

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3103

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
 2 OF THE STATE OF MISSISSIPPI IN THE AMOUNT OF \$10,000,000.00 FOR  
 3 THE PURPOSE OF PROVIDING FUNDS FOR THE MISSISSIPPI LAND, WATER AND  
 4 TIMBER RESOURCES FUND; TO AMEND SECTION 69-46-7, MISSISSIPPI CODE  
 5 OF 1972, TO REQUIRE THAT A CERTAIN AMOUNT OF THE MONEY IN THE  
 6 LAND, WATER AND TIMBER FUND SHALL BE UTILIZED TO ENCOURAGE,  
 7 PROMOTE AND INITIATE THE DEVELOPMENT OF ALTERNATIVE ENERGY  
 8 STRATEGIES, APPLIED RESEARCH TECHNOLOGIES AND COMMERCIALIZATION  
 9 ENTERPRISES THAT FOCUS ON MISSISSIPPI NATURAL RESOURCES; AND FOR  
 10 RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

196           69-46-7. (1) (a) The Mississippi Land, Water and Timber  
197 Resources Board may accept and expend funds appropriated or  
198 otherwise made available by the Legislature and funds from any  
199 other source in order to carry out the provisions of the  
200 Mississippi Land, Water and Timber Resources Act. Such funds  
201 shall be deposited into a special fund hereby established in the  
202 State Treasury, to be known as the "Mississippi Land, Water and  
203 Timber Resources Fund." Unexpended amounts derived from bond  
204 proceeds or private funds, or both, remaining in the fund at the  
205 end of a fiscal year shall not lapse into the State General Fund,  
206 and any investment earnings or interest earned on such amounts in  
207 the fund shall be deposited to the credit of the fund. All other  
208 unexpended amounts remaining in the fund at the end of a fiscal  
209 year shall lapse into the State General Fund. At least Eight  
210 Million Dollars (\$8,000,000.00) in the fund shall be used for the  
211 purposes described in Section 69-46-5(i) and for the payment of  
212 reasonable costs incurred by the Mississippi Technology Alliance  
213 in administering projects for such purposes. The board may  
214 provide to the Mississippi Department of Agriculture and Commerce  
215 not more than Two Hundred Fifty Thousand Dollars (\$250,000.00), in  
216 the aggregate, of monies in the fund, that are derived from  
217 proceeds of bonds issued under Sections 1 through 16 of \* \* \*  
218 Chapter 538, Laws of 2001, and/or Sections 1 through 16 of \* \* \*  
219 Chapter 542, Laws of 2002, for the purpose of providing additional  
220 funds to defray costs incurred by the department in assisting the  
221 board in carrying out the provisions of the Mississippi Land,  
222 Water and Timber Resources Act. However, the Mississippi  
223 Department of Agriculture and Commerce may not use any portion of  
224 such funds for the purpose of hiring any person as an employee as  
225 defined in Section 25-3-91(c). The Mississippi Department of  
226 Agriculture may escalate its budget and expend such funds, when

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

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



260 board, in accordance with rules and regulations of the Department  
261 of Finance and Administration in a manner consistent with the  
262 escalation of federal funds.

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

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

292 of Finance and Administration in a manner consistent with the  
293 escalation of federal funds.

294 (2) The Mississippi Land, Water and Timber Resources Board  
295 shall set aside One Million Dollars (\$1,000,000.00) of the monies  
296 in the Mississippi Land, Water and Timber Resources Fund, that are  
297 derived from proceeds of bonds issued under Sections 1 through 16  
298 of Chapter 505, Laws of 2003, for the purpose of providing funds  
299 to the Mississippi Department of Agriculture and Commerce for use  
300 in making payments to ethanol producers under Section 69-51-5  
301 during the state fiscal year beginning July 1, 2003, and ending  
302 June 30, 2004. Any monies set aside which are not used for such  
303 purposes during the fiscal year shall no longer be set aside for  
304 such purposes after the end of the fiscal year. In addition, if  
305 the Commissioner of Agriculture and Commerce determines during  
306 such fiscal year that no ethanol producer will be eligible for  
307 such payments during the fiscal year, the commissioner shall  
308 inform the board of his determination and the monies set aside  
309 shall no longer be set aside for such purposes. The Mississippi  
310 Department of Agriculture and Commerce may escalate its budget and  
311 expend funds, when provided by the board under this subsection  
312 (2), in accordance with rules and regulations of the Department of  
313 Finance and Administration in a manner consistent with the  
314 escalation of federal funds.

315 (3) In anticipation of the issuance of bonds authorized for  
316 the purpose of providing funds for the Mississippi Land, Water and  
317 Timber Resources Fund, the State Bond Commission is authorized to  
318 negotiate and enter into any purchase, loan, credit or other  
319 agreement with any bank, trust company or other lending  
320 institution or to issue and sell interim notes for the purpose of  
321 carrying out the provisions of the Mississippi Land, Water and  
322 Timber Resources Act. All borrowings made under this subsection  
323 (3) shall be evidenced by notes of the State of Mississippi, which  
324 shall be issued from time to time, for such amounts, in such form

325 and in such denomination and subject to such terms and conditions  
326 of sale and issuance, prepayment or redemption and maturity, rate  
327 or rates of interest not to exceed the maximum rate authorized for  
328 bonds in Section 75-17-101, and time of payment of interest as the  
329 State Bond Commission shall agree to in such agreement. Such  
330 notes shall constitute general obligations of the State of  
331 Mississippi, and shall be backed by the full faith and credit of  
332 the state. Such notes may also be issued for the purpose of  
333 refunding previously issued notes. No note shall mature more than  
334 three (3) years following the date of its issuance. The State  
335 Bond Commission is authorized to provide for the compensation of  
336 any purchaser of the notes by payment of a fixed fee or commission  
337 and for all other costs and expenses of issuance and service,  
338 including paying agent costs. Such costs and expenses may be paid  
339 from the proceeds of the notes. Borrowings made under the  
340 provisions of this subsection (3) shall not exceed the aggregate  
341 sum of Five Million Dollars (\$5,000,000.00) outstanding at any one  
342 time.

343       **SECTION 18.** This act shall take effect and be in force from  
344 and after July 1, 2004.