

By: Representative Howell

To: Ways and Means

HOUSE BILL NO. 1661

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 PROVIDE A
6 PORTION OF THE MONIES IN THE MISSISSIPPI LAND, WATER AND TIMBER
7 RESOURCES FUND, WHICH ARE DERIVED FROM THE PROCEEDS OF BONDS
8 AUTHORIZED UNDER THIS ACT, TO THE MISSISSIPPI DEPARTMENT OF
9 AGRICULTURE AND COMMERCE, THE MISSISSIPPI DEVELOPMENT AUTHORITY
10 AND THE DEPARTMENT OF AUDIT TO DEFRAY COSTS INCURRED BY SUCH
11 ENTITIES IN ASSISTING THE BOARD IN CARRYING OUT THE PROVISIONS OF
12 THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES ACT; AND FOR
13 RELATED PURPOSES.

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

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

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

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

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

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

33 Resources Board, declaring the necessity for the issuance of any
34 part or all of the general obligation bonds authorized by this
35 section, the Mississippi Land, Water and Timber Resources Board
36 shall deliver a certified copy of its resolution or resolutions to
37 the commission. Upon receipt of such resolution, the commission,
38 in its discretion, may act as the issuing agent, prescribe the
39 form of the bonds, advertise for and accept bids, issue and sell
40 the bonds so authorized to be sold and do any and all other things
41 necessary and advisable in connection with the issuance and sale
42 of such bonds. The total amount of bonds issued under Sections 1
43 through 16 of this act shall not exceed Ten Million Dollars
44 (\$10,000,000.00). No bonds shall be issued under Sections 1
45 through 16 of this act after July 1, 2008.

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

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

65 shall be substantially in such form, all as shall be determined by
66 resolution of the commission.

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

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

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

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

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

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

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

130 bonds shall contain recitals on their faces substantially covering
131 the provisions of this section.

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

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

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

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

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

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

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

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

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

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

195 not be deemed to repeal or to be in derogation of any existing law
196 of this state.

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

199 69-46-7. (1) (a) The Mississippi Land, Water and Timber
200 Resources Board may accept and expend funds appropriated or
201 otherwise made available by the Legislature and funds from any
202 other source in order to carry out the provisions of the
203 Mississippi Land, Water and Timber Resources Act. Such funds
204 shall be deposited into a special fund hereby established in the
205 State Treasury, to be known as the "Mississippi Land, Water and
206 Timber Resources Fund." Unexpended amounts derived from bond
207 proceeds or private funds, or both, remaining in the fund at the
208 end of a fiscal year shall not lapse into the State General Fund,
209 and any investment earnings or interest earned on such amounts in
210 the fund shall be deposited to the credit of the fund. All other
211 unexpended amounts remaining in the fund at the end of a fiscal
212 year shall lapse into the State General Fund. The board may
213 provide to the Mississippi Department of Agriculture and Commerce
214 not more than Two Hundred Fifty Thousand Dollars (\$250,000.00), in
215 the aggregate, of monies in the fund, that are derived from
216 proceeds of bonds issued under Sections 1 through 16 of Laws,
217 2001, Chapter 538, and/or Sections 1 through 16 of Laws, 2002,
218 Chapter 542, for the purpose of providing additional funds to
219 defray costs incurred by the department in assisting the board in
220 carrying out the provisions of the Mississippi Land, Water and
221 Timber Resources Act. However, the Mississippi Department of
222 Agriculture and Commerce may not use any portion of such funds for
223 the purpose of hiring any person as an employee as defined in
224 Section 25-3-91(c). The Mississippi Department of Agriculture may
225 escalate its budget and expend such funds, when provided by the
226 board, in accordance with rules and regulations of the Department
227 of Finance and Administration in a manner consistent with the

228 escalation of federal funds. The board may provide to the
229 Mississippi Development Authority not more than Two Hundred Fifty
230 Thousand Dollars (\$250,000.00), in the aggregate, of monies in the
231 fund that are derived from proceeds of bonds issued under Sections
232 1 through 16 of Laws, 2001, Chapter 538, and/or Sections 1 through
233 16 of Laws, 2002, Chapter 542, for the purpose of providing
234 additional funds to defray costs incurred by the Mississippi
235 Development Authority in assisting the board in carrying out the
236 provisions of the Mississippi Land, Water and Timber Resources
237 Act. However, the Mississippi Development Authority may not use
238 any portion of such funds for the purpose of hiring any person as
239 an employee as defined in Section 25-3-91(c). The Mississippi
240 Development Authority may escalate its budget and expend such
241 funds, when provided by the board, in accordance with rules and
242 regulations of the Department of Finance and Administration in a
243 manner consistent with the escalation of federal funds.

244 (b) (i) The Mississippi Land, Water and Timber
245 Resources Board may provide to the Mississippi Department of
246 Agriculture and Commerce not more than One Hundred Twenty-five
247 Thousand Dollars (\$125,000.00), in the aggregate, of monies in the
248 fund, that are derived from proceeds of bonds issued under
249 Sections 1 through 16 of Laws, 2003, Chapter 505, for the purpose
250 of providing additional funds to defray costs incurred by the
251 department in assisting the board in carrying out the provisions
252 of the Mississippi Land, Water and Timber Resources Act. However,
253 the Mississippi Department of Agriculture and Commerce may not use
254 any portion of such funds for the purpose of hiring any person as
255 an employee as defined in Section 25-3-91(c). The Mississippi
256 Department of Agriculture and Commerce may escalate its budget and
257 expend such funds, when provided by the board, in accordance with
258 rules and regulations of the Department of Finance and
259 Administration in a manner consistent with the escalation of
260 federal funds.

261 (ii) The Mississippi Land, Water and Timber
262 Resources Board may provide to the Mississippi Development
263 Authority not more than One Hundred Twenty-five Thousand Dollars
264 (\$125,000.00), in the aggregate, of monies in the fund, that are
265 derived from proceeds of bonds issued under Sections 1 through 16
266 of Laws, 2003, Chapter 505, for the purpose of providing
267 additional funds to defray costs incurred by the Mississippi
268 Development Authority in assisting the board in carrying out the
269 provisions of the Mississippi Land, Water and Timber Resources
270 Act. However, the Mississippi Development Authority may not use
271 any portion of such funds for the purpose of hiring any person as
272 an employee as defined in Section 25-3-91(c). The Mississippi
273 Development Authority may escalate its budget and expend such
274 funds, when provided by the board, in accordance with rules and
275 regulations of the Department of Finance and Administration in a
276 manner consistent with the escalation of federal funds.

277 (iii) The Mississippi Land, Water and Timber
278 Resources Board may provide to the Department of Audit not more
279 than Fifty Thousand Dollars (\$50,000.00), in the aggregate, of
280 monies in the fund, that are derived from proceeds of bonds issued
281 under Sections 1 through 16 of Laws, 2003, Chapter 505, for the
282 purpose of providing additional funds to defray costs incurred by
283 the department in assisting the board in carrying out the
284 provisions of the Mississippi Land, Water and Timber Resources
285 Act. However, the Department of Audit may not use any portion of
286 such funds for the purpose of hiring any person as an employee as
287 defined in Section 25-3-91(c). The Department of Audit may
288 escalate its budget and expend such funds, when provided by the
289 board, in accordance with rules and regulations of the Department
290 of Finance and Administration in a manner consistent with the
291 escalation of federal funds.

292 (c) (i) The Mississippi Land, Water and Timber
293 Resources Board may provide to the Mississippi Department of

294 Agriculture and Commerce not more than One Hundred Twenty-five
295 Thousand Dollars (\$125,000.00), in the aggregate, of monies in the
296 fund, that are derived from proceeds of bonds issued under
297 Sections 1 through 16 of House Bill No. _____, 2004 Regular
298 Session, for the purpose of providing additional funds to defray
299 costs incurred by the department in assisting the board in
300 carrying out the provisions of the Mississippi Land, Water and
301 Timber Resources Act. However, the Mississippi Department of
302 Agriculture and Commerce may not use any portion of such funds for
303 the purpose of hiring any person as an employee as defined in
304 Section 25-3-91(c). The Mississippi Department of Agriculture and
305 Commerce may escalate its budget and expend such funds, when
306 provided by the board, in accordance with rules and regulations of
307 the Department of Finance and Administration in a manner
308 consistent with the escalation of federal funds.

309 (ii) The Mississippi Land, Water and Timber
310 Resources Board may provide to the Mississippi Development
311 Authority not more than One Hundred Twenty-five Thousand Dollars
312 (\$125,000.00), in the aggregate, of monies in the fund, that are
313 derived from proceeds of bonds issued under Sections 1 through 16
314 of House Bill No. _____, 2004 Regular Session, for the purpose of
315 providing additional funds to defray costs incurred by the
316 Mississippi Development Authority in assisting the board in
317 carrying out the provisions of the Mississippi Land, Water and
318 Timber Resources Act. However, the Mississippi Development
319 Authority may not use any portion of such funds for the purpose of
320 hiring any person as an employee as defined in Section 25-3-91(c).
321 The Mississippi Development Authority may escalate its budget and
322 expend such funds, when provided by the board, in accordance with
323 rules and regulations of the Department of Finance and
324 Administration in a manner consistent with the escalation of
325 federal funds.

326 (iii) The Mississippi Land, Water and Timber
327 Resources Board may provide to the Department of Audit not more
328 than Fifty Thousand Dollars (\$50,000.00), in the aggregate, of
329 monies in the fund, that are derived from proceeds of bonds issued
330 under Sections 1 through 16 of House Bill No. _____, 2004 Regular
331 Session, for the purpose of providing additional funds to defray
332 costs incurred by the department in assisting the board in
333 carrying out the provisions of the Mississippi Land, Water and
334 Timber Resources Act. However, the Department of Audit may not
335 use any portion of such funds for the purpose of hiring any person
336 as an employee as defined in Section 25-3-91(c). The Department
337 of Audit may escalate its budget and expend such funds, when
338 provided by the board, in accordance with rules and regulations of
339 the Department of Finance and Administration in a manner
340 consistent with the escalation of federal funds.

341 (2) The Mississippi Land, Water and Timber Resources Board
342 shall set aside One Million Dollars (\$1,000,000.00) of the monies
343 in the Mississippi Land, Water and Timber Resources Fund, that are
344 derived from proceeds of bonds issued under Sections 1 through 16
345 of Laws, 2003, Chapter 505, for the purpose of providing funds to
346 the Mississippi Department of Agriculture and Commerce for use in
347 making payments to ethanol producers under Section 69-51-5 during
348 the state fiscal year beginning July 1, 2003, and ending June 30,
349 2004. Any monies set aside which are not used for such purposes
350 during the fiscal year shall no longer be set aside for such
351 purposes after the end of the fiscal year. In addition, if the
352 Commissioner of Agriculture and Commerce determines during such
353 fiscal year that no ethanol producer will be eligible for such
354 payments during the fiscal year, the commissioner shall inform the
355 board of his determination and the monies set aside shall no
356 longer be set aside for such purposes. The Mississippi Department
357 of Agriculture and Commerce may escalate its budget and expend
358 funds, when provided by the board under this subsection (2), in

359 accordance with rules and regulations of the Department of Finance
360 and Administration in a manner consistent with the escalation of
361 federal funds.

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

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