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To: Highways and  
Transportation;  
Finance

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 (1) 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). The issuance of the  
81 bonds described in this subsection and the allocation of such  
82 funds are conditioned upon the private sector or local or federal  
83 government providing Five Million Dollars (\$5,000,000.00) to match  
84 the funds provided under this section. The matching funds  
85 required pursuant to this subsection may be provided in the form  
86 of cash or in kind contributions or any combination of cash or in  
87 kind contributions.

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

92 SECTION 4. The principal of and interest on the bonds  
93 authorized under Section 3 of this act shall be payable in the  
94 manner provided in this section. Such bonds shall bear such date  
95 or dates, be in such denomination or denominations, bear interest  
96 at such rate or rates (not to exceed the limits set forth in  
97 Section 75-17-101, Mississippi Code of 1972), be payable at such  
98 place or places within or without the State of Mississippi, shall

99 mature absolutely at such time or times not to exceed twenty-five  
100 (25) years from date of issue, be redeemable before maturity at  
101 such time or times and upon such terms, with or without premium,  
102 shall bear such registration privileges, and shall be  
103 substantially in such form, all as shall be determined by  
104 resolution of the commission.

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

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

129 SECTION 7. The commission shall act as the issuing agent for  
130 the bonds authorized under Section 3 of this act, prescribe the  
131 form of the bonds, advertise for and accept bids, issue and sell

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

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

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

158 SECTION 8. The bonds issued under the provisions of this act  
159 are general obligations of the State of Mississippi, and for the  
160 payment thereof the full faith and credit of the State of  
161 Mississippi is irrevocably pledged. If the funds appropriated by  
162 the Legislature are insufficient to pay the principal of and the  
163 interest on such bonds as they become due, then the deficiency  
164 shall be paid by the State Treasurer from any funds in the State

165 Treasury not otherwise appropriated. All such bonds shall contain  
166 recitals on their faces substantially covering the provisions of  
167 this section.

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

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

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

192 SECTION 12. Any holder of bonds issued under the provisions  
193 of this act or of any of the interest coupons pertaining thereto  
194 may, either at law or in equity, by suit, action, mandamus or  
195 other proceeding, protect and enforce any and all rights granted  
196 under this act, or under such resolution, and may enforce and  
197 compel performance of all duties required by this act to be

198 performed, in order to provide for the payment of bonds and  
199 interest thereon.

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

208 SECTION 14. Bonds issued under the provisions of this act  
209 and income therefrom shall be exempt from all taxation in the  
210 State of Mississippi.

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

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

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

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