

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2126

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO FUND THE SMALL MUNICIPALITIES AND
3 LIMITED POPULATION COUNTIES FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

17 SECTION 2. (1) The Mississippi Development Authority, at
18 one time, or from time to time, may declare by resolution the
19 necessity for issuance of general obligation bonds of the State of
20 Mississippi to provide funds for the grant program authorized in
21 Section 1 of this act. Upon the adoption of a resolution by the
22 Mississippi Development Authority, declaring the necessity for the
23 issuance of any part or all of the general obligation bonds
24 authorized by this section, the Mississippi Development Authority
25 shall deliver a certified copy of its resolution or resolutions to
26 the commission. Upon receipt of such resolution, the commission,
27 in its discretion, may act as the issuing agent, prescribe the

form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this act shall not exceed Ten Million Dollars (\$10,000,000.00).

(2) The proceeds of bonds issued pursuant to this act shall be deposited into the Small Municipalities and Limited Population Counties Fund created pursuant to Section 57-1-18. Any investment earnings on bonds issued pursuant to this act shall be used to pay debt service on bonds issued under this act, in accordance with the proceedings authorizing issuance of such bonds.

SECTION 3. The principal of and interest on the bonds authorized under this act shall be payable in the manner provided in this section. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty-five (25) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

SECTION 4. The bonds authorized by this act shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery

61 of such bonds, or who may not have been in office on the date such
62 bonds may bear, the signatures of such officers upon such bonds
63 and coupons shall nevertheless be valid and sufficient for all
64 purposes and have the same effect as if the person so officially
65 signing such bonds had remained in office until their delivery to
66 the purchaser, or had been in office on the date such bonds may
67 bear. However, notwithstanding anything herein to the contrary,
68 such bonds may be issued as provided in the Registered Bond Act of
69 the State of Mississippi.

70 SECTION 5. All bonds and interest coupons issued under the
71 provisions of this act have all the qualities and incidents of
72 negotiable instruments under the provisions of the Uniform
73 Commercial Code, and in exercising the powers granted by this act,
74 the commission shall not be required to and need not comply with
75 the provisions of the Uniform Commercial Code.

76 SECTION 6. The commission shall act as the issuing agent for
77 the bonds authorized under this act, prescribe the form of the
78 bonds, advertise for and accept bids, issue and sell the bonds so
79 authorized to be sold, pay all fees and costs incurred in such
80 issuance and sale, and do any and all other things necessary and
81 advisable in connection with the issuance and sale of such bonds.
82 The commission is authorized and empowered to pay the costs that
83 are incident to the sale, issuance and delivery of the bonds
84 authorized under this act from the proceeds derived from the sale
85 of such bonds. The commission shall sell such bonds on sealed
86 bids at public sale, and for such price as it may determine to be
87 for the best interest of the State of Mississippi, but no such
88 sale shall be made at a price less than par plus accrued interest
89 to the date of delivery of the bonds to the purchaser. All
90 interest accruing on such bonds so issued shall be payable
91 semiannually or annually; however, the first interest payment may
92 be for any period of not more than one (1) year.

93 Notice of the sale of any such bonds shall be published at
94 least one (1) time, not less than ten (10) days before the date of
95 sale, and shall be so published in one or more newspapers
96 published or having a general circulation in the City of Jackson,
97 Mississippi, and in one or more other newspapers or financial
98 journals with a national circulation, to be selected by the
99 commission.

100 The commission, when issuing any bonds under the authority of
101 this act, may provide that bonds, at the option of the State of
102 Mississippi, may be called in for payment and redemption at the
103 call price named therein and accrued interest on such date or
104 dates named therein.

105 SECTION 7. The bonds issued under the provisions of this act
106 are general obligations of the State of Mississippi, and for the
107 payment thereof the full faith and credit of the State of
108 Mississippi is irrevocably pledged. If the funds appropriated by
109 the Legislature are insufficient to pay the principal of and the
110 interest on such bonds as they become due, then the deficiency
111 shall be paid by the State Treasurer from any funds in the State
112 Treasury not otherwise appropriated. All such bonds shall contain
113 recitals on their faces substantially covering the provisions of
114 this section.

115 SECTION 8. Upon the issuance and sale of bonds under the
116 provisions of this act, the commission shall transfer the proceeds
117 of any such sale or sales to the Small Municipalities and Limited
118 Population Counties Fund created in Section 57-1-18. The proceeds
119 of such bonds shall be disbursed solely upon the order of the
120 Mississippi Development Authority under such restrictions, if any,
121 as may be contained in the resolution providing for the issuance
122 of the bonds.

123 SECTION 9. The bonds authorized under this act may be issued
124 without any other proceedings or the happening of any other
125 conditions or things other than those proceedings, conditions and

things which are specified or required by this act. Any resolution providing for the issuance of bonds under the provisions of this act shall become effective immediately upon its adoption by the commission, and any such resolution may be adopted at any regular or special meeting of the commission by a majority of its members.

SECTION 10. The bonds authorized under the authority of this act may be validated in the Chancery Court of the First Judicial District of Hinds County, Mississippi, in the manner and with the force and effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The notice to taxpayers required by such statutes shall be published in a newspaper published or having a general circulation in the City of Jackson, Mississippi.

SECTION 11. Any holder of bonds issued under the provisions of this act or of any of the interest coupons pertaining thereto may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under this act, or under such resolution, and may enforce and compel performance of all duties required by this act to be performed, in order to provide for the payment of bonds and interest thereon.

SECTION 12. All bonds issued under the provisions of this act shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and such bonds shall be legal securities which may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

SECTION 13. Bonds issued under the provisions of this act and income therefrom shall be exempt from all taxation in the State of Mississippi.

SECTION 14. The proceeds of the bonds issued under this act shall be used solely for the purposes therein provided, including the costs incident to the issuance and sale of such bonds.

SECTION 15. The State Treasurer is authorized, without further process of law, to certify to the Department of Finance and Administration the necessity for warrants, and the Department of Finance and Administration is authorized and directed to issue such warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under this act; and the State Treasurer shall forward the necessary amount to the designated place or places of payment of such bonds in ample time to discharge such bonds, or the interest thereon, on the due dates thereof.

SECTION 16. This act shall be deemed to be full and complete authority for the exercise of the powers therein granted, but this act shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 17. This act shall take effect and be in force from and after its passage.