

## House Amendments to Senate Bill No. 2809

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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

48           (a) "Accreted value" of any bonds means, as of any date  
49 of computation, an amount equal to the sum of (i) the stated  
50 initial value of such bond, plus (ii) the interest accrued thereon  
51 from the issue date to the date of computation at the rate,  
52 compounded semiannually, that is necessary to produce the  
53 approximate yield to maturity shown for bonds of the same  
54 maturity.

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

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

57       **SECTION 2.** (1) The Mississippi Development Authority, at  
58 one time, or from time to time, may declare by resolution the  
59 necessity for issuance of general obligation bonds of the State of  
60 Mississippi to provide funds for the program authorized in Section  
61 57-85-5. Upon the adoption of a resolution by the Mississippi  
62 Development Authority, declaring the necessity for the issuance of  
63 any part or all of the general obligation bonds authorized by this  
64 section, the Mississippi Development Authority shall deliver a  
65 certified copy of its resolution or resolutions to the commission.  
66 Upon receipt of such resolution, the commission, in its  
67 discretion, may act as the issuing agent, prescribe the form of  
68 the bonds, advertise for and accept bids, issue and sell the bonds  
69 so authorized to be sold and do any and all other things necessary  
70 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 authorized under Sections 1 through 16 of this act shall be issued after July 1, 2008.

(2) The proceeds of bonds issued pursuant to Sections 1 through 16 of this act shall be deposited into the Mississippi Rural Impact Fund created pursuant to Section 57-85-5. 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 the provisions of Sections 1 through 16 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 Rural Impact Fund created in Section 57-85-5. The proceeds of such bonds shall be disbursed solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

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

**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

therein 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 therein 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.** As used in Sections 17 through 32 of this act, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bonds 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 18.** (1) The Mississippi Development Authority, 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 grant program authorized in Section 57-1-18. Upon the adoption of a resolution by the

Mississippi Development Authority, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the Mississippi Development Authority 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 17 through 32 of this act shall not exceed Ten Million Dollars (\$10,000,000.00). No bonds authorized under Sections 17 through 32 of this act shall be issued after July 1, 2008.

(2) The proceeds of bonds issued pursuant to Sections 17 through 32 of this act shall be deposited into the Small Municipalities and Limited Population Counties Fund created pursuant to Section 57-1-18. Any investment earnings on bonds issued pursuant to Sections 17 through 32 of this act shall be used to pay debt service on bonds issued under Sections 17 through 32 of this act, in accordance with the proceedings authorizing issuance of such bonds.

**SECTION 19.** The principal of and interest on the bonds authorized under Sections 17 through 32 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.

279           **SECTION 20.** The bonds authorized by Sections 17 through 32  
280 of this act shall be signed by the chairman of the commission, or  
281 by his facsimile signature, and the official seal of the  
282 commission shall be affixed thereto, attested by the secretary of  
283 the commission. The interest coupons, if any, to be attached to  
284 such bonds may be executed by the facsimile signatures of such  
285 officers. Whenever any such bonds shall have been signed by the  
286 officials designated to sign the bonds who were in office at the  
287 time of such signing but who may have ceased to be such officers  
288 before the sale and delivery of such bonds, or who may not have  
289 been in office on the date such bonds may bear, the signatures of  
290 such officers upon such bonds and coupons shall nevertheless be  
291 valid and sufficient for all purposes and have the same effect as  
292 if the person so officially signing such bonds had remained in  
293 office until their delivery to the purchaser, or had been in  
294 office on the date such bonds may bear. However, notwithstanding  
295 anything herein to the contrary, such bonds may be issued as  
296 provided in the Registered Bond Act of the State of Mississippi.

297           **SECTION 21.** All bonds and interest coupons issued under the  
298 provisions of Sections 17 through 32 of this act have all the  
299 qualities and incidents of negotiable instruments under the  
300 provisions of the Uniform Commercial Code, and in exercising the  
301 powers granted by Sections 17 through 32 of this act, the  
302 commission shall not be required to and need not comply with the  
303 provisions of the Uniform Commercial Code.

304           **SECTION 22.** The commission shall act as the issuing agent  
305 for the bonds authorized under Sections 17 through 32 of this act,  
306 prescribe the form of the bonds, advertise for and accept bids,  
307 issue and sell the bonds so authorized to be sold, pay all fees  
308 and costs incurred in such issuance and sale, and do any and all  
309 other things necessary and advisable in connection with the  
310 issuance and sale of such bonds. The commission is authorized and  
311 empowered to pay the costs that are incident to the sale, issuance  
312 and delivery of the bonds authorized under Sections 17 through 32  
313 of this act from the proceeds derived from the sale of such bonds.



314 The commission shall sell such bonds on sealed bids at public  
315 sale, and for such price as it may determine to be for the best  
316 interest of the State of Mississippi, but no such sale shall be  
317 made at a price less than par plus accrued interest to the date of  
318 delivery of the bonds to the purchaser. All interest accruing on  
319 such bonds so issued shall be payable semiannually or annually;  
320 however, the first interest payment may be for any period of not  
321 more than one (1) year.

322 Notice of the sale of any such bonds shall be published at  
323 least one time, not less than ten (10) days before the date of  
324 sale, and shall be so published in one or more newspapers  
325 published or having a general circulation in the City of Jackson,  
326 Mississippi, and in one or more other newspapers or financial  
327 journals with a national circulation, to be selected by the  
328 commission.

329 The commission, when issuing any bonds under the authority of  
330 Sections 17 through 32 of this act, may provide that bonds, at the  
331 option of the State of Mississippi, may be called in for payment  
332 and redemption at the call price named therein and accrued  
333 interest on such date or dates named therein.

334 **SECTION 23.** The bonds issued under the provisions of  
335 Sections 17 through 32 of this act are general obligations of the  
336 State of Mississippi, and for the payment thereof the full faith  
337 and credit of the State of Mississippi is irrevocably pledged. If  
338 the funds appropriated by the Legislature are insufficient to pay  
339 the principal of and the interest on such bonds as they become  
340 due, then the deficiency shall be paid by the State Treasurer from  
341 any funds in the State Treasury not otherwise appropriated. All  
342 such bonds shall contain recitals on their faces substantially  
343 covering the provisions of this section.

344 **SECTION 24.** Upon the issuance and sale of bonds under the  
345 provisions of Sections 17 through 32 of this act, the commission  
346 shall transfer the proceeds of any such sale or sales to the Small  
347 Municipalities and Limited Population Counties Fund created in  
348 Section 57-1-18. The proceeds of such bonds shall be disbursed

solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

**SECTION 25.** The bonds authorized under Sections 17 through 32 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 17 through 32 of this act. Any resolution providing for the issuance of bonds under the provisions of Sections 17 through 32 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 26.** The bonds authorized under the authority of Sections 17 through 32 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 27.** Any holder of bonds issued under the provisions of Sections 17 through 32 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 17 through 32 of this act, or under such resolution, and may enforce and compel performance of all duties required by Sections 17 through 32 of this act to be performed, in order to provide for the payment of bonds and interest thereon.

**SECTION 28.** All bonds issued under the provisions of Sections 17 through 32 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 29.** Bonds issued under the provisions of Sections 17 through 32 of this act and income therefrom shall be exempt from all taxation in the State of Mississippi.

**SECTION 30.** The proceeds of the bonds issued under Sections 17 through 32 of this act shall be used solely for the purposes therein provided, including the costs incident to the issuance and sale of such bonds.

**SECTION 31.** 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 17 through 32 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 32.** Sections 17 through 32 of this act shall be deemed to be full and complete authority for the exercise of the powers therein granted, but Sections 17 through 32 of this act shall not be deemed to repeal or to be in derogation of any existing law of this state.

**SECTION 33.** Section 57-1-18, Mississippi Code of 1972, is amended as follows:

57-1-18. (1) For the purposes of this section, the following terms shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Limited population county" means a county in the State of Mississippi with a population of thirty thousand (30,000)

or less according to the most recent federal decennial census at the time the county submits its application to the MDA under this section.

(b) "MDA" means the Mississippi Development Authority.

(c) "Project" means highways, streets and other roadways, bridges, sidewalks, utilities, airfields, airports, acquisition of equipment, acquisition of real property, development of real property, improvements to real property, and any other project approved by the MDA.

(d) "Small municipality" means a municipality in the State of Mississippi with a population of ten thousand (10,000) or less according to the most recent federal decennial census at the time the municipality submits its application to the MDA under this section.

(2) (a) There is hereby created in the State Treasury a special fund to be designated as the "Small Municipalities and Limited Population Counties Fund," which shall consist of funds appropriated or otherwise made available by the Legislature in any manner and funds from any other source designated for deposit into such fund. Unexpended amounts 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 amounts in the fund shall be deposited to the credit of the fund. Monies in the fund shall be used to make grants to small municipalities and limited population counties or natural gas districts created by law and contained therein to assist in completing projects under this section.

(b) Monies in the fund which are derived from proceeds of bonds issued under Sections 1 through 16, Laws of 2002, Chapter 538, \* \* \* Sections 1 through 16, Laws, 2003, Chapter 508, or Sections 17 through 32 of House Bill No. 1788, 2004 Regular Session, may be used to reimburse reasonable actual and necessary costs incurred by the MDA in providing assistance related to a project for which funding is provided under this section from the use of proceeds of such bonds. An accounting of actual costs

incurred for which reimbursement is sought shall be maintained for each project by the MDA. Reimbursement of reasonable actual and necessary costs for a project shall not exceed three percent (3%) of the proceeds of bonds issued for such project. Monies authorized for a particular project may not be used to reimburse administrative costs for unrelated projects. Reimbursements under this subsection shall satisfy any applicable federal tax law requirements.

(3) The MDA shall establish a grant program to make grants to small municipalities and limited population counties from the Small Municipalities and Limited Population Counties Fund. Grants made under this section to a small municipality or a limited population county shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) during any grant period established by the MDA. A small municipality or limited population county may apply to the MDA for a grant under this section in the manner provided for in this section.

(4) A small municipality or limited population county desiring assistance under this section must submit an application to the MDA. The application must include a description of the project for which assistance is requested, the cost of the project for which assistance is requested, the amount of assistance requested and any other information required by the MDA.

(5) The MDA shall have all powers necessary to implement and administer the program established under this section, and the department shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this section.

(6) The MDA shall file an annual report with the Governor, Secretary of the Senate and the Clerk of the House of Representatives not later than December 1 of each year, describing all assistance provided under this section.

**SECTION 34.** As used in Sections 34 through 49 of this act, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bonds 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 35.** (1) The Mississippi Development Authority, 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 program authorized in Section 57-1-16. Upon the adoption of a resolution by the Mississippi Development Authority, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the Mississippi Development Authority 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 34 through 49 of this act shall not exceed One Million Dollars (\$1,000,000.00). No bonds authorized under Sections 34 through 49 of this act shall be issued after July 1, 2008.

(2) The proceeds of bonds issued pursuant to Sections 34 through 49 of this act shall be deposited into the ACE Fund created pursuant to Section 57-1-16. Any investment earnings on bonds issued pursuant to Sections 34 through 49 of this act shall be used to pay debt service on bonds issued under Sections 34 through 49 of this act, in accordance with the proceedings authorizing issuance of such bonds.

523           **SECTION 36.** The principal of and interest on the bonds  
524 authorized under Sections 34 through 49 of this act shall be  
525 payable in the manner provided in this section. Such bonds shall  
526 bear such date or dates, be in such denomination or denominations,  
527 bear interest at such rate or rates (not to exceed the limits set  
528 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
529 at such place or places within or without the State of  
530 Mississippi, shall mature absolutely at such time or times not to  
531 exceed twenty-five (25) years from date of issue, be redeemable  
532 before maturity at such time or times and upon such terms, with or  
533 without premium, shall bear such registration privileges, and  
534 shall be substantially in such form, all as shall be determined by  
535 resolution of the commission.

536           **SECTION 37.** The bonds authorized by Sections 34 through 49  
537 of this act shall be signed by the chairman of the commission, or  
538 by his facsimile signature, and the official seal of the  
539 commission shall be affixed thereto, attested by the secretary of  
540 the commission. The interest coupons, if any, to be attached to  
541 such bonds may be executed by the facsimile signatures of such  
542 officers. Whenever any such bonds shall have been signed by the  
543 officials designated to sign the bonds who were in office at the  
544 time of such signing but who may have ceased to be such officers  
545 before the sale and delivery of such bonds, or who may not have  
546 been in office on the date such bonds may bear, the signatures of  
547 such officers upon such bonds and coupons shall nevertheless be  
548 valid and sufficient for all purposes and have the same effect as  
549 if the person so officially signing such bonds had remained in  
550 office until their delivery to the purchaser, or had been in  
551 office on the date such bonds may bear. However, notwithstanding  
552 anything herein to the contrary, such bonds may be issued as  
553 provided in the Registered Bond Act of the State of Mississippi.

554           **SECTION 38.** All bonds and interest coupons issued under the  
555 provisions of Sections 34 through 49 of this act have all the  
556 qualities and incidents of negotiable instruments under the  
557 provisions of the Uniform Commercial Code, and in exercising the

powers granted by Sections 34 through 49 of this act, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

**SECTION 39.** The commission shall act as the issuing agent for the bonds authorized under Sections 34 through 49 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 34 through 49 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 34 through 49 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 40.** The bonds issued under the provisions of Sections 34 through 49 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 41.** Upon the issuance and sale of bonds under the provisions of Sections 34 through 49 of this act, the commission shall transfer the proceeds of any such sale or sales to the ACE Fund created in Section 57-1-16. The proceeds of such bonds shall be disbursed solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

**SECTION 42.** The bonds authorized under Sections 34 through 49 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 34 through 49 of this act. Any resolution providing for the issuance of bonds under the provisions of Sections 34 through 49 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 43.** The bonds authorized under the authority of Sections 34 through 49 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.

627           **SECTION 44.** Any holder of bonds issued under the provisions  
628 of Sections 34 through 49 of this act or of any of the interest  
629 coupons pertaining thereto may, either at law or in equity, by  
630 suit, action, mandamus or other proceeding, protect and enforce  
631 any and all rights granted under Sections 34 through 49 of this  
632 act, or under such resolution, and may enforce and compel  
633 performance of all duties required by Sections 34 through 49 of  
634 this act to be performed, in order to provide for the payment of  
635 bonds and interest thereon.

636           **SECTION 45.** All bonds issued under the provisions of  
637 Sections 34 through 49 of this act shall be legal investments for  
638 trustees and other fiduciaries, and for savings banks, trust  
639 companies and insurance companies organized under the laws of the  
640 State of Mississippi, and such bonds shall be legal securities  
641 which may be deposited with and shall be received by all public  
642 officers and bodies of this state and all municipalities and  
643 political subdivisions for the purpose of securing the deposit of  
644 public funds.

645           **SECTION 46.** Bonds issued under the provisions of Sections 34  
646 through 49 of this act and income therefrom shall be exempt from  
647 all taxation in the State of Mississippi.

648           **SECTION 47.** The proceeds of the bonds issued under Sections  
649 34 through 49 of this act shall be used solely for the purposes  
650 therein provided, including the costs incident to the issuance and  
651 sale of such bonds.

652           **SECTION 48.** The State Treasurer is authorized, without  
653 further process of law, to certify to the Department of Finance  
654 and Administration the necessity for warrants, and the Department  
655 of Finance and Administration is authorized and directed to issue  
656 such warrants, in such amounts as may be necessary to pay when due  
657 the principal of, premium, if any, and interest on, or the  
658 accreted value of, all bonds issued under Sections 34 through 49  
659 of this act; and the State Treasurer shall forward the necessary  
660 amount to the designated place or places of payment of such bonds

661 in ample time to discharge such bonds, or the interest thereon, on  
662 the due dates thereof.

663       **SECTION 49.** Sections 34 through 49 of this act shall be  
664 deemed to be full and complete authority for the exercise of the  
665 powers therein granted, but Sections 34 through 49 of this act  
666 shall not be deemed to repeal or to be in derogation of any  
667 existing law of this state.

668       **SECTION 50.** As used in Sections 50 through 65 of this act,  
669 the following words shall have the meanings ascribed herein unless  
670 the context clearly requires otherwise:

671               (a) "Accreted value" of any bond means, as of any date  
672 of computation, an amount equal to the sum of (i) the stated  
673 initial value of such bond, plus (ii) the interest accrued thereon  
674 from the issue date to the date of computation at the rate,  
675 compounded semiannually, that is necessary to produce the  
676 approximate yield to maturity shown for bonds of the same  
677 maturity.

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

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

680       **SECTION 51.** (1) The commission, at one time, or from time  
681 to time, may declare by resolution the necessity for issuance of  
682 general obligation bonds of the State of Mississippi to provide  
683 funds for the Mississippi Land, Water and Timber Resources Fund  
684 created in Section 69-46-7, Mississippi Code of 1972. Upon the  
685 adoption of a resolution by the Mississippi Land, Water and Timber  
686 Resources Board, declaring the necessity for the issuance of any  
687 part or all of the general obligation bonds authorized by this  
688 section, the Mississippi Land, Water and Timber Resources Board  
689 shall deliver a certified copy of its resolution or resolutions to  
690 the commission. Upon receipt of such resolution, the commission,  
691 in its discretion, may act as the issuing agent, prescribe the  
692 form of the bonds, advertise for and accept bids, issue and sell  
693 the bonds so authorized to be sold and do any and all other things  
694 necessary and advisable in connection with the issuance and sale  
695 of such bonds. The total amount of bonds issued under Sections 50

696 through 65 of this act shall not exceed Ten Million Dollars  
697 (\$10,000,000.00). No bonds shall be issued under Sections 50  
698 through 65 of this act after July 1, 2008.

699 (2) The proceeds of bonds issued pursuant to Sections 50  
700 through 65 of this act shall be deposited into the Mississippi  
701 Land, Water and Timber Resources Fund created pursuant to Section  
702 69-46-7. Any investment earnings on bonds issued pursuant to  
703 Sections 50 through 65 of this act shall be used to pay debt  
704 service on bonds issued under Sections 50 through 65 of this act,  
705 in accordance with the proceedings authorizing issuance of such  
706 bonds.

707 **SECTION 52.** The principal of and interest on the bonds  
708 authorized under Sections 50 through 65 of this act shall be  
709 payable in the manner provided in this section. Such bonds shall  
710 bear such date or dates, be in such denomination or denominations,  
711 bear interest at such rate or rates (not to exceed the limits set  
712 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
713 at such place or places within or without the State of  
714 Mississippi, shall mature absolutely at such time or times not to  
715 exceed twenty-five (25) years from date of issue, be redeemable  
716 before maturity at such time or times and upon such terms, with or  
717 without premium, shall bear such registration privileges, and  
718 shall be substantially in such form, all as shall be determined by  
719 resolution of the commission.

720 **SECTION 53.** The bonds authorized by Sections 50 through 65  
721 of this act shall be signed by the chairman of the commission, or  
722 by his facsimile signature, and the official seal of the  
723 commission shall be affixed thereto, attested by the secretary of  
724 the commission. The interest coupons, if any, to be attached to  
725 such bonds may be executed by the facsimile signatures of such  
726 officers. Whenever any such bonds shall have been signed by the  
727 officials designated to sign the bonds who were in office at the  
728 time of such signing but who may have ceased to be such officers  
729 before the sale and delivery of such bonds, or who may not have  
730 been in office on the date such bonds may bear, the signatures of

731 such officers upon such bonds and coupons shall nevertheless be  
732 valid and sufficient for all purposes and have the same effect as  
733 if the person so officially signing such bonds had remained in  
734 office until their delivery to the purchaser, or had been in  
735 office on the date such bonds may bear. However, notwithstanding  
736 anything herein to the contrary, such bonds may be issued as  
737 provided in the Registered Bond Act of the State of Mississippi.

738       **SECTION 54.** All bonds and interest coupons issued under the  
739 provisions of Sections 50 through 65 of this act have all the  
740 qualities and incidents of negotiable instruments under the  
741 provisions of the Uniform Commercial Code, and in exercising the  
742 powers granted by Sections 50 through 65 of this act, the  
743 commission shall not be required to and need not comply with the  
744 provisions of the Uniform Commercial Code.

745       **SECTION 55.** The commission shall act as the issuing agent  
746 for the bonds authorized under Sections 50 through 65 of this act,  
747 prescribe the form of the bonds, advertise for and accept bids,  
748 issue and sell the bonds so authorized to be sold, pay all fees  
749 and costs incurred in such issuance and sale, and do any and all  
750 other things necessary and advisable in connection with the  
751 issuance and sale of such bonds. The commission is authorized and  
752 empowered to pay the costs that are incident to the sale, issuance  
753 and delivery of the bonds authorized under Sections 50 through 65  
754 of this act from the proceeds derived from the sale of such bonds.  
755 The commission shall sell such bonds on sealed bids at public  
756 sale, and for such price as it may determine to be for the best  
757 interest of the State of Mississippi, but no such sale shall be  
758 made at a price less than par plus accrued interest to the date of  
759 delivery of the bonds to the purchaser. All interest accruing on  
760 such bonds so issued shall be payable semiannually or annually;  
761 however, the first interest payment may be for any period of not  
762 more than one (1) year.

763       Notice of the sale of any such bonds shall be published at  
764 least one time, not less than ten (10) days before the date of  
765 sale, and shall be so published in one or more newspapers

766 published or having a general circulation in the City of Jackson,  
767 Mississippi, and in one or more other newspapers or financial  
768 journals with a national circulation, to be selected by the  
769 commission.

770 The commission, when issuing any bonds under the authority of  
771 Sections 50 through 65 of this act, may provide that bonds, at the  
772 option of the State of Mississippi, may be called in for payment  
773 and redemption at the call price named therein and accrued  
774 interest on such date or dates named therein.

775 **SECTION 56.** The bonds issued under the provisions of  
776 Sections 50 through 65 of this act are general obligations of the  
777 State of Mississippi, and for the payment thereof the full faith  
778 and credit of the State of Mississippi is irrevocably pledged. If  
779 the funds appropriated by the Legislature are insufficient to pay  
780 the principal of and the interest on such bonds as they become  
781 due, then the deficiency shall be paid by the State Treasurer from  
782 any funds in the State Treasury not otherwise appropriated. All  
783 such bonds shall contain recitals on their faces substantially  
784 covering the provisions of this section.

785 **SECTION 57.** Upon the issuance and sale of bonds under the  
786 provisions of Sections 50 through 65 of this act, the commission  
787 shall transfer the proceeds of any such sale or sales to the  
788 Mississippi Land, Water and Timber Resources Fund created in  
789 Section 69-46-7, Mississippi Code of 1972.

790 **SECTION 58.** The bonds authorized under Sections 50 through  
791 65 of this act may be issued without any other proceedings or the  
792 happening of any other conditions or things other than those  
793 proceedings, conditions and things which are specified or required  
794 by Sections 50 through 65 of this act. Any resolution providing  
795 for the issuance of bonds under the provisions of Sections 50  
796 through 65 of this act shall become effective immediately upon its  
797 adoption by the commission, and any such resolution may be adopted  
798 at any regular or special meeting of the commission by a majority  
799 of its members.

**SECTION 59.** The bonds authorized under the authority of Sections 50 through 65 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 60.** Any holder of bonds issued under the provisions of Sections 50 through 65 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 50 through 65 of this act, or under such resolution, and may enforce and compel performance of all duties required by Sections 50 through 65 of this act to be performed, in order to provide for the payment of bonds and interest thereon.

**SECTION 61.** All bonds issued under the provisions of Sections 50 through 65 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 62.** Bonds issued under the provisions of Sections 50 through 65 of this act and income therefrom shall be exempt from all taxation in the State of Mississippi.

**SECTION 63.** The proceeds of the bonds issued under Sections 50 through 65 of this act shall be used solely for the purposes herein provided, including the costs incident to the issuance and sale of such bonds.

834           **SECTION 64.** The State Treasurer is authorized, without  
835 further process of law, to certify to the Department of Finance  
836 and Administration the necessity for warrants, and the Department  
837 of Finance and Administration is authorized and directed to issue  
838 such warrants, in such amounts as may be necessary to pay when due  
839 the principal of, premium, if any, and interest on, or the  
840 accreted value of, all bonds issued under Sections 50 through 65  
841 of this act; and the State Treasurer shall forward the necessary  
842 amount to the designated place or places of payment of such bonds  
843 in ample time to discharge such bonds, or the interest thereon, on  
844 the due dates thereof.

845           **SECTION 65.** Sections 50 through 65 of this act shall be  
846 deemed to be full and complete authority for the exercise of the  
847 powers herein granted, but Sections 50 through 65 of this act  
848 shall not be deemed to repeal or to be in derogation of any  
849 existing law of this state.

850           **SECTION 66.** Section 69-46-5, Mississippi Code of 1972, is  
851 amended as follows:

852           69-46-5. The board shall have the following powers and  
853 duties:

854                   (a) To develop marketing plans and opportunities for  
855 independent farmers in Mississippi;

856                   (b) To encourage the commercialization of new  
857 agricultural technology businesses;

858                   (c) To initiate the development of processing  
859 facilities for Mississippi agricultural commodities;

860                   (d) To initiate the development of Mississippi  
861 wholesale distribution businesses for agricultural inputs and  
862 products;

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

865                   (f) To encourage additional research for new  
866 agricultural product development;

867                   (g) To develop a working relationship with the state  
868 offices of the United States Department of Agriculture as may be



869 appropriate for the promotion and development of agriculture in  
870 Mississippi;

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

874 (i) To encourage, promote and initiate the development  
875 of alternative energy strategies, applied research technologies  
876 and commercialization enterprises that focus on Mississippi  
877 natural resources, including, but not limited to, agriculture,  
878 timber and poultry products and byproducts;

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

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

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

891 (m) The board may provide funds to public entities and  
892 private entities through loans, grants, contracts and any other  
893 manner the board determines appropriate for the purposes of  
894 carrying out the provisions of the Mississippi Land, Water and  
895 Timber Resources Act. The board also may provide loan guaranties  
896 on behalf of public entities and private entities in any manner  
897 the board determines appropriate for the purposes of carrying out  
898 the provisions of the Mississippi Land, Water and Timber Resources  
899 Act.

900 **SECTION 67.** Section 69-46-7, Mississippi Code of 1972, is  
901 amended as follows:

902 69-46-7. (1) (a) The Mississippi Land, Water and Timber  
903 Resources Board may accept and expend funds appropriated or

904 otherwise made available by the Legislature and funds from any  
905 other source in order to carry out the provisions of the  
906 Mississippi Land, Water and Timber Resources Act. Such funds  
907 shall be deposited into a special fund hereby established in the  
908 State Treasury, to be known as the "Mississippi Land, Water and  
909 Timber Resources Fund." Unexpended amounts derived from bond  
910 proceeds or private funds, or both, remaining in the fund at the  
911 end of a fiscal year shall not lapse into the State General Fund,  
912 and any investment earnings or interest earned on such amounts in  
913 the fund shall be deposited to the credit of the fund. All other  
914 unexpended amounts remaining in the fund at the end of a fiscal  
915 year shall lapse into the State General Fund. The board may  
916 provide to the Mississippi Department of Agriculture and Commerce  
917 not more than Two Hundred Fifty Thousand Dollars (\$250,000.00), in  
918 the aggregate, of monies in the fund, that are derived from  
919 proceeds of bonds issued under Sections 50 through 65 of Laws,  
920 2001, Chapter 538, and/or Sections 50 through 65 of Laws, 2002,  
921 Chapter 542, for the purpose of providing additional funds to  
922 defray costs incurred by the department in assisting the board in  
923 carrying out the provisions of the Mississippi Land, Water and  
924 Timber Resources Act. However, the Mississippi Department of  
925 Agriculture and Commerce may not use any portion of such funds for  
926 the purpose of hiring any person as an employee as defined in  
927 Section 25-3-91(c). The Mississippi Department of Agriculture may  
928 escalate its budget and expend such funds, when provided by the  
929 board, in accordance with rules and regulations of the Department  
930 of Finance and Administration in a manner consistent with the  
931 escalation of federal funds. The board may provide to the  
932 Mississippi Development Authority not more than Two Hundred Fifty  
933 Thousand Dollars (\$250,000.00), in the aggregate, of monies in the  
934 fund that are derived from proceeds of bonds issued under Sections  
935 50 through 65 of Laws, 2001, Chapter 538, and/or Sections 50  
936 through 65 of Laws, 2002, Chapter 542, for the purpose of  
937 providing additional funds to defray costs incurred by the  
938 Mississippi Development Authority in assisting the board in

939 carrying out the provisions of the Mississippi Land, Water and  
940 Timber Resources Act. However, the Mississippi Development  
941 Authority may not use any portion of such funds for the purpose of  
942 hiring any person as an employee as defined in Section 25-3-91(c).  
943 The Mississippi Development Authority may escalate its budget and  
944 expend such funds, when provided by the board, in accordance with  
945 rules and regulations of the Department of Finance and  
946 Administration in a manner consistent with the escalation of  
947 federal funds.

948           (b) (i) The Mississippi Land, Water and Timber  
949 Resources Board may provide to the Mississippi Department of  
950 Agriculture and Commerce not more than One Hundred Twenty-five  
951 Thousand Dollars (\$125,000.00), in the aggregate, of monies in the  
952 fund, that are derived from proceeds of bonds issued under  
953 Sections 50 through 65 of Laws, 2003, Chapter 505, for the purpose  
954 of providing additional funds to defray costs incurred by the  
955 department in assisting the board in carrying out the provisions  
956 of the Mississippi Land, Water and Timber Resources Act. However,  
957 the Mississippi Department of Agriculture and Commerce may not use  
958 any portion of such funds for the purpose of hiring any person as  
959 an employee as defined in Section 25-3-91(c). The Mississippi  
960 Department of Agriculture and Commerce may escalate its budget and  
961 expend such funds, when provided by the board, in accordance with  
962 rules and regulations of the Department of Finance and  
963 Administration in a manner consistent with the escalation of  
964 federal funds.

965           (ii) The Mississippi Land, Water and Timber  
966 Resources Board may provide to the Mississippi Development  
967 Authority not more than One Hundred Twenty-five Thousand Dollars  
968 (\$125,000.00), in the aggregate, of monies in the fund, that are  
969 derived from proceeds of bonds issued under Sections 50 through 65  
970 of Laws, 2003, Chapter 505, for the purpose of providing  
971 additional funds to defray costs incurred by the Mississippi  
972 Development Authority in assisting the board in carrying out the  
973 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 50 through 65 of Laws, 2003, Chapter 505, 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.

(c) (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 50 through 65 of House Bill No. 1788, 2004 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

1009 Commerce may escalate its budget and expend such funds, when  
1010 provided by the board, in accordance with rules and regulations of  
1011 the Department of Finance and Administration in a manner  
1012 consistent with the escalation of federal funds.

1013 (ii) The Mississippi Land, Water and Timber  
1014 Resources Board may provide to the Mississippi Development  
1015 Authority not more than One Hundred Twenty-five Thousand Dollars  
1016 (\$125,000.00), in the aggregate, of monies in the fund, that are  
1017 derived from proceeds of bonds issued under Sections 50 through 65  
1018 of House Bill No. 1788, 2004 Regular Session, for the purpose of  
1019 providing additional funds to defray costs incurred by the  
1020 Mississippi Development Authority in assisting the board in  
1021 carrying out the provisions of the Mississippi Land, Water and  
1022 Timber Resources Act. However, the Mississippi Development  
1023 Authority may not use any portion of such funds for the purpose of  
1024 hiring any person as an employee as defined in Section 25-3-91(c).  
1025 The Mississippi Development Authority may escalate its budget and  
1026 expend such funds, when provided by the board, in accordance with  
1027 rules and regulations of the Department of Finance and  
1028 Administration in a manner consistent with the escalation of  
1029 federal funds.

1030 (iii) The Mississippi Land, Water and Timber  
1031 Resources Board may provide to the Department of Audit not more  
1032 than Fifty Thousand Dollars (\$50,000.00), in the aggregate, of  
1033 monies in the fund, that are derived from proceeds of bonds issued  
1034 under Sections 50 through 65 of House Bill No. 1788, 2004 Regular  
1035 Session, for the purpose of providing additional funds to defray  
1036 costs incurred by the department in assisting the board in  
1037 carrying out the provisions of the Mississippi Land, Water and  
1038 Timber Resources Act. However, the Department of Audit may not  
1039 use any portion of such funds for the purpose of hiring any person  
1040 as an employee as defined in Section 25-3-91(c). The Department  
1041 of Audit may escalate its budget and expend such funds, when  
1042 provided by the board, in accordance with rules and regulations of

1043 the Department of Finance and Administration in a manner  
1044 consistent with the escalation of federal funds.

1045       (2) The Mississippi Land, Water and Timber Resources Board  
1046 shall set aside One Million Dollars (\$1,000,000.00) of the monies  
1047 in the Mississippi Land, Water and Timber Resources Fund, that are  
1048 derived from proceeds of bonds issued under Sections 50 through 65  
1049 of Laws, 2003, Chapter 505, for the purpose of providing funds to  
1050 the Mississippi Department of Agriculture and Commerce for use in  
1051 making payments to ethanol producers under Section 69-51-5 during  
1052 the state fiscal year beginning July 1, 2003, and ending June 30,  
1053 2004. Any monies set aside which are not used for such purposes  
1054 during the fiscal year shall no longer be set aside for such  
1055 purposes after the end of the fiscal year. In addition, if the  
1056 Commissioner of Agriculture and Commerce determines during such  
1057 fiscal year that no ethanol producer will be eligible for such  
1058 payments during the fiscal year, the commissioner shall inform the  
1059 board of his determination and the monies set aside shall no  
1060 longer be set aside for such purposes. The Mississippi Department  
1061 of Agriculture and Commerce may escalate its budget and expend  
1062 funds, when provided by the board under this subsection (2), in  
1063 accordance with rules and regulations of the Department of Finance  
1064 and Administration in a manner consistent with the escalation of  
1065 federal funds.

1066       (3) The Mississippi Land, Water and Timber Resources Board  
1067 shall set aside Eight Hundred Thousand Dollars (\$800,000.00) of  
1068 the monies in the Mississippi Land, Water and Timber Resources  
1069 Fund, that are derived from proceeds of bonds issued under  
1070 Sections 50 through 65 of House Bill No. 1788, 2004 Regular  
1071 Session, for the purpose of providing any form of assistance  
1072 described in Section 69-46-5(m) to any private entity engaged in  
1073 the manufacturing of environmentally responsible products. For  
1074 the purposes of this subsection (3), the term "environmentally  
1075 responsible products" means products or services that have been  
1076 verified by an independent third party to cause less toxic

pollution and waste, to conserve resources and habitats, and to  
minimize global warming and ozone depletion.

(4) 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 68.** As used in Sections 68 through 86 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

1112 initial value of such bond, plus (ii) the interest accrued thereon  
1113 from the issue date to the date of computation at the rate,  
1114 compounded semiannually, that is necessary to produce the  
1115 approximate yield to maturity shown for bonds of the same  
1116 maturity.

1117 (b) "Commission" means the State Bond Commission.

1118 (c) "State shipyard" means the shipyard property owned  
1119 by the state and located in Jackson County, Mississippi.

1120 (d) "State" means the State of Mississippi.

1121 (e) "Authority" means the Mississippi Development  
1122 Authority.

1123 **SECTION 69.** (1) The authority may use the proceeds from  
1124 general obligation bonds issued under Sections 68 through 86 of  
1125 this act for the purpose of such capital improvements at the state  
1126 shipyard as it considers necessary to modernize the facility and  
1127 keep it competitive with other shipyards.

1128 (2) The authority, in its discretion, may set aside for  
1129 minority businesses not more than twenty percent (20%) of its  
1130 contracts for making such capital improvements at the state  
1131 shipyard. For the purposes of this subsection (2), the term  
1132 "minority business" means a business which is owned by a majority  
1133 of persons who are United States citizens or permanent resident  
1134 aliens (as defined by the Immigration and Naturalization Service)  
1135 of the United States, and who are Asian, Black, Hispanic or Native  
1136 American, according to the following definitions:

1137 (a) "Asian" means persons having origins in any of the  
1138 original people of the Far East, Southeast Asia, the Indian  
1139 subcontinent, or the Pacific Islands.

1140 (b) "Black" means persons having origins in any black  
1141 racial group of Africa.

1142 (c) "Hispanic" means persons of Spanish or Portuguese  
1143 culture with origins in Mexico, South or Central America, or the  
1144 Caribbean Islands, regardless of race.



(d) "Native American" means persons having origins in any of the original people of North America, including American Indians, Eskimos and Aleuts.

**SECTION 70.** (1) (a) A special fund, to be designated as the "2004 State Shipyard Improvement Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund.

(b) Monies deposited into the fund shall be disbursed, in the discretion of the authority, to pay the costs incurred by the authority in making capital improvements to the state shipyard.

(c) Monies in the special fund may be used to reimburse reasonable actual and necessary costs incurred by the authority in providing assistance related to a project for which funding is provided under Sections 68 through 86 of this act. The authority shall maintain an accounting of actual costs incurred for each project for which reimbursements are sought. Reimbursements under this paragraph (c) shall not exceed Three Hundred Thousand Dollars (\$300,000.00) in the aggregate. Reimbursements under this paragraph (c) shall satisfy any applicable federal tax law requirements.

(d) Monies in the special fund may be used to reimburse reasonable actual and necessary costs incurred by the Department of Audit in providing services related to a project for which funding is provided under Sections 68 through 86 of this act. The Department of Audit shall maintain an accounting of actual costs incurred for each project for which reimbursements are sought. The Department of Audit may escalate its budget and expend such funds in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds. Reimbursements under this paragraph

(d) shall not exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate. Reimbursements under this paragraph (d) shall satisfy any applicable federal tax law requirements.

(2) Amounts deposited into such special fund shall be disbursed to pay the costs of the projects described in subsection (1) of this section. If any monies in the special fund are not used within four (4) years after the date the proceeds of the bonds authorized under Sections 68 through 86 of this act are deposited into such fund, then the authority shall provide an accounting of such unused monies to the commission. Promptly after the commission has certified, by resolution duly adopted, that the projects described in subsection (1) of this section shall have been completed, abandoned, or cannot be completed in a timely fashion, any amounts remaining in such special fund shall be applied to pay debt service on the bonds issued under Sections 68 through 86 of this act, in accordance with the proceedings authorizing the issuance of such bonds and as directed by the commission. Before monies in the special fund may be used for the projects described in subsection (1) of this section, the authority shall require that the lessee of the shipyard enter into binding commitments regarding at least the following: (a) that such lessee shall create a certain minimum number of jobs over a certain period of time as determined by the authority (which jobs must be held by persons eligible for employment in the United States under applicable state and federal law) and (b) that if such lessee fails to satisfy any such commitments, the lessee must repay an amount equal to all or a portion of the funds provided by the state under Sections 68 through 86 of this act as determined by the authority.

**SECTION 71.** (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 all costs incurred or to be incurred for the purposes described in Section 70 of this act. No bonds shall be issued under Sections 68 through 86 of this act until the authority is

provided proof that the lessee of the shipyard has incurred debt or has otherwise irrevocably dedicated funds or a combination of debt and funds in the amount of not less than Ninety-six Million Dollars (\$96,000,000.00) used by the lessee in calendar year 2003, or thereafter, for capital improvements, capital investments or capital upgrades at shipyards in Mississippi owned or leased by the lessee. The debt or dedication of funds or combination of debt and funds required of the lessee under this section shall be in addition to any debt or funds required of the lessee under Section 4 of Chapter 501, Laws of 2003. Upon the adoption of a resolution by the authority, declaring that the lessee has incurred the required amount of debt and/or irrevocable dedication of funds and declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the authority 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 68 through 86 of this act shall not exceed Forty-eight Million Dollars (\$48,000,000.00). No bonds shall be issued under Sections 68 through 86 of this act after July 1, 2007.

(2) Any investment earnings on amounts deposited into the special fund created in Section 70 of this act shall be used to pay debt service on bonds issued under Sections 68 through 86 of this act, in accordance with the proceedings authorizing issuance of such bonds.

**SECTION 72.** The principal of and interest on the bonds authorized under Sections 68 through 86 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

1250 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
1251 at such place or places within or without the State of  
1252 Mississippi, shall mature absolutely at such time or times not to  
1253 exceed twenty (20) years from date of issue, be redeemable before  
1254 maturity at such time or times and upon such terms, with or  
1255 without premium, shall bear such registration privileges, and  
1256 shall be substantially in such form, all as shall be determined by  
1257 resolution of the commission.

1258       **SECTION 73.** The bonds authorized by Sections 68 through 86  
1259 of this act shall be signed by the chairman of the commission, or  
1260 by his facsimile signature, and the official seal of the  
1261 commission shall be affixed thereto, attested by the secretary of  
1262 the commission. The interest coupons, if any, to be attached to  
1263 such bonds may be executed by the facsimile signatures of such  
1264 officers. Whenever any such bonds shall have been signed by the  
1265 officials designated to sign the bonds who were in office at the  
1266 time of such signing but who may have ceased to be such officers  
1267 before the sale and delivery of such bonds, or who may not have  
1268 been in office on the date such bonds may bear, the signatures of  
1269 such officers upon such bonds and coupons shall nevertheless be  
1270 valid and sufficient for all purposes and have the same effect as  
1271 if the person so officially signing such bonds had remained in  
1272 office until their delivery to the purchaser, or had been in  
1273 office on the date such bonds may bear. However, notwithstanding  
1274 anything herein to the contrary, such bonds may be issued as  
1275 provided in the Registered Bond Act of the State of Mississippi.

1276       **SECTION 74.** All bonds and interest coupons issued under the  
1277 provisions of Sections 68 through 86 of this act have all the  
1278 qualities and incidents of negotiable instruments under the  
1279 provisions of the Uniform Commercial Code, and in exercising the  
1280 powers granted by Sections 68 through 86 of this act, the  
1281 commission shall not be required to and need not comply with the  
1282 provisions of the Uniform Commercial Code.

1283       **SECTION 75.** The commission shall act as the issuing agent  
1284 for the bonds authorized under Sections 68 through 86 of this act,

1285 prescribe the form of the bonds, advertise for and accept bids,  
1286 issue and sell the bonds so authorized to be sold, pay all fees  
1287 and costs incurred in such issuance and sale, and do any and all  
1288 other things necessary and advisable in connection with the  
1289 issuance and sale of such bonds. The commission is authorized and  
1290 empowered to pay the costs that are incident to the sale, issuance  
1291 and delivery of the bonds authorized under Sections 68 through 86  
1292 of this act from the proceeds derived from the sale of such bonds.  
1293 The commission shall sell such bonds on sealed bids at public  
1294 sale, and for such price as it may determine to be for the best  
1295 interest of the State of Mississippi, but no such sale shall be  
1296 made at a price less than par plus accrued interest to the date of  
1297 delivery of the bonds to the purchaser. All interest accruing on  
1298 such bonds so issued shall be payable semiannually or annually;  
1299 however, the first interest payment may be for any period of not  
1300 more than one (1) year.

1301 Notice of the sale of any such bonds shall be published at  
1302 least one time, not less than ten (10) days before the date of  
1303 sale, and shall be so published in one or more newspapers  
1304 published or having a general circulation in the City of Jackson,  
1305 Mississippi, and in one or more other newspapers or financial  
1306 journals with a national circulation, to be selected by the  
1307 commission.

1308 The commission, when issuing any bonds under the authority of  
1309 Sections 68 through 86 of this act, may provide that bonds, at the  
1310 option of the State of Mississippi, may be called in for payment  
1311 and redemption at the call price named therein and accrued  
1312 interest on such date or dates named therein.

1313 **SECTION 76.** The bonds issued under the provisions of  
1314 Sections 68 through 86 of this act are general obligations of the  
1315 State of Mississippi, and for the payment thereof the full faith  
1316 and credit of the State of Mississippi is irrevocably pledged. If  
1317 the funds appropriated by the Legislature for such purposes are  
1318 insufficient to pay the principal of and the interest on such  
1319 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 77.** Upon the issuance and sale of bonds under the provisions of Sections 68 through 86 of this act, the commission shall transfer the proceeds of any such sale or sales to the special fund created in Section 70 of this act. The proceeds of such bonds shall be disbursed solely upon the order of the authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

**SECTION 78.** The bonds authorized under Sections 68 through 86 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 68 through 86 of this act. Any resolution providing for the issuance of bonds under the provisions of Sections 68 through 86 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 79.** The bonds authorized under the authority of Sections 68 through 86 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 80.** Any holder of bonds issued under the provisions of Sections 68 through 86 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 68 through 86 of this act, or under such resolution, and may enforce and compel

1355 performance of all duties required by Sections 68 through 86 of  
1356 this act to be performed, in order to provide for the payment of  
1357 bonds and interest thereon.

1358       **SECTION 81.** All bonds issued under the provisions of  
1359 Sections 68 through 86 of this act shall be legal investments for  
1360 trustees and other fiduciaries, and for savings banks, trust  
1361 companies and insurance companies organized under the laws of the  
1362 State of Mississippi, and such bonds shall be legal securities  
1363 which may be deposited with and shall be received by all public  
1364 officers and bodies of this state and all municipalities and  
1365 political subdivisions for the purpose of securing the deposit of  
1366 public funds.

1367       **SECTION 82.** Bonds issued under the provisions of Sections 68  
1368 through 86 of this act and income therefrom shall be exempt from  
1369 all taxation in the State of Mississippi.

1370       **SECTION 83.** The proceeds of the bonds issued under Sections  
1371 68 through 86 of this act shall be used solely for the purposes  
1372 provided in this act, including the costs incident to the issuance  
1373 and sale of such bonds.

1374       **SECTION 84.** The State Treasurer is authorized, without  
1375 further process of law, to certify to the Department of Finance  
1376 and Administration the necessity for warrants, and the Department  
1377 of Finance and Administration is authorized and directed to issue  
1378 such warrants, in such amounts as may be necessary to pay when due  
1379 the principal of, premium, if any, and interest on, or the  
1380 accreted value of, all bonds issued under Sections 68 through 86  
1381 of this act; and the State Treasurer shall forward the necessary  
1382 amount to the designated place or places of payment of such bonds  
1383 in ample time to discharge such bonds, or the interest thereon, on  
1384 the due dates thereof.

1385       **SECTION 85.** All improvements made to the state shipyard with  
1386 the proceeds of bonds issued pursuant to Sections 68 through 86 of  
1387 this act shall, as state-owned property, be exempt from ad valorem  
1388 taxation, except ad valorem taxation for school district purposes.

1389           **SECTION 86.** Sections 68 through 86 of this act shall be  
1390 deemed to be full and complete authority for the exercise of the  
1391 powers herein granted, but Sections 68 through 86 of this act  
1392 shall not be deemed to repeal or to be in derogation of any  
1393 existing law of this state.

1394           **SECTION 87.** This act shall take effect and be in force from  
1395 and after its passage.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1           AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE  
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE MISSISSIPPI  
3 RURAL IMPACT FUND; TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN  
4 STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE SMALL  
5 MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND; TO AMEND  
6 SECTION 57-1-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A  
7 PORTION OF THE PROCEEDS OF CERTAIN BONDS MAY BE UTILIZED BY THE  
8 MISSISSIPPI DEVELOPMENT AUTHORITY TO REIMBURSE CERTAIN COSTS  
9 RELATED TO THE ADMINISTRATION OF THE FUND AND TO LIMIT THE AMOUNT  
10 OF GRANTS ISSUED TO A MUNICIPALITY OR COUNTY DURING ANY GRANT  
11 PERIOD TO \$250,000.00; TO AUTHORIZE THE ISSUANCE OF \$1,000,000.00  
12 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE ACE  
13 FUND; TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE  
14 STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR THE  
15 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; TO AMEND  
16 SECTION 69-46-5, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
17 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD MAY PROVIDE  
18 LOAN GUARANTIES ON BEHALF OF PUBLIC AND PRIVATE ENTITIES IN ANY  
19 MANNER THE BOARD DETERMINES APPROPRIATE FOR THE PURPOSES OF  
20 CARRYING OUT THE PROVISIONS OF THE MISSISSIPPI LAND, WATER AND  
21 TIMBER RESOURCES ACT; TO AMEND SECTION 69-46-7, MISSISSIPPI CODE  
22 OF 1972, TO REQUIRE THE MISSISSIPPI LAND, WATER AND TIMBER  
23 RESOURCES BOARD TO SET ASIDE \$800,000.00 OF THE MONIES IN THE  
24 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND FOR THE PURPOSE  
25 OF PROVIDING LOANS, GRANTS, CONTRACTS, LOAN GUARANTIES OR OTHER  
26 FORMS OF ASSISTANCE TO ANY PRIVATE ENTITY ENGAGED IN THE  
27 MANUFACTURE OF ENVIRONMENTALLY RESPONSIBLE PRODUCTS; TO AUTHORIZE  
28 THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD TO PROVIDE  
29 A PORTION OF THE MONIES IN THE MISSISSIPPI LAND, WATER AND TIMBER  
30 RESOURCES FUND, WHICH ARE DERIVED FROM THE PROCEEDS OF BONDS  
31 AUTHORIZED UNDER THIS ACT, TO THE MISSISSIPPI DEPARTMENT OF  
32 AGRICULTURE AND COMMERCE, THE MISSISSIPPI DEVELOPMENT AUTHORITY  
33 AND THE DEPARTMENT OF AUDIT TO DEFRAY COSTS INCURRED BY SUCH  
34 ENTITIES IN ASSISTING THE BOARD IN CARRYING OUT THE PROVISIONS OF  
35 THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES ACT; TO AUTHORIZE  
36 THE ISSUANCE OF \$48,000,000.00 IN STATE GENERAL OBLIGATION BONDS  
37 TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS AT THE STATE-OWNED  
38 SHIPYARD LOCATED IN JACKSON COUNTY, MISSISSIPPI; TO PROVIDE THAT  
39 THE ISSUANCE OF SUCH BONDS SHALL BE CONDITIONED ON THE LESSEE  
40 INCURRING A CERTAIN AMOUNT OF DEBT FOR CAPITAL IMPROVEMENTS,  
41 CAPITAL INVESTMENTS OR CAPITAL UPGRADES TO SHIPYARDS IN  
42 MISSISSIPPI OWNED OR LEASED BY SUCH LESSEE; AND FOR RELATED  
43 PURPOSES.

HR07\SB2809A.J

Don Richardson  
Clerk of the House of Representatives