4/1 1:16p

Chapter No. 910
13/SS01/R201SG
AJ / TB/TB

SENATE BILL NO. 2702

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2702

AN ACT TO AUTHORIZE THE BOARD OF SUPERVISORS OF LOWNDES COUNTY, MISSISSIPPI, TO ESTABLISH A RESERVE AND TRUST FUND; TO PROVIDE THAT PROCEEDS RECEIVED BY THE COUNTY AS A RESULT OF THE SALE OF HOSPITAL FACILITIES OWNED BY THE COUNTY MAY BE DEPOSITED INTO THE FUND; TO PROVIDE FOR THE ESTABLISHMENT OF THE BOARD OF TRUSTEES OF THE RESERVE AND TRUST FUND AND PROVIDE THAT ITS MEMBERSHIP SHALL BE THE MEMBERS OF THE BOARD OF SUPERVISORS OF LOWNDES COUNTY; TO PROVIDE FOR THE POWERS AND DUTIES OF THE BOARD OF TRUSTEES; TO PROVIDE FOR THE INVESTMENT OF THE ASSETS OF THE TRUST FUND; TO PROVIDE THAT THE FUND SHALL BE DIVIDED INTO A CORPUS COMPONENT AND AN EARNING COMPONENT; TO PROVIDE THAT THE CORPUS COMPONENT SHALL REMAIN INVIOLATE EXCEPT AS OTHERWISE PROVIDED IN THIS ACT; TO PROVIDE THAT THE EARNINGS COMPONENT SHALL BE TRANSFERRED FROM THE TRUST FUND TO THE GENERAL FUND OF THE COUNTY AND SHALL BE AVAILABLE FOR APPROPRIATION AND SPENDING BY THE BOARD OF SUPERVISORS OF THE COUNTY; TO AUTHORIZE MONEY FROM THE CORPUS OF THE TRUST TO BE EXPENDED BY THE COUNTY UNDER CERTAIN CIRCUMSTANCES; AND FOR RELATED PURPOSES.

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

SECTION 1. It is hereby determined and declared that for the benefit of the people of Lowndes County, Mississippi, and the continued improvement and maintenance of Lowndes County, and for providing for the fiscal security and sustained revenue for the county and its citizens, that it is the purpose of this act to

establish an alternative method to make funds available to fulfill these obligations and important and prudent purposes by authorizing the creation, operation, administration and governance of the Lowndes County Reserve and Trust Fund, through which the ongoing needs of the county shall be met and ongoing improvements to the county be made and through which the quality and welfare of all residents of Lowndes County will be increased, all to the public benefit and good, as more fully provided herein. This act shall apply only to the funds creating the Lowndes County Reserve and Trust Fund as more fully provided herein.

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

(a) "Board of supervisors" means the Board of Supervisors of Lowndes County, Mississippi.

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

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

(d) "Fund" means the Lowndes County Reserve and Trust Fund established under this act for the deposit of the sales proceeds received by the county as a result of the sale of hospital facilities that were owned by the county.

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

SECTION 3. The board of supervisors is authorized to establish the Lowndes County Reserve and Trust Fund. The board of supervisors is authorized to fund and deposit into the fund all or a portion of the proceeds received by the county as a result of the sale of hospital facilities owned by the county, and any income from the investment of those funds.

SECTION 4. (1) There is established the Board of Trustees of the Lowndes County Reserve and Trust Fund. The fund shall be administered, managed, invested and governed by the board of trustees.

(2) The board of trustees shall be the Board of Supervisors of Lowndes County.

(3) The board of supervisors is authorized to appoint three (3) individuals to an advisory committee who shall possess the level of knowledge and skill in investment strategies as necessary, in the discretion of the board of supervisors, to provide advice to the board of trustees in the proper management of the fund.

(4) The term of office for members of the advisory committee shall run concurrently with the term of office of the board of supervisors.

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

(6) The trustees shall administer and manage the fund and manage the principal and interest income of the fund, and establish a comprehensive investment plan for the purposes of this act, with the assistance and advice of the advisory committee. The comprehensive investment plan shall specify the policies to be utilized by the board of trustees in its administration of the fund. Except as otherwise authorized in this subsection, the board of trustees shall invest the fund in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9, Mississippi Code of 1972, and those investments shall be subject to the limitations prescribed by Section 37-155-9.

(7) In furtherance of the powers granted under subsection (6) of this section, the board of trustees shall have such powers as necessary or convenient to carry out the purposes and provisions of this act, including, but not limited to, the following express powers:

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

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

(c) Subject to the terms, conditions, limitations and restrictions specified in Section 37-155-9 and subsection (6) of this section, the board of trustees shall have power to sell, assign, transfer and dispose of any of the securities and investments of the fund, provided that any such sale, assignment or transfer has the majority approval of the entire board of trustees; and

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

SECTION 5. The fund shall be invested and disbursed as follows:

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

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

(c) The earnings component shall be composed of a percentage of the annual interest earned on the corpus component

of the fund, and shall be defined and available for distribution by the trustees as described in this subsection.

(d) On or before July 1 of each year, the trustees shall determine the portion of the earnings component of the trust fund. Trustees are specifically given the power to expend from the earnings component amounts required in connection with the management by the trustees of the fund, including, but not limited to, payments for accounting fees, legal fees and investment advisor or fund-management fees. These expenditures shall be included in the full report as required in Section 4 of this act.

(e) An amount not to exceed eighty-five percent (85%) of the earnings component shall be transferred from the fund to the general fund of the county at the direction of the clerk and shall be available for appropriation and spending on designated "special" projects or purposes, as determined by the board of supervisors. That portion of the earnings component not transferred to the county for such general purposes shall remain in the fund and be added to, and be considered a part of, the corpus component for the ensuing fiscal years.

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

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

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

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

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

SECTION 8. This act shall take effect and be in force from and after its passage.

PASSED BY THE SENATE
February 28, 2013

Tate Reeves

PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 18, 2013

Philip Gunn

SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

Phil Bryant

GOVERNOR

1:16pm
4/1/13