fund that are derived from proceeds of bonds issued under Sections
1 through 16 of Laws, 2001, Chapter 538, and/or Sections 1 through
16 of Laws, 2002, Chapter 542, for the purpose of providing
additional funds to defray costs incurred by the Mississippi
Development Authority in assisting the board in carrying out the
provisions of the Mississippi Land, Water and Timber Resources
Act. However, the Mississippi Development Authority may not use
any portion of such funds for the purpose of hiring any person as
an employee as defined in Section 25-3-91(c). The Mississippi
Development Authority may escalate its budget and expend such
funds, when provided by the board, in accordance with rules and
regulations of the Department of Finance and Administration in a
manner consistent with the escalation of federal funds.

(b) (i) The Mississippi Land, Water and Timber
Resources Board may provide to the Mississippi Department of
Agriculture and Commerce not more than One Hundred Twenty-five
Thousand Dollars ($125,000.00), in the aggregate, of monies in the
fund, that are derived from proceeds of bonds issued under
Sections 1 through 16 of House Bill No. 1596, 2003 Regular
Session, for the purpose of providing additional funds to defray
costs incurred by the department in assisting the board in
carrying out the provisions of the Mississippi Land, Water and
Timber Resources Act. However, the Mississippi Department of
Agriculture and Commerce may not use any portion of such funds for
the purpose of hiring any person as an employee as defined in
Section 25-3-91(c). The Mississippi Department of Agriculture and
Commerce may escalate its budget and expend such funds, when
provided by the board, in accordance with rules and regulations of
the Department of Finance and Administration in a manner
consistent with the escalation of federal funds.
(ii) The Mississippi Land, Water and Timber Resources Board may provide to the Mississippi Development Authority not more than One Hundred Twenty-five Thousand Dollars ($125,000.00), in the aggregate, of monies in the fund, that are derived from proceeds of bonds issued under Sections 1 through 16 of House Bill No. 1596, 2003 Regular Session, for the purpose of providing additional funds to defray costs incurred by the Mississippi Development Authority in assisting the board in carrying out the provisions of the Mississippi Land, Water and Timber Resources Act. However, the Mississippi Development Authority may not use any portion of such funds for the purpose of hiring any person as an employee as defined in Section 25-3-91(c). The Mississippi Development Authority may escalate its budget and expend such funds, when provided by the board, in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.

(iii) The Mississippi Land, Water and Timber Resources Board may provide to the Department of Audit not more than Fifty Thousand Dollars ($50,000.00), in the aggregate, of monies in the fund, that are derived from proceeds of bonds issued under Sections 1 through 16 of House Bill No. 1596, 2003 Regular Session, for the purpose of providing additional funds to defray costs incurred by the department in assisting the board in carrying out the provisions of the Mississippi Land, Water and Timber Resources Act. However, the Department of Audit may not use any portion of such funds for the purpose of hiring any person as an employee as defined in Section 25-3-91(c). The Department of Audit may escalate its budget and expend such funds, when provided by the board, in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.
(2) The Mississippi Land, Water and Timber Resources Board shall set aside One Million Dollars ($1,000,000.00) of the monies in the Mississippi Land, Water and Timber Resources Fund, that are derived from proceeds of bonds issued under Sections 1 through 16 of House Bill No. 1596, 2003 Regular Session, for the purpose of providing funds to the Mississippi Department of Agriculture and Commerce for use in making payments to ethanol producers under Section 69-51-5 during the State Fiscal Year beginning July 1, 2003, and ending June 30, 2004. Any monies set aside which are not used for such purposes during the fiscal year shall no longer be set aside for such purposes after the end of the fiscal year. In addition, if the Commissioner of Agriculture and Commerce determines during such fiscal year that no ethanol producer will be eligible for such payments during the fiscal year, the commissioner shall inform the board of his determination and the monies set aside shall no longer be set aside for such purposes.

The Mississippi Department of Agriculture and Commerce may escalate its budget and expend funds, when provided by the board under this subsection (2), in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds.

(3) In anticipation of the issuance of bonds authorized for the purpose of providing funds for the Mississippi Land, Water and Timber Resources Fund, the State Bond Commission is authorized to negotiate and enter into any purchase, loan, credit or other agreement with any bank, trust company or other lending institution or to issue and sell interim notes for the purpose of carrying out the provisions of the Mississippi Land, Water and Timber Resources Act. All borrowings made under this subsection (3) shall be evidenced by notes of the State of Mississippi, which shall be issued from time to time, for such amounts, in such form and in such denomination and subject to such terms and conditions of sale and issuance, prepayment or redemption and maturity, rate
or rates of interest not to exceed the maximum rate authorized for
bonds in Section 75-17-101, and time of payment of interest as the
State Bond Commission shall agree to in such agreement. Such
notes shall constitute general obligations of the State of
Mississippi, and shall be backed by the full faith and credit of
the state. Such notes may also be issued for the purpose of
refunding previously issued notes. No note shall mature more than
three (3) years following the date of its issuance. The State
Bond Commission is authorized to provide for the compensation of
any purchaser of the notes by payment of a fixed fee or commission
and for all other costs and expenses of issuance and service,
including paying agent costs. Such costs and expenses may be paid
from the proceeds of the notes. Borrowings made under the
provisions of this subsection (3) shall not exceed the aggregate
sum of Five Million Dollars ($5,000,000.00) outstanding at any one
time.

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