

By: Representatives Deweese, Beckett,
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To: Local and Private
Legislation

HOUSE BILL NO. 1492

1 AN ACT TO AMEND CHAPTER 953, LOCAL AND PRIVATE LAWS OF 2012,
2 AS LAST AMENDED BY CHAPTER 941, LOCAL AND PRIVATE LAWS OF 2014, TO
3 REQUIRE THE BOARD OF TRUSTEES OF THE LAFAYETTE COUNTY RESERVE AND
4 TRUST FUND TO INVEST THE FUND IN ACCORDANCE WITH THE MISSISSIPPI
5 UNIFORM PRUDENT INVESTOR ACT INSTEAD OF IN ANY OF THE INVESTMENTS
6 AUTHORIZED FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** Chapter 953, Local and Private Laws of 2012, as
10 amended by Chapter 936, Local and Private Laws of 2013, as amended
11 by Chapter 941, Laws of 2014, is amended as follows:

12 Section 1. It is hereby determined and declared that for the
13 benefit of the people of Lafayette County, Mississippi, and the
14 continued improvement and maintenance of Lafayette County, and for
15 providing for the fiscal security and sustained revenue for the
16 county and its citizens, that it is the purpose of this act to
17 establish an alternative method to make funds available to fulfill
18 these obligations and important and prudent purposes by
19 authorizing the creation, operation, administration and governance
20 of the Lafayette County Reserve and Trust Fund, through which the



21 ongoing needs of the county shall be met and ongoing improvements
22 to the county be made and through which the quality and welfare of
23 all residents of Lafayette County will be increased, all to the
24 public benefit and good, as more fully provided herein. This act
25 shall apply only to the funds creating the Lafayette County
26 Reserve and Trust Fund as more fully provided herein.

27 Section 2. As used in this act, unless a different meaning
28 clearly appears in the context, the following terms shall have the
29 following meaning:

30 (a) "Board of supervisors" means the Board of
31 Supervisors of Lafayette County, Mississippi.

32 (b) "County" means Lafayette County, Mississippi,
33 acting by and through its board of supervisors.

34 (c) "Clerk" means the clerk of the board of
35 supervisors.

36 (d) "Fund" means the Lafayette County Reserve and Trust
37 Fund established under this act for the deposit of the sales
38 proceeds received by the county as a result of the termination of
39 lease and for the sale of the real and personal property related
40 to the existing Baptist Memorial Hospital-North Mississippi
41 facilities.

42 (e) "Income" means all interest, dividends and capital
43 gains derived from the investment of monies in the fund.

44 Section 3. The board of supervisors is authorized to
45 establish the Lafayette County Reserve and Trust Fund. The board



46 of supervisors is authorized to fund and deposit into the fund all
47 or a portion of the proceeds received by the county as a result of
48 the termination of the lease and for the sale of the real and
49 personal property related to the Baptist Memorial Hospital-North
50 Mississippi facilities located on Lamar Avenue in the City of
51 Oxford, Mississippi, and any income from the investment of those
52 funds.

53 Section 4. (1) There is established the Board of Trustees
54 of the Lafayette County Reserve and Trust Fund. The fund shall be
55 administered, managed, invested and governed by the board of
56 trustees.

57 (2) The board of trustees shall be the Board of Supervisors
58 of Lafayette County.

59 (3) The board of supervisors is authorized, but not
60 required, to appoint three (3) individuals to an advisory
61 committee who shall possess the level of knowledge and skill in
62 investment strategies as necessary, in the discretion of the board
63 of supervisors, to provide advice to the board of trustees in the
64 proper management of the fund.

65 (4) The term of office for members of the advisory
66 committee, if appointed, shall run concurrently with the term of
67 office of the board of supervisors.

68 (5) The president of the board of supervisors shall be
69 chairman of the board of trustees and the vice president of the



70 board of supervisors shall be the vice chairman of the board of
71 trustees.

72 (6) The board of trustees shall conduct one (1) annual
73 meeting at the call of the chairman. It is anticipated that the
74 board of trustees shall conduct at least three (3) other meetings
75 each calendar year. The board of trustees shall hold such special
76 meetings at such time and place as may be called by the chairman.
77 All meetings of the board of trustees shall be open to the public
78 in accordance with Section 25-41-5(1), Mississippi Code of 1972,
79 except as provided by Section 25-41-7, Mississippi Code of 1972,
80 as interpreted by the courts and Attorney General of the State of
81 Mississippi. Notice of each meeting shall be given in accordance
82 with Section 25-41-13, Mississippi Code of 1972, and notice of
83 each meeting shall be provided to each trustee. A quorum shall be
84 necessary to conduct business. Any trustee may attend any meeting
85 via electronic means provided that such attendance complies with
86 all applicable laws.

87 (7) The Lafayette County Reserve and Trust Fund shall be
88 considered a "political subdivision" as defined in Section
89 11-46-1, Mississippi Code of 1972, and the fund, its board of
90 trustees and its employees, including officers, servants, trustees
91 and any other individual who or entity which serves as an
92 "employee" as that term is defined in Section 11-46-1, Mississippi
93 Code of 1972, shall be entitled to rights, immunities and
94 obligations provided by Section 11-46-1 et seq.



95 (8) The trustees shall administer and manage the fund and
96 manage the principal and income of the fund, and establish a
97 comprehensive investment plan for the purposes of this act. The
98 comprehensive investment plan shall specify the policies to be
99 utilized by the board of trustees in its administration of the
100 fund. The board of trustees shall invest the fund in * * *
101 accordance with the Mississippi Uniform Prudent Investor Act under
102 Section * * * 91-9-601 et seq., Mississippi Code of 1972.

103 (9) In furtherance of the powers granted under subsection
104 (8) of this section, the board of trustees shall have such powers
105 as necessary or convenient to carry out the purposes and
106 provisions of this act, including, but not limited to, the
107 following express powers:

108 (a) To contract for necessary goods and services, to
109 employ necessary personnel, and to engage the services of
110 investment advisors and consultants for fund management,
111 administrative and technical assistance in carrying out its duties
112 and responsibilities in administering the fund;

113 (b) To administer the fund in a manner that is
114 sufficiently actuarially sound to meet the obligations of this
115 act;

116 (c) Subject to the terms, conditions, limitations and
117 restrictions specified in Section * * * 91-9-601 et seq.,
118 Mississippi Code of 1972, and subsection (8) of this section, the
119 board of trustees shall have power to sell, assign, transfer and



120 dispose of any of the securities and investments of the fund and
121 shall have the authority to delegate this authority to investment
122 advisors, provided that any such sale, assignment, transfer or
123 delegation has the majority approval of the entire board of
124 trustees; and

125 (d) To annually prepare, or cause to be prepared, a
126 report setting forth in appropriate detail an accounting of the
127 fund and a description of the financial condition of the fund at
128 the close of each fiscal year. The report shall be submitted on
129 or before July 1 of each fiscal year.

130 Section 5. The fund shall be invested and disbursed as
131 follows:

132 (a) The fund shall be divided into two (2) components:
133 (i) the corpus component, and (ii) the earnings component.

134 (b) The corpus component of the fund shall consist of
135 the initial deposit as described above, and additional subsequent
136 deposits from the annual income earned from the investment of the
137 fund. Except as otherwise provided in this act, the corpus shall
138 be inviolate and maintained and used to generate income and shall
139 not be invaded or used by the trustees.

140 (c) The earnings component shall be defined and
141 available for distribution by the trustees as described in this
142 subsection.

143 (d) Every fiscal year after the fund is established,
144 the earnings component shall be considered an amount equal to



145 three percent (3%) of the amount of the full fund balance,
146 calculated at the end of each fiscal year, whether or not the
147 corpus component has generated any income in that fiscal year.
148 All remaining portions of the annual income earned from the
149 investment of the fund shall remain in the fund as a part of the
150 corpus component.

151 (e) On or before July 1 of each year, the trustees
152 shall determine the portion of the earnings component of the fund
153 and shall report to the board of supervisors as provided for in
154 Section 4 of this act. Trustees are specifically given the power
155 to expend from the earnings component amounts required in
156 connection with the management by the trustees of the fund,
157 including, but not limited to, payments for accounting fees, legal
158 fees and investment advisor or fund-management fees. The board of
159 trustees is specifically given the power to expend from the corpus
160 component amounts required to pay the amounts required in
161 connection with the management by the trustees of the fund if the
162 earnings component is insufficient to pay the amounts required in
163 connection with the management by the trustees of the fund. These
164 expenditures shall be included in the full report as required in
165 Section 4 of this act.

166 (f) Funds comprising the earnings component may be
167 transferred from the fund to the general fund of the county upon a
168 vote of the board of supervisors at the direction of the clerk and
169 shall be available for appropriation and spending on designated



170 "special" projects or purposes, as determined by the board of
171 supervisors; however, there shall be no distribution of the
172 earnings component if the full fund balance falls below an amount
173 equal to the initial deposit to the fund. That portion of the
174 earnings component not transferred to the county for such general
175 purposes, if any, shall remain in the fund and be added to, and be
176 considered a part of, the corpus component for the ensuing fiscal
177 years.

178 Section 6. (1) In addition to the disbursements provided in
179 Section 5 of this act, the board of supervisors, upon a majority
180 vote, is authorized to withdraw monies from the corpus component
181 of the trust:

182 (a) In an amount not to exceed five percent (5%) during
183 each fiscal year;

184 (b) In any amount in the event a state emergency or
185 local emergency has been declared under federal, state or local
186 law.

187 (2) In the event of withdrawal of any portion of the corpus
188 component by the county pursuant to subsection (1)(a) or (b) of
189 this section, annual disbursements by the trustees of the earnings
190 components authorized in Section 5 of this act shall cease and all
191 income shall be retained by the trustees and repaid to the corpus
192 until such time as the corpus component equals its full
193 pre-withdrawal amount, at which time, disbursement of earning
194 components in accordance with Section 5 of this act may continue.



195 Section 7. In the event the monies in the trust account
196 equals a zero balance, the trust will thereupon be dissolved and
197 this act will be repealed.

198 **SECTION 2.** This act shall take effect and be in force from
199 and after its passage.

