

By: Senator(s) Gordon, Brown, Browning, Burton, Carmichael, Clarke, Davis, Dearing, Doxey, Flowers, Harvey, Hyde-Smith, Jackson (15th), King, Lee (35th), Mettetal, Moffatt, Morgan, Nunnelee, Posey, Robertson, Thames, White, Little

To: Appropriations

SENATE BILL NO. 2002
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE A PORTION OF TOBACCO SETTLEMENT INSTALLMENT PAYMENTS
3 DEPOSITED INTO THE HEALTH CARE TRUST FUND DURING FISCAL YEARS 2006
4 THROUGH 2025 TO BE DISTRIBUTED TO THE TOBACCO SETTLEMENT REVENUE
5 MANAGEMENT AUTHORITY; TO CREATE A TOBACCO SETTLEMENT REVENUE
6 MANAGEMENT AUTHORITY, WHICH SHALL BE A PUBLIC CORPORATION TO
7 RECEIVE A PORTION OF THE STATE'S FUTURE TOBACCO SETTLEMENT
8 PAYMENTS AND ISSUE BONDS OF THE AUTHORITY PAYABLE FROM AND SECURED
9 SOLELY BY THE SUCH PORTION OF THE STATE'S TOBACCO RECEIPTS; TO
10 PROVIDE FOR THE TRANSFER OF THE PROCEEDS OF THE BONDS TO THE
11 HEALTH CARE EXPENDABLE FUND; TO PROVIDE FOR A BOARD OF DIRECTORS
12 FOR THE AUTHORITY, WHICH SHALL BE THE MEMBERSHIP OF THE BOARD OF
13 DIRECTORS OF THE HEALTH CARE TRUST FUND AND THE HEALTH CARE
14 EXPENDABLE FUND; TO PROVIDE FOR THE ASSIGNMENT OF A PORTION OF
15 FUTURE TOBACCO SETTLEMENT PAYMENTS TO THE AUTHORITY; TO PRESCRIBE
16 THE POWERS AND RESPONSIBILITIES OF THE AUTHORITY AND THE BOARD; TO
17 PROVIDE FOR THE ISSUANCE OF THE BONDS; TO PROVIDE FOR THE
18 MAINTENANCE OF ACCOUNTS AND THE ISSUANCE OF AN ANNUAL REPORT; TO
19 PROVIDE FOR THE TAX EXEMPT STATUS OF INTEREST FROM THE BONDS; AND
20 FOR RELATED PURPOSES.

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

22 **SECTION 1.** Section 43-13-407, Mississippi Code of 1972, is
23 amended as follows:

24 43-13-407. (1) In accordance with the purposes of this
25 article, there is established in the State Treasury the Health
26 Care Expendable Fund, into which shall be transferred from the
27 Health Care Trust Fund the following sums:

28 (a) In fiscal year 2005, Two Hundred Sixteen Million
29 Dollars (\$216,000,000.00);

30 (b) In fiscal year 2006, One Hundred Eighty-six Million
31 Dollars (\$186,000,000.00);

32 (c) In fiscal year 2007, One Hundred Forty-six Million
33 Dollars (\$146,000,000.00);

34 (d) In fiscal year 2008, One Hundred Six Million
35 Dollars (\$106,000,000.00);

36 (e) In fiscal year 2009, Sixty-six Million Dollars
37 (\$66,000,000.00);

38 (f) In fiscal year 2010 and each fiscal year
39 thereafter, a sum equal to the average annual amount of the
40 dividends, interest and other income, including increases in value
41 of the principal, earned on the funds in the Health Care Trust
42 Fund during the preceding four (4) fiscal years.

43 (2) In any fiscal year in which interest, dividends and
44 other income from the investment of the funds in the Health Care
45 Trust Fund are not sufficient to fund the full amount of the
46 annual transfer into the Health Care Expendable Fund as required
47 in subsection (1)(f) of this section, the State Treasurer shall
48 transfer from tobacco settlement installment payments an amount
49 that is sufficient to fully fund the amount of the annual
50 transfer.

51 (3) (a) On March 6, 2002, the State Treasurer shall
52 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
53 from the Health Care Trust Fund into the Health Care Expendable
54 Fund. In addition, at the time the State of Mississippi receives
55 the tobacco settlement installment payments for each of the
56 calendar years 2002 and 2003, the State Treasurer shall deposit
57 the full amount of each of those installment payments into the
58 Health Care Expendable Fund.

59 (b) If during any fiscal year after March 6, 2002, the
60 general fund revenues received by the state exceed the general
61 fund revenues received during the previous fiscal year by more
62 than five percent (5%), the Legislature shall repay to the Health
63 Care Trust Fund one-third (1/3) of the amount of the general fund
64 revenues that exceed the five percent (5%) growth in general fund
65 revenues. The repayment required by this paragraph shall continue
66 in each fiscal year in which there is more than five percent (5%)
67 growth in general fund revenues, until the full amount of the
68 funds that were transferred and deposited into the Health Care

69 Expendable Fund under the provisions of paragraph (a) of this
70 subsection have been repaid to the Health Care Trust Fund.

71 (4) All income from the investment of the funds in the
72 Health Care Expendable Fund shall be credited to the account of
73 the Health Care Expendable Fund. Any funds in the Health Care
74 Expendable Fund at the end of a fiscal year shall not lapse into
75 the State General Fund.

76 (5) The funds in the Health Care Expendable Fund shall be
77 available for expenditure under specific appropriation by the
78 Legislature beginning in fiscal year 2000, and shall be expended
79 exclusively for health care purposes.

80 (6) Notwithstanding any provision of this section to the
81 contrary, the first Twenty Million Dollars (\$20,000,000.00) of any
82 tobacco settlement installment payments deposited into the Health
83 Care Trust Fund during fiscal years 2006 through 2025 shall be
84 distributed to the Tobacco Settlement Revenue Management Authority
85 established in Section 4, Senate Bill No. 2002, 2005 First
86 Extraordinary Session.

87 (7) The provisions of subsection (1) of this section may not
88 be changed in any manner except upon amendment to that subsection
89 by a bill enacted by the Legislature with a vote of not less than
90 three-fifths (3/5) of the members of each house present and
91 voting.

92 (8) Subsections (1), (2), (4) and (5) of this section shall
93 stand repealed on July 1, 2009.

94 **SECTION 2.** The Legislature has considered the financing
95 techniques employed and to be employed by other jurisdictions to
96 convert future tobacco settlement payments receivable into current
97 assets and thereby to reduce exposure to payment risks, and
98 declares it to be prudent and in the best interest of the State of
99 Mississippi to employ those financing techniques.

100 **SECTION 3.** As used in Sections 2 through 11 of this act:

101 (a) "Authority" means the Tobacco Settlement Revenue
102 Management Authority established in Section 4 of this act.

103 (b) "Board" means the governing board of the Tobacco
104 Settlement Revenue Management Authority established in Section 4
105 of this act.

106 (c) "Bonds" means special source bonds, notes, or other
107 evidences of indebtedness of the authority payable solely from and
108 secured solely by the state's tobacco receipts, issued under the
109 authorizations contained in Sections 2 through 11 of this act.

110 (d) "Health Care Trust Fund" means the trust fund
111 established by Section 43-13-405 for the deposit of the funds
112 received by the State of Mississippi as a result of the tobacco
113 settlement, including income from the investment of those funds.

114 (e) "Health Care Expendable Fund" means the fund
115 established by Section 43-13-407 for the annual transfer of
116 certain funds from the Health Care Trust Fund that are available
117 for appropriation by the Legislature.

118 (f) "Tobacco settlement" means the settlement of the
119 case of Mike Moore, Attorney General ex rel. State of Mississippi
120 v. The American Tobacco Company et al. (Chancery Court of Jackson
121 County, Mississippi, Cause No. 94-1429) and the settlement of any
122 case brought against tobacco companies by another state.

123 **SECTION 4.** (1) (a) There is created the Tobacco Settlement
124 Revenue Management Authority, a public body corporate and politic
125 and an instrumentality of this state, with the responsibility of
126 effecting the public purpose of Sections 2 through 11 of this act.

127 (b) The purpose of the authority is to receive the
128 portion of the state's tobacco receipts designated for
129 distribution to it by Section 43-13-405, to issue bonds of the
130 authority payable solely from and secured solely by the state's
131 tobacco receipts or any tobacco receipts reserve fund created from
132 it for the purposes authorized in Sections 2 through 11 of this
133 act, and to manage and dispose of the tobacco receipts distributed

134 to it for the purposes and in the manner authorized in Sections 2
135 through 11 of this act.

136 (c) Upon termination of the existence of the authority,
137 title to all property, real and personal, owned by it, including
138 net earnings, vests in the state.

139 (2) The authority shall be governed by a board of directors
140 composed of the members of the Board of Directors of the Health
141 Care Trust Fund and the Health Care Expendable Fund created in
142 Section 43-13-409.

143 (3) (a) Nonlegislative members of the board of directors
144 shall serve without compensation, but shall be reimbursed for each
145 day's official duties of the board at the same per diem as
146 established by Section 25-3-69, and actual travel and lodging
147 expenses as established by Section 25-3-41. Legislative members
148 of the board of directors shall receive the same per diem and
149 expense reimbursement as for attending committee meetings when the
150 Legislature is not in regular session.

151 (b) The State Treasurer shall be the chairman of the
152 board of directors. The board of directors shall annually elect
153 one (1) member to serve as vice chairman of the board. The vice
154 chairman shall act as chairman in the absence of or upon the
155 disability of the chairman or if there is a vacancy in the office
156 of chairman.

157 (c) All expenses of the board of directors in carrying
158 out its duties and responsibilities under Sections 2 through 11 of
159 this act shall be paid from funds appropriated to the State
160 Treasurer's office for that purpose.

161 (d) To the extent that administrative assistance is
162 needed for the functions and operations of the authority, the
163 board may obtain this assistance from the Office of the State
164 Treasurer, which must provide assistance requested by the board at
165 no cost to the board or to the authority other than for expenses
166 incurred and paid to entities that are not agencies or departments

167 of the state. The board must retain ultimate responsibility and
168 provide proper oversight for the implementation of Sections 2
169 through 11 of this act.

170 (e) The board shall exercise the powers of the
171 authority. A majority of the members of the board constitutes a
172 quorum for the purpose of conducting all business. The board
173 shall determine the number of personnel it requires, their
174 compensation and duties.

175 **SECTION 5.** The portions of the state's tobacco settlement
176 payments designated for distribution to the authority, and the
177 right to the payments as they are distributed from escrow are
178 assigned to the authority. On or after the date these revenues
179 are pledged, the state shall have no right, title or interest in
180 or to that portion of the state's tobacco receipts designated for
181 distribution to the authority; and those tobacco receipts are
182 property of the authority and not of the state, and must be owned,
183 received, held and disbursed by the authority or the trustee for
184 the holders of bonds and not by the state. The state directs the
185 independent auditor and the escrow agent to make all these
186 payments to the authority in accordance with instructions that may
187 be given by the authority from time to time. The assignment and
188 direction made in this section are irrevocable during any time
189 when bonds are outstanding under Sections 2 through 11 of this act
190 plus one (1) year and one (1) day thereafter and are a part of the
191 contractual obligation owed to the bond holders. On or before the
192 date of delivery of any bonds, the state through the State
193 Treasurer shall notify the independent auditor and the escrow
194 agent that a portion of the state's tobacco receipts have been
195 assigned to the authority pursuant to Section 43-13-405 and shall
196 instruct the independent auditor and the escrow agent that, after
197 the delivery date for bonds and irrevocably during the time when
198 any bonds are outstanding, that portion of the state's tobacco

199 receipts are to be paid directly to the authority, or its
200 designee.

201 **SECTION 6.** (1) In addition to the powers contained
202 elsewhere in Sections 2 through 11 of this act, the board has all
203 power necessary, useful or appropriate to operate and administer
204 the authority, to effectuate the purposes of the authority, and to
205 perform its other functions, including, but not limited to, the
206 power to:

207 (a) Have perpetual succession;

208 (b) Sue and be sued in its own name;

209 (c) Adopt, promulgate, amend and repeal bylaws, not
210 inconsistent with provisions in Sections 2 through 11 of this act
211 for the administration of the authority's affairs and the
212 implementation of its functions;

213 (d) Have a seal and alter it at its pleasure, although
214 the failure to affix the seal does not affect the validity of an
215 instrument executed on behalf of the authority;

216 (e) Enter into contracts, arrangements and agreements
217 with government units and other persons and execute and deliver
218 all financing agreements, including bonds issued to support the
219 borrowing by those government units to pay eligible costs of
220 qualified projects, and other instruments necessary or convenient
221 to the exercise of the powers granted in Sections 2 through 11 of
222 this act;

223 (f) Enter into agreements with a department, agency,
224 political subdivision or instrumentality of the United States or
225 of this state or of another state for the purpose of planning and
226 providing for the financing of qualified projects or for the
227 administration of the purposes and programs of Sections 2 through
228 11 of this act;

229 (g) Enter into agreements for the purpose of managing
230 and controlling the transfer of funds between the authority and
231 the Health Care Trust Fund and governing the investment and the

232 monitoring and record keeping of these funds, for purposes of
233 maintaining the exemption from federal income tax of interest on
234 bonds and for other purposes;

235 (h) Enter into, amend and terminate agreements in the
236 nature of interest rate swaps, forward security supply contracts,
237 agreements for the management of interest rate risks, agreements
238 for the management of cash flow, and other agreements of a similar
239 nature, with respect to bonds issued pursuant to Sections 2
240 through 11 of this act;

241 (i) Procure insurance, guarantees, letters of credit
242 and other forms of collateral or security or credit support from
243 any public or private entity, including any department, agency or
244 instrumentality of the United States or this state, for the
245 payment of any bonds, including the power to pay premiums or fees
246 on any insurance, guarantees, letters of credit and other forms of
247 collateral or security or credit support;

248 (j) Borrow money through the issuance of bonds as
249 provided in Sections 2 through 11 of this act, and through the
250 issuance of notes in anticipation of the issuance of these bonds;
251 however, no bonds shall be issued by the authority unless the
252 issuance of the bonds is approved by the State Bond Commission;

253 (k) Enter into contracts and expend funds to obtain
254 accounting, management, legal, financial consulting, trusteeship
255 and other professional services necessary or convenient to the
256 operations of the authority; however, all matters relating to the
257 designation and selection of bond counsel to the authority is
258 within the discretion of the State Treasurer;

259 (l) In order to pay for budgeted items, to expend funds
260 for the costs of administering the operations of the authority;

261 (m) Direct the escrow agent with respect to the
262 disbursement to the authority of the state's tobacco receipts and
263 receive and accept the state's tobacco receipts;

264 (n) Enter into contracts or agreements necessary,
265 proper or convenient for the effectuation of the powers and
266 purposes of the board and the authority;

267 (o) Invest the funds held by the authority under
268 Sections 2 through 11 of this act in any investment permitted for
269 funds of this state, other than the state's retirement funds, or
270 for funds of the political subdivisions of this state, in revenue
271 bonds of government units, and in general obligations of other
272 states whose general obligation debt is rated not lower than the
273 general obligation debt of this state;

274 (p) Do all other things necessary or convenient to
275 exercise powers granted or reasonably implied by Sections 2
276 through 11 of this act or that may be necessary for the
277 furtherance and accomplishments of the purposes of the authority.

278 (2) Before the date that is one (1) year and one (1) day
279 after which the authority no longer has any bonds outstanding, the
280 authority has no authority to file a voluntary petition under
281 Chapter 9 of the United States Bankruptcy Code or corresponding
282 chapters or sections as may, from time to time, be in effect, and
283 neither any public officer or any organization, entity or other
284 person shall authorize the authority to be or become a debtor
285 under Chapter 9 or any successor or corresponding chapter or
286 sections during the periods. The provisions of this subsection
287 are for the benefit of the holders of any bonds and are a part of
288 the contractual obligation owed to the bondholders, and the state
289 shall not modify or delete the provisions of this section during
290 the periods described in Sections 2 through 11 of this act.

291 (3) In the exercise of its powers in Sections 2 through 11
292 of this act, the board and the authority may obtain services in
293 accordance with the procedures, guidelines and criteria
294 established by the board for that purpose.

295 **SECTION 7.** (1) The board may issue bonds in the name of the
296 authority, from time to time, for the purposes and in the manner
297 stated in this section.

298 (2) All bonds must be secured solely by and payable solely
299 from the portion of the state's tobacco receipts designated for
300 distribution to the authority, or any portion of those receipts
301 the board determines to pledge for payment.

302 (3) Neither the members of the board nor any person
303 executing the bonds or any notes are liable personally on the
304 bonds or notes or be subject to any personal liability or
305 accountability by reason of the issuance of the bonds.

306 (4) The board has no power to pledge the faith, credit or
307 taxing power of this state or any of its political subdivisions in
308 connection with the issuance of the bonds, and each bond must
309 recite on its face that it is a special source bond of the
310 authority issued under and in accordance with Sections 2 through
311 11 of this act, that it is secured solely by and payable solely
312 from the state's tobacco receipts, that it is neither a general,
313 legal nor moral obligation of the state or any of its political
314 subdivisions, and that it is not backed by the full faith, credit
315 or taxing power of this state or any of its political
316 subdivisions. Failure to include this language on the face of any
317 bond does not cause the bond to become a general, legal or moral
318 obligation of the state or any of its political subdivisions, or a
319 pledge of the full faith, credit or taxing power of this state or
320 any of its political subdivisions.

321 (5) Any pledge of state tobacco receipts made by the
322 authority is valid and binding from the time when the pledge is
323 made. The state tobacco receipts pledged and then or thereafter
324 received by the authority are immediately subject to the lien of
325 the pledge without any physical delivery of the receipt or further
326 act. The lien of the pledge is valid and binding against all
327 parties having claims of any kind in tort, contract, or otherwise

328 against the authority, irrespective of whether the parties have
329 notice of them. Neither the resolution of the authority or any
330 other instrument by which a pledge is created need be recorded or
331 filed to perfect the pledge.

332 (6) The authority may not issue any bond with a scheduled
333 maturity later than twenty (20) years after the date of issuance.

334 (7) When issuing bonds for the purpose described in this
335 section or to refund the bonds, the authority may sell bonds
336 either in a negotiated transaction with one or more lead
337 underwriters selected by the board on the basis of criteria to be
338 established by the board, or through a competitive bidding process
339 in accordance with procedures to be established by the board. The
340 determination of whether to sell bonds through negotiation or
341 through competitive bidding must be made by the board.

342 (8) The authority may not issue any bonds unless the board
343 has first adopted its resolution authorizing the issuance, finding
344 that the issuance and the proposed use of the bond proceeds is in
345 accordance with Sections 2 through 11 of this act, and setting out
346 the terms and conditions of the bonds and the covenants of the
347 authority with respect to the bonds. These terms must include the
348 issuance date or dates, the maturity date or dates, the principal
349 amount, the interest rates or the means of determining the same,
350 whether fixed or variable, the time, manner and currency for
351 paying interest and principal, the negotiability of the bonds and
352 any restrictions relating to the registration of the bonds; and
353 the covenants may include, without limitation, the establishment
354 and maintenance of dedicated reserve funds for the payment of debt
355 service on bonds if the state's tobacco receipts are inadequate in
356 any year, restrictions on the later issuance of additional bonds
357 or making the later issuance subject to certain conditions
358 relating to available debt service coverage or otherwise,
359 conditions on the timing of the release of all or a portion of the
360 state's tobacco receipts to the General Fund of this state, the

361 enforcement of the master settlement agreement, or any other
362 matter that the board considers appropriate, subject to this
363 section.

364 (9) The board may not authorize or cause the authority to
365 enter into any covenant that purports to create a general, legal
366 or moral obligation of this state or any of its political
367 subdivisions or to pledge the full faith, credit or taxing power
368 of the state or any of its political subdivisions; nor may the
369 board authorize or cause the authority to enter into any covenants
370 that purport to create a right on the part of the board, the
371 authority, any bondholder, or any trustee any right to recover
372 funds consisting of the state's tobacco receipts once those funds
373 have been deposited into the General Fund of the state in
374 accordance with the terms of Sections 2 through 11 of this act.
375 Any covenant in violation of this subsection is void and of no
376 effect.

377 (10) Subject to the requirements of this section, the board
378 may authorize the issuance of bonds of the authority for the
379 following purposes:

380 (a) Refunding on a current or advance-refunding basis,
381 any outstanding bonds of the authority; or

382 (b) Obtaining funds for delivery to the Health Care
383 Expendable Fund. All proceeds of bonds issued for the purpose
384 described in this section must be delivered promptly to the Health
385 Care Expendable Fund, except as needed to defray the costs of
386 issuance of the bonds or to establish any required reserve fund
387 for the bonds.

388 (11) The authority and the board shall have no other assets
389 or property except the tobacco receipts as distributed to it, and
390 the right to receive the state's tobacco receipts.

391 (12) The authority and the board have no power to incur debt
392 or obligations or in any way to encumber their assets except by
393 the issuance of bonds, including the making of covenants in

394 relation to the issuing of bonds and notes in anticipation of the
395 issuance of the bonds, and the incurring of expenses and
396 obligations as authorized in Sections 2 through 11 of this act.

397 (12) All accounts of the authority must be held and
398 maintained separately from all other funds, properties, assets and
399 accounts of this state and its other agencies. The board shall
400 keep an accurate account of all of its activities and all of its
401 receipts and expenditures and annually, in the month of January,
402 shall make a report of its activities to the Legislature, the
403 report to be in a form prescribed by the State Auditor. Audited
404 financial statements must be submitted to the State Auditor by
405 October 15 following the end of the fiscal year.

406 **SECTION 8.** (1) The bonds and the income from the bonds are
407 exempt from all taxation in the state except for inheritance,
408 estate or transfer taxes, regardless of the federal income tax
409 treatment of the interest from the bonds.

410 (2) The exercise of the powers granted by Sections 2 through
411 11 of this act are in all respects for the benefit of the citizens
412 of this state and for the promotion of their welfare, convenience
413 and prosperity. Property, whether real or personal, tangible or
414 intangible, of the authority and the income and operations of the
415 authority are exempt from taxation or assessment by the state or
416 any of its political subdivisions.

417 (3) It is lawful for executors, administrators, guardians,
418 committees and other fiduciaries to invest any monies in their
419 hands in bonds. Nothing contained in Sections 2 through 11 of
420 this act may be construed as relieving any person from the duty of
421 exercising reasonable care in selecting investments.

422 **SECTION 9.** All of the state's tobacco settlement payments
423 distributed to the authority not needed to pay (a) expenses of the
424 authority during the next twelve (12) months, or (b) debt service
425 on bonds during the next twelve (12) months, or fully to fund
426 reserve accounts established by the board with respect to bonds,

427 not less frequently than annually and at a time determined by the
428 board in its resolutions authorizing the issuance of bonds, shall
429 be transferred to the Health Care Expendable Fund. The
430 determination by the board of the amount to be transferred is
431 final and is not reviewable by any court or other body.

432 **SECTION 10.** (1) At any time when bonds are outstanding and
433 for one (1) year and one (1) day thereafter, the state must not
434 agree to the amendment of the master settlement agreement without
435 the approval of the authority; and this restriction or amendment
436 of the master settlement agreement is a part of the covenant with
437 the bondholders.

438 (2) The state pledges and agrees with the authority, and the
439 holders of the bonds in which the authority has included that
440 pledge and agreement, that the state shall not limit or alter the
441 rights of the authority to fulfill the terms of its agreements
442 with those bondholders, and shall not in any way impair the rights
443 and remedies of the bondholders or the security for the bonds
444 until the bonds, together with the interest on them and all costs
445 and expenses in conjunction with any action or proceeding by or on
446 behalf of the bondholders, are fully paid and discharged.

447 **SECTION 11.** Sections 2 through 11 of this act and all powers
448 granted by Sections 2 through 11 of this act must be liberally
449 construed to effectuate its intent and their purposes, without
450 implied limitations on them. Sections 2 through 11 of this act
451 constitutes full and complete authority for all things
452 contemplated to be done in Sections 2 through 11 of this act. All
453 rights and powers granted in Sections 2 through 11 of this act
454 shall be cumulative with those derived from other sources and
455 shall not, except as expressly stated in Sections 2 through 11 of
456 this act, be construed in limitation thereof. Insofar as the
457 provisions of Sections 2 through 11 of this act are inconsistent
458 with the provisions of any other act, general or special, the
459 provisions of Sections 2 through 11 of this act are controlling.

460 If any clause, sentence, paragraph, section or part of Sections 2
461 through 11 of this act is adjudged by any court of competent
462 jurisdiction to be invalid, this judgment shall not affect, impair
463 or invalidate the remainder of Sections 2 through 11 of this act
464 but is confined in its operation to the clause, sentence,
465 paragraph, section or part of Sections 2 through 11 of this act
466 directly involved in the controversy in which the judgment has
467 been rendered.

468 **SECTION 12.** This act shall take effect and be in force from
469 and after its passage.