

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 1660

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI IN THE AMOUNT OF \$15,000,000.00 FOR
3 THE PURPOSE OF INSTALLING CROSSING PROTECTIVE DEVICES AT
4 HIGHWAY-RAILROAD GRADE CROSSINGS; AND FOR RELATED PURPOSES.

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

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

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

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

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

18 SECTION 2. (1) (a) A special fund, to be designated as the
19 "Mississippi Highway-Railroad Grade Crossing Fund," is created
20 within the State Treasury. The fund shall be maintained by the
21 State Treasurer as a separate and special fund, separate and apart
22 from the General Fund of the state. Unexpended amounts remaining
23 in the fund at the end of a fiscal year shall not lapse into the
24 State General Fund, and any interest earned or investment earnings
25 on amounts in the fund shall be deposited to the credit of the
26 fund. Monies in the fund may not be used or expended for any
27 purpose except as authorized under this act.

28 (b) (i) Monies deposited into the fund shall be
29 disbursed, in the discretion of the Mississippi Transportation
30 Commission, to pay the costs of installing crossing protective
31 devices at highway-railroad grade crossings in cities with
32 populations of not less than fifty thousand (50,000) according to
33 the latest federal decennial census.

34 (ii) Amounts deposited into the fund shall be
35 expended as follows:

36 1. The Mississippi Department of
37 Transportation shall pay one hundred percent (100%) of the cost of
38 the installation of the crossing protective devices; or

39 2. If a city pays up to ten percent (10%) or
40 a private entity pays up to ten percent (10%) or each pay up to
41 ten percent (10%) of the cost of the installation of the crossing
42 protective devices, then the Mississippi Department of
43 Transportation shall pay the remainder of the cost.

44 (2) Amounts deposited into the special fund shall be
45 disbursed to pay the costs of the projects described in subsection
46 (1) of this section. Promptly after the commission has certified,
47 by resolution duly adopted, that the projects described in
48 subsection (1) shall have been completed, abandoned, or cannot be
49 completed in a timely fashion, any amounts remaining in such
50 special fund shall be applied to pay debt service on the bonds
51 issued under this act, in accordance with the proceedings
52 authorizing the issuance of such bonds and as directed by the
53 commission.

54 SECTION 3. (1) The commission, at one (1) time, or from
55 time to time, may declare by resolution the necessity for issuance
56 of general obligation bonds of the State of Mississippi to provide
57 funds for all costs incurred or to be incurred for the purposes
58 described in Section 2 of this act. Upon the adoption of a
59 resolution by the Mississippi Transportation Commission, declaring
60 the necessity for the issuance of any part or all of the general

61 obligation bonds authorized by this section, the Department of
62 Finance and Administration shall deliver a certified copy of its
63 resolution or resolutions to the commission. Upon receipt of such
64 resolution, the commission, in its discretion, may act as the
65 issuing agent, prescribe the form of the bonds, advertise for and
66 accept bids, issue and sell the bonds so authorized to be sold and
67 do any and all other things necessary and advisable in connection
68 with the issuance and sale of such bonds. The total amount of
69 bonds issued under this act shall not exceed Fifteen Million
70 Dollars (\$15,000,000.00), and the bonds shall be issued over a
71 period of five (5) state fiscal years in increments of Three
72 Million Dollars (\$3,000,000.00) per year.

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

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

90 SECTION 5. The bonds authorized by this act shall be signed
91 by the chairman of the commission, or by his facsimile signature,
92 and the official seal of the commission shall be affixed thereto,
93 attested by the secretary of the commission. The interest

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

108 SECTION 6. All bonds and interest coupons issued under the
109 provisions of this act have all the qualities and incidents of
110 negotiable instruments under the provisions of the Uniform
111 Commercial Code, and in exercising the powers granted by this act,
112 the commission shall not be required to and need not comply with
113 the provisions of the Uniform Commercial Code.

114 SECTION 7. The commission shall act as the issuing agent for
115 the bonds authorized under this act, prescribe the form of the
116 bonds, advertise for and accept bids, issue and sell the bonds so
117 authorized to be sold, pay all fees and costs incurred in such
118 issuance and sale, and do any and all other things necessary and
119 advisable in connection with the issuance and sale of such bonds.

120 The commission may pay the costs that are incident to the sale,
121 issuance and delivery of the bonds authorized under this act from
122 the proceeds derived from the sale of such bonds. The commission
123 shall sell such bonds on sealed bids at public sale, and for such
124 price as it may determine to be for the best interest of the State
125 of Mississippi, but no such sale shall be made at a price less
126 than par plus accrued interest to the date of delivery of the

127 bonds to the purchaser. All interest accruing on such bonds so
128 issued shall be payable semiannually or annually; however, the
129 first interest payment may be for any period of not more than one
130 (1) year.

131 Notice of the sale of any such bond shall be published at
132 least one (1) time, not less than ten (10) days before the date of
133 sale, and shall be so published in one or more newspapers
134 published or having a general circulation in the City of Jackson,
135 Mississippi, and in one or more other newspapers or financial
136 journals with a national circulation, to be selected by the
137 commission.

138 The commission, when issuing any bonds under the authority of
139 this act, may provide that bonds, at the option of the State of
140 Mississippi, may be called in for payment and redemption at the
141 call price named therein and accrued interest on such date or
142 dates named therein.

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

153 SECTION 9. Upon the issuance and sale of bonds under the
154 provisions of this act, the commission shall transfer the proceeds
155 of any such sale or sales to the special fund created in Section 2
156 of this act. The proceeds of such bonds shall be disbursed solely
157 upon the order of the Department of Finance and Administration
158 under such restrictions, if any, as may be contained in the
159 resolution providing for the issuance of the bonds.

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

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

177 SECTION 12. Any holder of bonds issued under the provisions
178 of this act or of any of the interest coupons pertaining thereto
179 may, either at law or in equity, by suit, action, mandamus or
180 other proceeding, protect and enforce any and all rights granted
181 under this act, or under such resolution, and may enforce and
182 compel performance of all duties required by this act to be
183 performed, in order to provide for the payment of bonds and
184 interest thereon.

185 SECTION 13. All bonds issued under the provisions of this
186 act shall be legal investments for trustees and other fiduciaries,
187 and for savings banks, trust companies and insurance companies
188 organized under the laws of the State of Mississippi, and such
189 bonds shall be legal securities which may be deposited with and
190 shall be received by all public officers and bodies of this state
191 and all municipalities and political subdivisions for the purpose
192 of securing the deposit of public funds.

193 SECTION 14. Bonds issued under the provisions of this act
194 and income therefrom shall be exempt from all taxation in the
195 State of Mississippi.

196 SECTION 15. The proceeds of the bonds issued under this act
197 shall be used solely for the purposes therein provided, including
198 the costs incident to the issuance and sale of such bonds.

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

209 SECTION 17. This act shall be deemed to be full and complete
210 authority for the exercise of the powers therein granted, but this
211 act shall not be deemed to repeal or to be in derogation of any
212 existing law of this state.

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