

By: Representatives Ketchings, Green (96th), To: Ways and Means
Janus, West

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1568

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO THE CITY OF NATCHEZ,
3 MISSISSIPPI, FOR MATCHING FUNDS REQUIRED FOR THE UNITED STATES
4 ARMY CORPS OF ENGINEERS BLUFF STABILIZATION PROJECT FOR THE CITY
5 OF NATCHEZ; AND FOR RELATED PURPOSES.

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

7 SECTION 1. As used in this act, the following words shall
8 have the meanings ascribed herein unless the context clearly
9 requires otherwise:

10 (a) "Accreted value" of any bond means, as of any date
11 of computation, an amount equal to the sum of (i) the stated
12 initial value of such bond, plus (ii) the interest accrued thereon
13 from the issue date to the date of computation at the rate,
14 compounded semiannually, that is necessary to produce the
15 approximate yield to maturity shown for bonds of the same
16 maturity.

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

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

19 SECTION 2. (1) (a) A special fund, to be designated as the
20 "1999 City of Natchez, Mississippi, Bluff Stabilization Project
21 Fund," is created within the State Treasury. The fund shall be
22 maintained by the State Treasurer as a separate and special fund,
23 separate and apart from the General Fund of the state. Unexpended
24 amounts remaining in the fund at the end of a fiscal year shall
25 not lapse into the State General Fund, and any interest earned or
26 investment earnings on amounts in the fund shall be deposited into
27 such fund.

28 (b) Monies deposited into the fund shall be disbursed,

29 in the discretion of the Department of Finance and Administration,
30 for the purpose of providing funds to the City of Natchez,
31 Mississippi, for matching funds required for the United States
32 Army Corps of Engineers Bluff Stabilization Project for the City
33 of Natchez, Mississippi.

34 (2) Amounts deposited into such special fund shall be
35 disbursed to provide matching funds to pay the costs of the
36 project described in subsection (1) of this section. Promptly
37 after the commission has certified, by resolution duly adopted,
38 that the project described in subsection (1) of this section shall
39 have been completed, abandoned, or cannot be completed in a timely
40 fashion, any amounts remaining in such special fund shall be
41 applied to pay debt service on the bonds issued under this act, in
42 accordance with the proceedings authorizing the issuance of such
43 bonds and as directed by the commission.

44 (3) The Department of Finance and Administration is
45 expressly authorized and empowered to receive and expend any local
46 or other source funds in connection with the expenditure of funds
47 provided for in this section. The expenditure of monies deposited
48 into the special fund shall be under the direction of the
49 Department of Finance and Administration, and such funds shall be
50 paid by the State Treasurer upon warrants issued by such
51 department, which warrants shall be issued upon requisitions
52 signed by the Executive Director of the Department of Finance and
53 Administration or his designee.

54 (4) If any land is reclaimed in the downtown area of the
55 City of Natchez as a result of monies made available under the
56 provisions of this act, and such property is used for commercial
57 or other income producing purposes, then fifty percent (50%) of
58 the income derived by the City of Natchez from such property, not
59 to exceed the total costs of the debt service on the bonds issued
60 under this act, shall be repaid by the city to the state to retire
61 the debt service on the bonds.

62 SECTION 3. (1) The commission, at one (1) time, or from

63 time to time, may declare by resolution the necessity for issuance
64 of general obligation bonds of the State of Mississippi to provide
65 funds for all costs incurred or to be incurred for the purposes
66 described in Section 2 of this act. Upon the adoption of a
67 resolution by the Department of Finance and Administration,
68 declaring the necessity for the issuance of any part or all of the
69 general obligation bonds authorized by this section, the
70 Department of Finance and Administration shall deliver a certified
71 copy of its resolution or resolutions to the commission. Upon
72 receipt of such resolution, the commission, in its discretion, may
73 act as the issuing agent, prescribe the form of the bonds,
74 advertise for and accept bids, issue and sell the bonds so
75 authorized to be sold and do any and all other things necessary
76 and advisable in connection with the issuance and sale of such
77 bonds. The total amount of bonds issued under this act shall not
78 exceed three Million Two Hundred Thousand Dollars (\$3,200,000.00).

79 (2) Any investment earnings on amounts deposited into the
80 special fund created in Section 2 of this act shall be used to pay
81 debt service on bonds issued under this act, in accordance with
82 the proceedings authorizing issuance of such bonds.

83 SECTION 4. The principal of and interest on the bonds
84 authorized under this act shall be payable in the manner provided
85 in this section. Such bonds shall bear such date or dates, be in
86 such denomination or denominations, bear interest at such rate or
87 rates (not to exceed the limits set forth in Section 75-17-101,
88 Mississippi Code of 1972), be payable at such place or places
89 within or without the State of Mississippi, shall mature
90 absolutely at such time or times not to exceed twenty-five (25)
91 years from date of issue, be redeemable before maturity at such
92 time or times and upon such terms, with or without premium, shall
93 bear such registration privileges, and shall be substantially in
94 such form, all as shall be determined by resolution of the
95 commission.

96 SECTION 5. The bonds authorized by this act shall be signed

97 by the chairman of the commission, or by his facsimile signature,
98 and the official seal of the commission shall be affixed thereto,
99 attested by the secretary of the commission. The interest
100 coupons, if any, to be attached to such bonds may be executed by
101 the facsimile signatures of such officers. Whenever any such
102 bonds shall have been signed by the officials designated to sign
103 the bonds who were in office at the time of such signing but who
104 may have ceased to be such officers before the sale and delivery
105 of such bonds, or who may not have been in office on the date such
106 bonds may bear, the signatures of such officers upon such bonds
107 and coupons shall nevertheless be valid and sufficient for all
108 purposes and have the same effect as if the person so officially
109 signing such bonds had remained in office until their delivery to
110 the purchaser, or had been in office on the date such bonds may
111 bear. However, notwithstanding anything herein to the contrary,
112 such bonds may be issued as provided in the Registered Bond Act of
113 the State of Mississippi.

114 SECTION 6. All bonds and interest coupons issued under the
115 provisions of this act have all the qualities and incidents of
116 negotiable instruments under the provisions of the Mississippi
117 Uniform Commercial Code, and in exercising the powers granted by
118 this act, the commission shall not be required to and need not
119 comply with the provisions of the Mississippi Uniform Commercial
120 Code.

121 SECTION 7. The commission shall act as the issuing agent for
122 the bonds authorized under this act, prescribe the form of the
123 bonds, advertise for and accept bids, issue and sell the bonds so
124 authorized to be sold, pay all fees and costs incurred in such
125 issuance and sale, and do any and all other things necessary and
126 advisable in connection with the issuance and sale of such bonds.

127 The commission is authorized and empowered to pay the costs that
128 are incident to the sale, issuance and delivery of the bonds
129 authorized under this act from the proceeds derived from the sale
130 of such bonds. The commission shall sell such bonds on sealed

131 bids at public sale, and for such price as it may determine to be
132 for the best interest of the State of Mississippi, but no such
133 sale shall be made at a price less than par plus accrued interest
134 to the date of delivery of the bonds to the purchaser. All
135 interest accruing on such bonds so issued shall be payable
136 semiannually or annually; however, the first interest payment may
137 be for any period of not more than one (1) year.

138 Notice of the sale of any such bonds shall be published at
139 least one (1) time, not less than ten (10) days before the date of
140 sale, and shall be so published in one or more newspapers
141 published or having a general circulation in the City of Jackson,
142 Mississippi, and in one or more other newspapers or financial
143 journals with a national circulation, to be selected by the
144 commission.

145 The commission, when issuing any bonds under the authority of
146 this act, may provide that bonds, at the option of the State of
147 Mississippi, may be called in for payment and redemption at the
148 call price named therein and accrued interest on such date or
149 dates named therein.

150 SECTION 8. The bonds issued under the provisions of this act
151 are general obligations of the State of Mississippi, and for the
152 payment thereof the full faith and credit of the State of
153 Mississippi is irrevocably pledged. If the funds appropriated by
154 the Legislature are insufficient to pay the principal of and the
155 interest on such bonds as they become due, then the deficiency
156 shall be paid by the State Treasurer from any funds in the State
157 Treasury not otherwise appropriated. All such bonds shall contain
158 recitals on their faces substantially covering the provisions of
159 this section.

160 SECTION 9. Upon the issuance and sale of bonds under the
161 provisions of this act, the commission shall transfer the proceeds
162 of any such sale or sales to the special fund created in Section 2
163 of this act. The proceeds of such bonds shall be disbursed solely
164 upon the order of the Department of Finance and Administration

165 under such restrictions, if any, as may be contained in the
166 resolution providing for the issuance of the bonds.

167 SECTION 10. The bonds authorized under this act may be
168 issued without any other proceedings or the happening of any other
169 conditions or things other than those proceedings, conditions and
170 things which are specified or required by this act. Any
171 resolution providing for the issuance of bonds under the
172 provisions of this act shall become effective immediately upon its
173 adoption by the commission, and any such resolution may be adopted
174 at any regular or special meeting of the commission by a majority
175 of its members.

176 SECTION 11. The bonds authorized under the authority of this
177 act may be validated in the Chancery Court of the First Judicial
178 District of Hinds County, Mississippi, in the manner and with the
179 force and effect provided by Chapter 13, Title 31, Mississippi
180 Code of 1972, for the validation of county, municipal, school
181 district and other bonds. The notice to taxpayers required by
182 such statutes shall be published in a newspaper published or
183 having a general circulation in the City of Jackson, Mississippi.

184 SECTION 12. Any holder of bonds issued under the provisions
185 of this act or of any of the interest coupons pertaining thereto
186 may, either at law or in equity, by suit, action, mandamus or
187 other proceeding, protect and enforce any and all rights granted
188 under this act, or under such resolution, and may enforce and
189 compel performance of all duties required by this act to be
190 performed, in order to provide for the payment of bonds and
191 interest thereon.

192 SECTION 13. All bonds issued under the provisions of this
193 act shall be legal investments for trustees and other fiduciaries,
194 and for savings banks, trust companies and insurance companies
195 organized under the laws of the State of Mississippi, and such
196 bonds shall be legal securities which may be deposited with and
197 shall be received by all public officers and bodies of this state
198 and all municipalities and political subdivisions for the purpose

199 of securing the deposit of public funds.

200 SECTION 14. Bonds issued under the provisions of this act
201 and income therefrom shall be exempt from all taxation in the
202 State of Mississippi.

203 SECTION 15. The proceeds of the bonds issued under this act
204 shall be used solely for the purposes herein provided, including
205 the costs incident to the issuance and sale of such bonds.

206 SECTION 16. The State Treasurer is authorized, without
207 further process of law, to certify to the Department of Finance
208 and Administration the necessity for warrants, and the Department
209 of Finance and Administration is authorized and directed to issue
210 such warrants, in such amounts as may be necessary to pay when due
211 the principal of, premium, if any, and interest on, or the
212 accreted value of, all bonds issued under this act; and the State
213 Treasurer shall forward the necessary amount to the designated
214 place or places of payment of such bonds in ample time to
215 discharge such bonds, or the interest thereon, on the due dates
216 thereof.

217 SECTION 17. This act shall be deemed to be full and complete
218 authority for the exercise of the powers herein granted, but this
219 act shall not be deemed to repeal or to be in derogation of any
220 existing law of this state.

221 SECTION 18. This act shall take effect and be in force from
222 and after July 1, 1999.