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To: Highways and  
Transportation;  
Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2503

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING  
3 ASSISTANCE TO LAMAR COUNTY FOR CONSTRUCTION AND IMPROVEMENT OF  
4 SEGMENTS OF ROADWAY THAT ARE INCLUDED IN SUCH COUNTY'S REGIONAL  
5 THOROUGHFARE PROGRAM TO IMPROVE ACCESS TO U.S. HIGHWAY 98; AND FOR  
6 RELATED PURPOSES.

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

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

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

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

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

20 SECTION 2. (1) (a) A special fund, to be designated as the  
21 "Highway 98 Access Improvement Program Fund," is created within  
22 the State Treasury. The fund shall be maintained by the State  
23 Treasurer as a separate and special fund, separate and apart from  
24 the General Fund of the state. Unexpended amounts remaining in  
25 the fund at the end of a fiscal year shall not lapse into the  
26 State General Fund, and any interest earned or investment earnings  
27 on amounts in the fund shall be deposited to the credit of the  
28 fund. Monies in the fund may not be used or expended for any

29 purpose except as authorized under this act.

30 (b) Money deposited into the fund shall be disbursed,  
31 in the discretion of the Department of Finance and Administration,  
32 to assist Lamar County, Mississippi, in paying the costs  
33 associated with construction and improvement of the following  
34 segments of roadway in Lamar County that are included in such  
35 county's Regional Thoroughfare Program:

36 (i) Sandy Run Road from Lincoln Road Extension at  
37 Oak Grove Road west to U.S. Highway 98;

38 (ii) Sandy Run Road from Highway 98 north to the  
39 Forrest County line;

40 (iii) West Fourth Street from Sam Rayburn Drive  
41 west to the new Sandy Run Road;

42 (iv) Weathersby Road from just south of U.S.  
43 Highway 98 to Lincoln Road Extension;

44 (v) A new road from Old Highway 11 east to Sandy  
45 Run/Hegwood Road.

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

56 (3) The expenditure of monies deposited into the special  
57 fund shall be under the direction of the Department of Finance and  
58 Administration, and such funds shall be paid by the State  
59 Treasurer upon warrants issued by such department, which warrants  
60 shall be issued upon requisitions signed by the Executive Director  
61 of the Department of Finance and Administration, or his designee.

62 SECTION 3. (1) Upon receipt of matching funds or  
63 verification that the matching funds described in this subsection  
64 are forthcoming, the commission, at one time, or from time to  
65 time, may declare by resolution the necessity for issuance of

66 general obligation bonds of the State of Mississippi to provide  
67 funds for all costs incurred or to be incurred for the purposes  
68 described in Section 2 of this act. Upon the adoption of a  
69 resolution by the Department of Finance and Administration,  
70 declaring the necessity for the issuance of any part or all of the  
71 general obligation bonds authorized by this section, the  
72 Department of Finance and Administration shall deliver a certified  
73 copy of its resolution or resolutions to the commission. Upon  
74 receipt of such resolution, the commission, in its discretion, may  
75 act as the issuing agent, prescribe the form of the bonds,  
76 advertise for and accept bids, issue and sell the bonds so  
77 authorized to be sold and do any and all other things necessary  
78 and advisable in connection with the issuance and sale of such  
79 bonds. The total amount of bonds issued under this act shall not  
80 exceed Five Million Dollars (\$5,000,000.00); provided, however,  
81 that not more than One Million Dollars (\$1,000,000.00) may be  
82 issued in fiscal year 2001 and not more than Two Million Dollars  
83 (\$2,000,000.00) may be issued in fiscal year 2002. The issuance  
84 of the bonds described in this subsection and the allocation of  
85 such funds are conditioned upon the private sector or local or  
86 federal government providing money to match the amount of bonds  
87 that are issued under this section. The matching funds required  
88 pursuant to this subsection may be provided in the form of cash or  
89 in kind contributions or any combination of cash or in kind  
90 contributions.

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

95 SECTION 4. The principal of and interest on the bonds  
96 authorized under Section 3 of this act shall be payable in the  
97 manner provided in this section. Such bonds shall bear such date  
98 or dates, be in such denomination or denominations, bear interest

99 at such rate or rates (not to exceed the limits set forth in  
100 Section 75-17-101, Mississippi Code of 1972), be payable at such  
101 place or places within or without the State of Mississippi, shall  
102 mature absolutely at such time or times not to exceed twenty-five  
103 (25) years from date of issue, be redeemable before maturity at  
104 such time or times and upon such terms, with or without premium,  
105 shall bear such registration privileges, and shall be  
106 substantially in such form, all as shall be determined by  
107 resolution of the commission.

108 SECTION 5. The bonds authorized by Section 3 of this act  
109 shall be signed by the chairman of the commission, or by his  
110 facsimile signature, and the official seal of the commission shall  
111 be affixed thereto, attested by the secretary of the commission.  
112 The interest coupons, if any, to be attached to such bonds may be  
113 executed by the facsimile signatures of such officers. Whenever  
114 any such bonds shall have been signed by the officials designated  
115 to sign the bonds who were in office at the time of such signing  
116 but who may have ceased to be such officers before the sale and  
117 delivery of such bonds, or who may not have been in office on the  
118 date such bonds may bear, the signatures of such officers upon  
119 such bonds and coupons shall nevertheless be valid and sufficient  
120 for all purposes and have the same effect as if the person so  
121 officially signing such bonds had remained in office until their  
122 delivery to the purchaser, or had been in office on the date such  
123 bonds may bear. However, notwithstanding anything herein to the  
124 contrary, such bonds may be issued as provided in the Registered  
125 Bond Act of the State of Mississippi.

126 SECTION 6. All bonds and interest coupons issued under the  
127 provisions of this act have all the qualities and incidents of  
128 negotiable instruments under the provisions of the Uniform  
129 Commercial Code, and in exercising the powers granted by this act,  
130 the commission shall not be required to and need not comply with  
131 the provisions of the Uniform Commercial Code.

132 SECTION 7. The commission shall act as the issuing agent for  
133 the bonds authorized under Section 3 of this act, prescribe the  
134 form of the bonds, advertise for and accept bids, issue and sell  
135 the bonds so authorized to be sold, pay all fees and costs  
136 incurred in such issuance and sale, and do any and all other  
137 things necessary and advisable in connection with the issuance and  
138 sale of such bonds. The commission is authorized and empowered to  
139 pay the costs that are incident to the sale, issuance and delivery  
140 of the bonds authorized under this act from the proceeds derived  
141 from the sale of such bonds. The commission shall sell such bonds  
142 on sealed bids at public sale, and for such price as it may  
143 determine to be for the best interest of the State of Mississippi,  
144 but no such sale shall be made at a price less than par plus  
145 accrued interest to the date of delivery of the bonds to the  
146 purchaser. All interest accruing on such bonds so issued shall be  
147 payable semiannually or annually; however, the first interest  
148 payment may be for any period of not more than one (1) year.

149 Notice of the sale of any such bond shall be published at  
150 least one (1) time, not less than ten (10) days before the date of  
151 sale, and shall be so published in one or more newspapers  
152 published or having a general circulation in the City of Jackson,  
153 Mississippi, and in one or more other newspapers or financial  
154 journals with a national circulation, to be selected by the  
155 commission.

156 The commission, when issuing any bonds under the authority of  
157 this act, may provide that bonds, at the option of the State of  
158 Mississippi, may be called in for payment and redemption at the  
159 call price named therein and accrued interest on such date or  
160 dates named therein.

161 SECTION 8. The bonds issued under the provisions of this act  
162 are general obligations of the State of Mississippi, and for the  
163 payment thereof the full faith and credit of the State of  
164 Mississippi is irrevocably pledged. If the funds appropriated by

165 the Legislature are insufficient to pay the principal of and the  
166 interest on such bonds as they become due, then the deficiency  
167 shall be paid by the State Treasurer from any funds in the State  
168 Treasury not otherwise appropriated. All such bonds shall contain  
169 recitals on their faces substantially covering the provisions of  
170 this section.

171 SECTION 9. Upon the issuance and sale of bonds under the  
172 provisions of this act, the commission shall transfer the proceeds  
173 of any such sale or sales to the special fund created in Section 2  
174 of this act. The proceeds of such bonds shall be disbursed solely  
175 upon the order of the Department of Finance and Administration  
176 under such restrictions, if any, as may be contained in the  
177 resolution providing for the issuance of the bonds.

178 SECTION 10. The bonds authorized under this act may be  
179 issued without any other proceedings or the happening of any other  
180 conditions or things other than those proceedings, conditions and  
181 things which are specified or required by this act. Any  
182 resolution providing for the issuance of bonds under the  
183 provisions of this act shall become effective immediately upon its  
184 adoption by the commission, and any such resolution may be adopted  
185 at any regular or special meeting of the commission by a majority  
186 of its members.

187 SECTION 11. The bonds authorized under the authority of this  
188 act may be validated in the Chancery Court of the First Judicial  
189 District of Hinds County, Mississippi, in the manner and with the  
190 force and effect provided by Chapter 13, Title 31, Mississippi  
191 Code of 1972, for the validation of county, municipal, school  
192 district and other bonds. The notice to taxpayers required by  
193 such statutes shall be published in a newspaper published or  
194 having a general circulation in the City of Jackson, Mississippi.

195 SECTION 12. Any holder of bonds issued under the provisions  
196 of this act or of any of the interest coupons pertaining thereto  
197 may, either at law or in equity, by suit, action, mandamus or

198 other proceeding, protect and enforce any and all rights granted  
199 under this act, or under such resolution, and may enforce and  
200 compel performance of all duties required by this act to be  
201 performed, in order to provide for the payment of bonds and  
202 interest thereon.

203 SECTION 13. All bonds issued under the provisions of this  
204 act shall be legal investments for trustees and other fiduciaries,  
205 and for savings banks, trust companies and insurance companies  
206 organized under the laws of the State of Mississippi, and such  
207 bonds shall be legal securities which may be deposited with and  
208 shall be received by all public officers and bodies of this state  
209 and all municipalities and political subdivisions for the purpose  
210 of securing the deposit of public funds.

211 SECTION 14. Bonds issued under the provisions of this act  
212 and income therefrom shall be exempt from all taxation in the  
213 State of Mississippi.

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

217 SECTION 16. The State Treasurer is authorized, without  
218 further process of law, to certify to the Department of Finance  
219 and Administration the necessity for warrants, and the Department  
220 of Finance and Administration is authorized and directed to issue  
221 such warrants, in such amounts as may be necessary to pay when due  
222 the principal of, premium, if any, and interest on, or the  
223 accreted value of, all bonds issued under this act; and the State  
224 Treasurer shall forward the necessary amount to the designated  
225 place or places of payment of such bonds in ample time to  
226 discharge such bonds, or the interest thereon, on the due dates  
227 thereof.

228 SECTION 17. This act shall be deemed to be full and complete  
229 authority for the exercise of the powers therein granted, but this  
230 act shall not be deemed to repeal or to be in derogation of any

231 existing law of this state.

232 SECTION 18. This act shall take effect and be in force from  
233 and after its passage.