

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 1836
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR
3 THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES FUND; TO AMEND
4 SECTION 69-46-5, MISSISSIPPI CODE OF 1972, TO REVISE THE POWERS
5 AND DUTIES OF THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES
6 BOARD TO AUTHORIZE THE BOARD TO ENCOURAGE, PROMOTE AND INITIATE
7 THE DEVELOPMENT OF ALTERNATIVE ENERGY STRATEGIES, APPLIED RESEARCH
8 TECHNOLOGIES AND COMMERCIALIZATION ENTERPRISES THAT FOCUS ON
9 MISSISSIPPI NATURAL RESOURCES; TO AMEND SECTION 69-46-7,
10 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI LAND, WATER
11 AND TIMBER RESOURCES BOARD TO PROVIDE MONIES FROM THE MISSISSIPPI
12 LAND, WATER AND TIMBER RESOURCES FUND TO THE MISSISSIPPI
13 DEPARTMENT OF AGRICULTURE AND COMMERCE AND THE MISSISSIPPI
14 DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING ADDITIONAL
15 FUNDS TO THE DEPARTMENT OF AGRICULTURE AND COMMERCE AND THE
16 MISSISSIPPI DEVELOPMENT AUTHORITY TO DEFRAY COSTS INCURRED IN
17 ASSISTING THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD
18 IN CARRYING OUT THE PROVISIONS OF THE MISSISSIPPI LAND, WATER AND
19 TIMBER RESOURCES ACT; AND FOR RELATED PURPOSES.

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

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

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

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

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

33 **SECTION 2.** (1) The commission, at one time, or from time to
34 time, may declare by resolution the necessity for issuance of
35 general obligation bonds of the State of Mississippi to provide



36 funds for the Mississippi Land, Water and Timber Resources Fund
37 created in Section 69-46-7, Mississippi Code of 1972. Upon the
38 adoption of a resolution by the Mississippi Land, Water and Timber
39 Resources Board, declaring the necessity for the issuance of any
40 part or all of the general obligation bonds authorized by this
41 section, the Mississippi Land, Water and Timber Resources Board
42 shall deliver a certified copy of its resolution or resolutions to
43 the commission. Upon receipt of such resolution, the commission,
44 in its discretion, may act as the issuing agent, prescribe the
45 form of the bonds, advertise for and accept bids, issue and sell
46 the bonds so authorized to be sold and do any and all other things
47 necessary and advisable in connection with the issuance and sale
48 of such bonds. The total amount of bonds issued under Sections 1
49 through 16 of this act shall not exceed Eighteen Million Dollars
50 (\$18,000,000.00). No bonds shall be issued under Sections 1
51 through 16 of this act after July 1, 2006.

52 (2) The proceeds of bonds issued pursuant to this act shall
53 be deposited into the Mississippi Land, Water and Timber Resources
54 Fund created pursuant to Section 69-46-7. Any investment earnings
55 on bonds issued pursuant to this act shall be used to pay debt
56 service on bonds issued under this act, in accordance with the
57 proceedings authorizing issuance of such bonds.

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



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

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

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

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



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

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

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

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



134 bonds shall contain recitals on their faces substantially covering
135 the provisions of this section.

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

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

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

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



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

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

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

181 **SECTION 14.** The proceeds of the bonds issued under Sections
182 1 through 16 of this act shall be used solely for the purposes
183 herein provided, including the costs incident to the issuance and
184 sale of such bonds.

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

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



199 not be deemed to repeal or to be in derogation of any existing law
200 of this state.

201 **SECTION 17.** Section 69-46-5, Mississippi Code of 1972, as
202 amended by House Bill 1341, 2002 Regular Session, is amended as
203 follows:

204 69-46-5. The board shall have the following powers and
205 duties:

206 (a) To develop marketing plans and opportunities for
207 independent farmers in Mississippi;

208 (b) To encourage the commercialization of new
209 agricultural technology businesses;

210 (c) To initiate the development of processing
211 facilities for Mississippi agricultural commodities;

212 (d) To initiate the development of Mississippi
213 wholesale distribution businesses for agricultural inputs and
214 products;

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

217 (f) To encourage additional research for new
218 agricultural product development;

219 (g) To develop a working relationship with the state
220 offices of the United States Department of Agriculture as may be
221 appropriate for the promotion and development of agriculture in
222 Mississippi;

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

226 (i) To encourage, promote and initiate the development
227 of alternative energy strategies, applied research technologies
228 and commercialization enterprises that focus on Mississippi
229 natural resources, including, but not limited to, agriculture,
230 timber and poultry products and byproducts;



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

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

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

243 (m) The board may provide funds to public entities and
244 private entities through loans, grants, contracts and any other
245 manner the board determines appropriate for the purposes of
246 carrying out the provisions of the Mississippi Land, Water and
247 Timber Resources Act.

248 **SECTION 18.** Section 69-46-7, Mississippi Code of 1972, is
249 amended as follows:

250 69-46-7. The Mississippi Land, Water and Timber Resources
251 Board may accept and expend funds appropriated or otherwise made
252 available by the Legislature and funds from any other source in
253 order to carry out the provisions of the Mississippi Land, Water
254 and Timber Resources Act. Such funds shall be deposited into a
255 special fund hereby established in the State Treasury, to be known
256 as the "Mississippi Land, Water and Timber Resources Fund."
257 Unexpended amounts derived from bond proceeds or private funds, or
258 both, remaining in the fund at the end of a fiscal year shall not
259 lapse into the State General Fund, and any investment earnings or
260 interest earned on such amounts in the fund shall be deposited to
261 the credit of the fund. All other unexpended amounts remaining in
262 the fund at the end of a fiscal year shall lapse into the State
263 General Fund. At least Eight Million Dollars (\$8,000,000.00) of



264 the monies in the fund that are derived from proceeds of bonds
265 issued under Sections 1 through 16 of House Bill No. 1836, 2002
266 Regular Session, shall be used for the purposes described in
267 Section 69-46-5(i). The board may provide to the Mississippi
268 Department of Agriculture and Commerce not more than Two Hundred
269 Fifty Thousand Dollars (\$250,000.00), in the aggregate, of monies
270 in the fund for the purpose of providing additional funds to
271 defray costs incurred by the department in assisting the board in
272 carrying out the provisions of the Mississippi Land, Water and
273 Timber Resources Act. However, the Mississippi Department of
274 Agriculture and Commerce may not use any portion of such funds for
275 the purpose of hiring any person as an employee as defined in
276 Section 25-3-91(c). The Mississippi Department of Agriculture may
277 escalate its budget and expend such funds, when provided by the
278 board, in accordance with rules and regulations of the Department
279 of Finance and Administration in a manner consistent with the
280 escalation of federal funds. The board may provide to the
281 Mississippi Development Authority not more than Two Hundred Fifty
282 Thousand Dollars (\$250,000.00), in the aggregate, of monies in the
283 fund for the purpose of providing additional funds to defray costs
284 incurred by the Mississippi Development Authority in assisting the
285 board in carrying out the provisions of the Mississippi Land,
286 Water and Timber Resources Act. However, the Mississippi
287 Development Authority may not use any portion of such funds for
288 the purpose of hiring any person as an employee as defined in
289 Section 25-3-91(c). The Mississippi Development Authority may
290 escalate its budget and expend such funds, when provided by the
291 board, in accordance with rules and regulations of the Department
292 of Finance and Administration in a manner consistent with the
293 escalation of federal funds.

294 **SECTION 19.** This act shall take effect and be in force from
295 and after its passage.

