

By: Senator(s) Nunnelee

To: Finance

SENATE BILL NO. 3144

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$8,700,000.00 IN STATE
 2 GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR FEDERAL
 3 FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO AMEND
 4 SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995, TO INCREASE FROM
 5 \$15,000,000.00 TO \$17,600,000.00 THE AMOUNT OF STATE GENERAL
 6 OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL GOVERNMENTS AND
 7 RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND; AND FOR
 8 RELATED PURPOSES.

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

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

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

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

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

22 SECTION 2. (1) The Commission on Environmental Quality, at
 23 one time, or from time to time, may declare by resolution the
 24 necessity for issuance of general obligation bonds of the State of
 25 Mississippi to provide funds for the Water Pollution Control
 26 Revolving Fund established in Section 49-17-85 of this act. Upon
 27 the adoption of a resolution by the Commission on Environmental
 28 Quality, declaring the necessity for the issuance of any part or
 29 all of the general obligation bonds authorized by this section,

30 the Commission on Environmental Quality shall deliver a certified
31 copy of its resolution or resolutions to the commission. Upon
32 receipt of such resolution, the commission, in its discretion, may
33 act as the issuing agent, prescribe the form of the bonds,
34 advertise for and accept bids, issue and sell the bonds so
35 authorized to be sold and do any and all other things necessary
36 and advisable in connection with the issuance and sale of such
37 bonds. The total amount of bonds issued under this act shall not
38 exceed Eight Million Seven Hundred Thousand Dollars
39 (\$8,700,000.00).

40 (2) The proceeds of bonds issued pursuant to this act shall
41 be deposited into the Water Pollution Control Revolving Fund
42 created pursuant to Section 49-17-85.

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

56 SECTION 4. The bonds authorized by this act shall be signed
57 by the chairman of the commission, or by his facsimile signature,
58 and the official seal of the commission shall be affixed thereto,
59 attested by the secretary of the commission. The interest
60 coupons, if any, to be attached to such bonds may be executed by
61 the facsimile signatures of such officers. Whenever any such
62 bonds shall have been signed by the officials designated to sign

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

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

80 SECTION 6. The commission shall act as the issuing agent for
81 the bonds authorized under this act, prescribe the form of the
82 bonds, advertise for and accept bids, issue and sell the bonds so
83 authorized to be sold, pay all fees and costs incurred in such
84 issuance and sale, and do any and all other things necessary and
85 advisable in connection with the issuance and sale of such bonds.
86 The commission is authorized and empowered to pay the costs that
87 are incident to the sale, issuance and delivery of the bonds
88 authorized under this act from the proceeds derived from the sale
89 of such bonds. The commission shall sell such bonds on sealed
90 bids at public sale, and for such price as it may determine to be
91 for the best interest of the State of Mississippi, but no such
92 sale shall be made at a price less than par plus accrued interest
93 to the date of delivery of the bonds to the purchaser. All
94 interest accruing on such bonds so issued shall be payable

95 semiannually or annually; however, the first interest payment may
96 be for any period of not more than one (1) year.

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

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

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

119 SECTION 8. Upon the issuance and sale of bonds under the
120 provisions of this act, the commission shall transfer the proceeds
121 of any such sale or sales to the Water Pollution Control Revolving
122 Fund created in Section 49-17-85. The proceeds of such bonds
123 shall be disbursed solely upon the order of the Commission on
124 Environmental Quality under such restrictions, if any, as may be
125 contained in the resolution providing for the issuance of the
126 bonds.

127 SECTION 9. The bonds authorized under this act may be issued
128 without any other proceedings or the happening of any other
129 conditions or things other than those proceedings, conditions and
130 things which are specified or required by this act. Any
131 resolution providing for the issuance of bonds under the
132 provisions of this act shall become effective immediately upon its
133 adoption by the commission, and any such resolution may be adopted
134 at any regular or special meeting of the commission by a majority
135 of its members.

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

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

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

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

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

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

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

181 SECTION 17. Sections 6 through 20, Chapter 521, Laws of
182 1995, are amended as follows:

183 Section 6. The board created in Section 41-3-16, at one time
184 or, from time to time, may declare by resolution the necessity for
185 issuance of general obligation bonds of the State of Mississippi
186 to provide funds for all costs incurred or to be incurred by the
187 board in constructing new water systems or repairing existing
188 water systems described in Section 41-3-16. Upon the adoption of
189 a resolution by the board, declaring the necessity for the
190 issuance of any part or all of the general obligation bonds
191 authorized by this section, the board shall deliver a certified
192 copy of its resolution or resolutions to the State Bond

193 Commission. Upon receipt of such resolution, the State Bond
194 Commission, in its discretion, may act as the issuing agent,
195 prescribe the form of the bonds, advertise for and accept bids,
196 issue and sell the tax exempt or taxable bonds so authorized to be
197 sold, and do any and all other things necessary and advisable in
198 connection with the issuance and sale of such bonds. The amount
199 of bonds issued under Sections 6 through 20 of this act shall not
200 exceed Seventeen Million Six Hundred Thousand Dollars
201 (\$17,600,000.00), the proceeds of which shall be deposited in the
202 revolving fund and Five Million Dollars (\$5,000,000.00), the
203 proceeds of which shall be deposited in the emergency fund.

204 Section 7. The principal of and interest on the bonds
205 authorized under Section 6 of this act shall be payable in the
206 manner provided in this section. Such bonds shall bear such date
207 or dates, be in such denomination or denominations, bear interest
208 at such rate or rates (not to exceed the limits set forth in
209 Section 75-17-101), be payable at such place or places within or
210 without the State of Mississippi, shall mature absolutely at such
211 time or times not to exceed twenty-five (25) years from date of
212 issue, be redeemable before maturity at such time or times and
213 upon such terms, with or without premium, shall bear such
214 registration privileges, and shall be substantially in such form,
215 all as shall be determined by resolution of the State Bond
216 Commission.

217 Section 8. The bonds authorized by Section 6 of this act
218 shall be signed by the Chairman of the State Bond Commission, or
219 by his facsimile signature, and the official seal of the State
220 Bond Commission shall be affixed thereto, attested by the
221 Secretary of the State Bond Commission. The interest coupons, if
222 any, to be attached to such bonds may be executed by the facsimile
223 signatures of such officers. Whenever any such bonds shall have
224 been signed by the officials designated to sign the bonds who were
225 in office at the time of such signing but who may have ceased to

226 be such officers before the sale and delivery of such bonds, or
227 who may not have been in office on the date such bonds may bear,
228 the signatures of such officers upon such bonds and coupons shall
229 nevertheless be valid and sufficient for all purposes and have the
230 same effect as if the person so officially signing such bonds had
231 remained in office until their delivery to the purchaser, or had
232 been in office on the date such bonds may bear. However,
233 notwithstanding anything herein to the contrary, such bonds may be
234 issued as provided in the Registered Bond Act of the State of
235 Mississippi.

236 Section 9. All bonds and interest coupons issued under the
237 provisions of Sections 6 through 20 of this act have all the
238 qualities and incidents of negotiable instruments under the
239 provisions of the Mississippi Uniform Commercial Code, and in
240 exercising the powers granted by Sections 6 through 20 of this
241 act, the State Bond Commission shall not be required to and need
242 not comply with the provisions of the Mississippi Uniform
243 Commercial Code.

244 Section 10. The State Bond Commission shall act as the
245 issuing agent for the bonds authorized under Sections 6 through 20
246 of this act, prescribe the form of the bonds, advertise for and
247 accept bids, issue and sell the bonds so authorized to be sold,
248 pay all fees and costs incurred in such issuance and sale, and do
249 all other things necessary and advisable in connection with the
250 issuance and sale of the bonds. The State Bond Commission may pay
251 the costs that are incident to the sale, issuance and delivery of
252 the bonds authorized under Sections 6 through 20 of this act from
253 the proceeds derived from the sale of the bonds. The State Bond
254 Commission shall sell such bonds on sealed bids at public sale,
255 and for such price as it may determine to be for the best interest
256 of the State of Mississippi, but no such sale may be made at a
257 price less than par plus accrued interest to the date of delivery
258 of the bonds to the purchaser. All interest accruing on such

259 bonds so issued shall be payable semiannually or annually;
260 however, the first interest payment may be for any period of not
261 more than one (1) year.

262 Notice of the sale of any such bond shall be published at
263 least one (1) time, not less than ten (10) days before the date of
264 sale, and shall be so published in one or more newspapers
265 published or having a general circulation in the City of Jackson,
266 Mississippi, and in one or more other newspapers or financial
267 journals with a national circulation, to be selected by the State
268 Bond Commission.

269 The State Bond Commission, when issuing any bonds under the
270 authority of Sections 6 through 20 of this act, may provide that
271 bonds, at the option of the State of Mississippi, may be called in
272 for payment and redemption at the call price named therein and
273 accrued interest on such date or dates named therein.

274 Section 11. The bonds issued under the provisions of
275 Sections 6 through 20 of this act are general obligations of the
276 State of Mississippi, and for the payment thereof the full faith
277 and credit of the State of Mississippi is irrevocably pledged. If
278 the funds appropriated by the Legislature are insufficient to pay
279 the principal of and interest on such bonds as they become due,
280 then the deficiency shall be paid by the State Treasurer from any
281 funds in the State Treasury not otherwise appropriated. All such
282 bonds shall contain recitals on their faces substantially covering
283 the provisions of this section.

284 Section 12. The State Treasurer is authorized, without
285 further process of law, to certify to the Department of Finance
286 and Administration the necessity for warrants, and the Department
287 of Finance and Administration is authorized and directed to issue
288 such warrants, in such amounts as may be necessary to pay when due
289 the principal of, premium, if any, and interest on, or the
290 accreted value of, all bonds issued under this act; and the State
291 Treasurer shall forward the necessary amount to the designated

292 place or places of payment of such bonds in ample time to
293 discharge such bonds, or the interest on the bonds, on their due
294 dates.

295 Section 13. Upon the issuance and sale of bonds under the
296 provisions of Sections 6 through 20 of this act, the State Bond
297 Commission shall transfer the proceeds of any sale or sales of
298 bonds to the revolving fund and the emergency fund in the amounts
299 specified in Section 6 of this act. The proceeds of such bonds
300 shall be disbursed solely upon the order of the board created in
301 Section 1 of this act under such restrictions, if any, as may be
302 contained in the resolution providing for the issuance of the
303 bonds.

304 Section 14. The bonds authorized under Sections 6 through 20
305 of this act may be issued without any other proceedings or the
306 happening of any other conditions or things other than those
307 proceedings, conditions and things which are specified or required
308 by Sections 6 through 20 of this act. Any resolution providing
309 for the issuance of bonds under the provisions of Sections 6
310 through 20 of this act shall become effective immediately upon its
311 adoption by the State Bond Commission, and any such resolution may
312 be adopted at any regular or special meeting of the State Bond
313 Commission by a majority of its members.

314 Section 15. The bonds authorized under the authority of
315 Sections 6 through 20 of this act may be validated in the Chancery
316 Court of the First Judicial District of Hinds County, Mississippi,
317 in the manner and with the force and effect provided by Chapter
318 13, Title 31, Mississippi Code of 1972, for the validation of
319 county, municipal, school district and other bonds. The notice to
320 taxpayers required by such statutes shall be published in a
321 newspaper published or having a general circulation in the City of
322 Jackson, Mississippi.

323 Section 16. Any holder of bonds issued under the provisions
324 of Sections 6 through 20 of this act or of any of the interest

325 coupons pertaining thereto may, either at law or in equity, by
326 suit, action, mandamus or other proceeding, protect and enforce
327 all rights granted under Sections 6 through 20 of this act, or
328 under such resolution, and may enforce and compel performance of
329 all duties required by Sections 6 through 20 of this act to be
330 performed, in order to provide for the payment of bonds and
331 interest thereon.

332 Section 17. All bonds issued under the provisions of
333 Sections 6 through 20 of this act shall be legal investments for
334 trustees and other fiduciaries, and for savings banks, trust
335 companies and insurance companies organized under the laws of the
336 State of Mississippi, and such bonds shall be legal securities
337 which may be deposited with and shall be received by all public
338 officers and bodies of this state and all municipalities and
339 political subdivisions for the purpose of securing the deposit of
340 public funds.

341 Section 18. Bonds issued under the provisions of Sections 6
342 through 20 of this act and income therefrom shall be exempt from
343 all taxation in the State of Mississippi.

344 Section 19. The proceeds of the bonds issued under the
345 provisions of Sections 6 through 20 of this act shall be used
346 solely for the purposes herein provided, including the costs
347 incident to the issuance and sale of such bonds.

348 Section 20. Sections 6 through 20 of this act shall be
349 deemed to be full and complete authority for the exercise of the
350 powers granted, but Sections 6 through 20 of this act shall not be
351 deemed to repeal or to be in derogation of any existing law of
352 this state.

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