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To: Ways and Means

HOUSE BILL NO. 581

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE
 2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE SMALL
 3 MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND; AND FOR
 4 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 bonds 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) The Mississippi Development Authority, at
 19 one time, or from time to time, may declare by resolution the
 20 necessity for issuance of general obligation bonds of the State of
 21 Mississippi to provide funds for the grant program authorized in
 22 Section 57-1-18. Upon the adoption of a resolution by the
 23 Mississippi Development Authority, declaring the necessity for the
 24 issuance of any part or all of the general obligation bonds



25 authorized by this section, the Mississippi Development Authority
26 shall deliver a certified copy of its resolution or resolutions to
27 the commission. Upon receipt of such resolution, the commission,
28 in its discretion, may act as the issuing agent, prescribe the
29 form of the bonds, advertise for and accept bids, issue and sell
30 the bonds so authorized to be sold and do any and all other things
31 necessary and advisable in connection with the issuance and sale
32 of such bonds. The total amount of bonds issued under this act
33 shall not exceed Ten Million Dollars (\$10,000,000.00). No bonds
34 authorized under this act shall be issued after July 1, 2006.

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

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

54 **SECTION 4.** The bonds authorized by this act shall be signed
55 by the chairman of the commission, or by his facsimile signature,
56 and the official seal of the commission shall be affixed thereto,
57 attested by the secretary of the commission. The interest



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

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

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



91 to the date of delivery of the bonds to the purchaser. All
92 interest accruing on such bonds so issued shall be payable
93 semiannually or annually; however, the first interest payment may
94 be for any period of not more than one (1) year.

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

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

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

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



123 as may be contained in the resolution providing for the issuance
124 of the bonds.

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

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

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

150 **SECTION 12.** All bonds issued under the provisions of this
151 act shall be legal investments for trustees and other fiduciaries,
152 and for savings banks, trust companies and insurance companies
153 organized under the laws of the State of Mississippi, and such
154 bonds shall be legal securities which may be deposited with and
155 shall be received by all public officers and bodies of this state



156 and all municipalities and political subdivisions for the purpose
157 of securing the deposit of public funds.

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

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

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

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

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

