

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2008

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
 2 OF THE STATE OF MISSISSIPPI IN THE AMOUNT OF \$3,000,000.00 FOR THE
 3 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 AUTHORIZE A CERTAIN AMOUNT OF MONEY IN THE FUND TO BE
 6 UTILIZED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY, THE DEPARTMENT
 7 OF AGRICULTURE AND COMMERCE AND THE DEPARTMENT OF AUDIT TO DEFRAY
 8 COSTS INCURRED IN ASSISTING IN THE ADMINISTRATION OF THE
 9 MISSISSIPPI LAND, WATER AND TIMBER RESOURCES ACT; AND FOR RELATED
 10 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 bonds means, as of any date
 16 of computation, an amount equal to the sum of (i) the stated
 17 initial value of such bonds, plus (ii) the interest accrued
 18 thereon from the issue date to the date of computation at the
 19 rate, 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 Three Million Dollars
41 (\$3,000,000.00). 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, Mississippi Code of 1972. Any investment earnings on
47 bonds issued pursuant to Sections 1 through 16 of this act shall
48 be used to pay debt service on bonds issued under Sections 1
49 through 16 of this act, in accordance with the proceedings
50 authorizing issuance of such 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 the
83 provisions of Sections 1 through 16 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. The board may
210 provide to the Mississippi Department of Agriculture and Commerce
211 not more than Two Hundred Fifty Thousand Dollars (\$250,000.00), in
212 the aggregate, of monies in the fund that are derived from
213 proceeds of bonds issued under Sections 1 through 16 of Chapter
214 538, Laws of 2001, and/or Sections 1 through 16 of Chapter 542,
215 Laws of 2002, for the purpose of providing additional funds to
216 defray costs incurred by the department in assisting the board in
217 carrying out the provisions of the Mississippi Land, Water and
218 Timber Resources Act. However, the Mississippi Department of
219 Agriculture and Commerce may not use any portion of such funds for
220 the purpose of hiring any person as an employee as defined in
221 Section 25-3-91(c). The Mississippi Department of Agriculture may
222 escalate its budget and expend such funds, when provided by the
223 board, in accordance with rules and regulations of the Department
224 of Finance and Administration in a manner consistent with the
225 escalation of federal funds. The board may provide to the
226 Mississippi Development Authority not more than Two Hundred Fifty

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

242 (b) (i) The Mississippi Land, Water and Timber
243 Resources Board may provide to the Mississippi Department of
244 Agriculture and Commerce not more than One Hundred Twenty-five
245 Thousand Dollars (\$125,000.00), in the aggregate, of monies in the
246 fund that are derived from proceeds of bonds issued under Sections
247 1 through 16 of Chapter 505, Laws of 2003, and One Hundred
248 Twenty-five Thousand Dollars (\$125,000.00), in the aggregate, of
249 monies in the fund that are derived from proceeds of bonds issued
250 under Sections 1 through 16 of Senate Bill No. 2008, 2004 Third
251 Extraordinary Session, for the purpose of providing additional
252 funds to defray costs incurred by the department in assisting the
253 board in carrying out the provisions of the Mississippi Land,
254 Water and Timber Resources Act. However, the Mississippi
255 Department of Agriculture and Commerce may not use any portion of
256 such funds for the purpose of hiring any person as an employee as
257 defined in Section 25-3-91(c). The Mississippi Department of
258 Agriculture and Commerce may escalate its budget and expend such
259 funds, when provided by the board, in accordance with rules and

260 regulations of the Department of Finance and Administration in a
261 manner consistent with the escalation of federal funds.

262 (ii) The Mississippi Land, Water and Timber
263 Resources Board may provide to the Mississippi Development
264 Authority not more than One Hundred Twenty-five Thousand Dollars
265 (\$125,000.00), in the aggregate, of monies in the fund that are
266 derived from proceeds of bonds issued under Sections 1 through 16
267 of Chapter 505, Laws of 2003, and One Hundred Twenty-five Thousand
268 Dollars (\$125,000.00), in the aggregate, of monies in the fund
269 that are derived from proceeds of bonds issued under Sections 1
270 through 16 of Senate Bill No. 2008, 2004 Third Extraordinary
271 Session, for the purpose of providing additional funds to defray
272 costs incurred by the Mississippi Development Authority in
273 assisting the board in carrying out the provisions of the
274 Mississippi Land, Water and Timber Resources Act. However, the
275 Mississippi Development Authority may not use any portion of such
276 funds for the purpose of hiring any person as an employee as
277 defined in Section 25-3-91(c). The Mississippi Development
278 Authority may escalate its budget and expend such funds, when
279 provided by the board, in accordance with rules and regulations of
280 the Department of Finance and Administration in a manner
281 consistent with the escalation of federal funds.

282 (iii) The Mississippi Land, Water and Timber
283 Resources Board may provide to the Department of Audit not more
284 than Fifty Thousand Dollars (\$50,000.00), in the aggregate, of
285 monies in the fund that are derived from proceeds of bonds issued
286 under Sections 1 through 16 of Chapter 505, Laws of 2003, and
287 Fifty Thousand Dollars (\$50,000.00), in the aggregate, of monies
288 in the fund that are derived from proceeds of bonds issued under
289 Sections 1 through 16 of Senate Bill No. 2008, 2004 Third
290 Extraordinary Session, for the purpose of providing additional
291 funds to defray costs incurred by the department in assisting the
292 board in carrying out the provisions of the Mississippi Land,

293 Water and Timber Resources Act. However, the Department of Audit
294 may not use any portion of such funds for the purpose of hiring
295 any person as an employee as defined in Section 25-3-91(c). The
296 Department of Audit may escalate its budget and expend such funds,
297 when provided by the board, in accordance with rules and
298 regulations of the Department of Finance and Administration in a
299 manner consistent with the escalation of federal funds.

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

321 (3) In anticipation of the issuance of bonds authorized for
322 the purpose of providing funds for the Mississippi Land, Water and
323 Timber Resources Fund, the State Bond Commission is authorized to
324 negotiate and enter into any purchase, loan, credit or other
325 agreement with any bank, trust company or other lending

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

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