

By: Representative Simpson

To: Ways and Means

HOUSE BILL NO. 988

1 AN ACT TO ESTABLISH A MASTER WATER DISTRICT REVOLVING LOAN
 2 PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI COMMISSION ON
 3 ENVIRONMENTAL QUALITY FOR THE PURPOSE OF ASSISTING MASTER WATER
 4 MANAGEMENT DISTRICTS IN CARRYING OUT CERTAIN PROJECTS; TO CREATE A
 5 SPECIAL FUND IN THE STATE TREASURY DESIGNATED AS THE "MASTER WATER
 6 MANAGEMENT DISTRICTS REVOLVING LOAN FUND" FROM WHICH SUCH LOANS
 7 MAY BE MADE; TO PRESCRIBE THE DUTIES OF THE MISSISSIPPI COMMISSION
 8 ON ENVIRONMENTAL QUALITY REGARDING THE REVOLVING LOAN PROGRAM; TO
 9 AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE GENERAL
 10 OBLIGATION BONDS TO PROVIDE FUNDS FOR THE REVOLVING LOAN PROGRAM
 11 ESTABLISHED UNDER THIS ACT; TO AMEND SECTIONS 51-7-27 AND 51-7-29,
 12 MISSISSIPPI CODE OF 1972, TO AUTHORIZE MASTER WATER MANAGEMENT
 13 DISTRICTS TO APPLY FOR LOANS UNDER THE REVOLVING LOAN PROGRAM
 14 ESTABLISHED UNDER THIS ACT; TO AUTHORIZE MASTER WATER MANAGEMENT
 15 DISTRICTS TO LEVY SPECIAL ASSESSMENT TAXES ON BENEFITED PROPERTY
 16 WITHIN A DISTRICT FOR THE PURPOSE OF REPAYING AND SECURING SUCH
 17 LOANS; TO AMEND SECTION 51-7-41, MISSISSIPPI CODE OF 1972, IN
 18 CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED
 19 PURPOSES.

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

21 **SECTION 1.** (1) For the purposes of this section, the
 22 following words and phrases shall have the meanings ascribed in
 23 this section unless the context clearly indicates otherwise:

24 (a) "Commission" means the Mississippi Commission on
 25 Environmental Quality.

26 (b) "Master Water Management District" means and has
 27 the same definition as that term has in Section 51-7-3.

28 (2) A special fund to be designated the "Master Water
 29 Management Districts Revolving Loan Fund," is created within the
 30 State Treasury. The fund shall be maintained by the State
 31 Treasurer as a separate and special fund, separate and apart from
 32 the General Fund of the state. The fund shall consist of any
 33 monies designated for deposit therein from any source, including
 34 proceeds of any state general obligation bonds issued under
 35 Sections 2 through 17 of this act, and all repayments of principal



36 and interest on loans made under the revolving loan program
37 authorized under this section. Unexpended amounts remaining in
38 the fund at the end of a fiscal year shall not lapse into the
39 State General Fund, and any interest earned or investment earnings
40 on amounts in the fund shall be deposited to the credit of the
41 fund. The expenditure of monies deposited into the fund shall be
42 under the direction of the Department of Finance and
43 Administration, based upon recommendations of the commission, and
44 such funds shall be paid by the State Treasurer upon warrants
45 issued by the Department of Finance and Administration. Monies in
46 the fund shall be used for the purposes provided in this section.

47 (3) A master water management district having satisfied the
48 requirements of Section 51-7-27 may apply to the commission for a
49 loan under the revolving loan program established under this
50 section.

51 (4) (a) The commission shall establish a revolving loan
52 program by which loans, at a rate of interest not to exceed one
53 percent (1%) less than the federal reserve discount rate, may be
54 made available to master water management districts to assist
55 master water management districts in carrying out projects and
56 duties provided for in Section 51-7-1 et seq. The commission may
57 establish a maximum amount for any loan in order to provide for
58 broad and equitable participation in the program.

59 (b) A master water management district that receives a
60 loan from the Master Water Management Districts Revolving Loan
61 Fund shall pledge for repayment of the loan the necessary portion
62 of any assessment made by the master water management district
63 under Section 51-7-29. Each loan agreement shall provide for (i)
64 monthly payments, (ii) semiannual payments, or (iii) other
65 periodic payments, the annual total of which shall not exceed the
66 annual total for any other year of the loan by more than fifteen
67 percent (15%). The loan agreement shall provide for the repayment



68 of all funds received within not more than twenty (20) years from
69 the date of project completion.

70 (5) In administering the provisions of this section the
71 commission shall have the following powers and duties:

72 (a) To supervise the use of all funds made available
73 under this section;

74 (b) To review and certify all projects for which funds
75 are authorized to be made available under this section;

76 (c) To insure that the funds made available under this
77 section provide for an equitable distribution of projects and
78 funds among the master water management districts in the state;

79 (d) To maintain an accurate record of all funds made
80 available to master water management districts and the costs for
81 each project;

82 (e) To file annually with the Legislature a report
83 detailing how monies in the Master Water Management Districts
84 Revolving Loan Fund were spent during the preceding fiscal year.
85 The annual report shall identify each loan recipient and provide a
86 summary and cost of each project;

87 (f) To adopt and promulgate such rules and regulations
88 as may be necessary or desirable for the purpose of implementing
89 the provisions of this section; and

90 (g) To take any action as may be necessary or desirable
91 for the purpose of carrying out the provisions of this section.

92 **SECTION 2.** As used in Sections 2 through 17 of this act, the
93 following words shall have the meanings ascribed herein unless the
94 context clearly requires otherwise:

95 (a) "Accreted value" of any bonds means, as of any date
96 of computation, an amount equal to the sum of (i) the stated
97 initial value of such bond, plus (ii) the interest accrued thereon
98 from the issue date to the date of computation at the rate,
99 compounded semiannually, that is necessary to produce the



100 approximate yield to maturity shown for bonds of the same
101 maturity.

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

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

104 **SECTION 3.** (1) The commission, at one time, or from time to
105 time, may declare by resolution the necessity for issuance of
106 general obligation bonds of the State of Mississippi to provide
107 funds for the Master Water Management Districts Revolving Loan
108 Fund created in Section 1 of this act. Upon the adoption of a
109 resolution by the Department of Finance and Administration,
110 declaring the necessity for the issuance of any part or all of the
111 general obligation bonds authorized by this section, the
112 Department of Finance and Administration shall deliver a certified
113 copy of its resolution or resolutions to the commission. Upon
114 receipt of such resolution, the commission, in its discretion, may
115 act as the issuing agent, prescribe the form of the bonds,
116 advertise for and accept bids, issue and sell the bonds so
117 authorized to be sold and do any and all other things necessary
118 and advisable in connection with the issuance and sale of such
119 bonds. The total amount of bonds issued under this act shall not
120 exceed Ten Million Dollars (\$10,000,000.00).

121 (2) The proceeds of bonds issued pursuant to Sections 2
122 through 17 of this act shall be deposited into the Master Water
123 Management Districts Revolving Loan Fund created in Section 1 of
124 this act. Any investment earnings on bonds issued pursuant to
125 Sections 2 through 17 of this act shall be used to pay debt
126 service on bonds issued under Sections 2 through 17 of this act,
127 in accordance with the proceedings authorizing issuance of such
128 bonds.

129 **SECTION 4.** The principal of and interest on the bonds
130 authorized under Sections 2 through 17 of this act shall be
131 payable in the manner provided in this section. Such bonds shall
132 bear such date or dates, be in such denomination or denominations,



133 bear interest at such rate or rates (not to exceed the limits set
134 forth in Section 75-17-101, Mississippi Code of 1972), be payable
135 at such place or places within or without the State of
136 Mississippi, shall mature absolutely at such time or times not to
137 exceed twenty-five (25) years from date of issue, be redeemable
138 before maturity at such time or times and upon such terms, with or
139 without premium, shall bear such registration privileges, and
140 shall be substantially in such form, all as shall be determined by
141 resolution of the commission.

142 **SECTION 5.** The bonds authorized by Sections 2 through 17 of
143 this act shall be signed by the chairman of the commission, or by
144 his facsimile signature, and the official seal of the commission
145 shall be affixed thereto, attested by the secretary of the
146 commission. The interest coupons, if any, to be attached to such
147 bonds may be executed by the facsimile signatures of such
148 officers. Whenever any such bonds shall have been signed by the
149 officials designated to sign the bonds who were in office at the
150 time of such signing but who may have ceased to be such officers
151 before the sale and delivery of such bonds, or who may not have
152 been in office on the date such bonds may bear, the signatures of
153 such officers upon such bonds and coupons shall nevertheless be
154 valid and sufficient for all purposes and have the same effect as
155 if the person so officially signing such bonds had remained in
156 office until their delivery to the purchaser, or had been in
157 office on the date such bonds may bear. However, notwithstanding
158 anything herein to the contrary, such bonds may be issued as
159 provided in the Registered Bond Act of the State of Mississippi.

160 **SECTION 6.** All bonds and interest coupons issued under the
161 provisions of Sections 2 through 17 of this act have all the
162 qualities and incidents of negotiable instruments under the
163 provisions of the Uniform Commercial Code, and in exercising the
164 powers granted by Sections 2 through 17 of this act, the



165 commission shall not be required to and need not comply with the
166 provisions of the Uniform Commercial Code.

167 **SECTION 7.** The commission shall act as the issuing agent for
168 the bonds authorized under Sections 2 through 17 of this act,
169 prescribe the form of the bonds, advertise for and accept bids,
170 issue and sell the bonds so authorized to be sold, pay all fees
171 and costs incurred in such issuance and sale, and do any and all
172 other things necessary and advisable in connection with the
173 issuance and sale of such bonds. The commission is authorized and
174 empowered to pay the costs that are incident to the sale, issuance
175 and delivery of the bonds authorized under Sections 2 through 17
176 of this act from the proceeds derived from the sale of such bonds.
177 The commission shall sell such bonds on sealed bids at public
178 sale, and for such price as it may determine to be for the best
179 interest of the State of Mississippi, but no such sale shall be
180 made at a price less than par plus accrued interest to the date of
181 delivery of the bonds to the purchaser. All interest accruing on
182 such bonds so issued shall be payable semiannually or annually;
183 however, the first interest payment may be for any period of not
184 more than one (1) year.

185 Notice of the sale of any such bonds shall be published at
186 least one (1) time, not less than ten (10) days before the date of
187 sale, and shall be so published in one or more newspapers
188 published or having a general circulation in the City of Jackson,
189 Mississippi, and in one or more other newspapers or financial
190 journals with a national circulation, to be selected by the
191 commission.

192 The commission, when issuing any bonds under the authority of
193 Sections 2 through 17 of this act, may provide that bonds, at the
194 option of the State of Mississippi, may be called in for payment
195 and redemption at the call price named therein and accrued
196 interest on such date or dates named therein.



197 **SECTION 8.** The bonds issued under the provisions of Sections
198 2 through 17 of this act are general obligations of the State of
199 Mississippi, and for the payment thereof the full faith and credit
200 of the State of Mississippi is irrevocably pledged. If the funds
201 appropriated by the Legislature are insufficient to pay the
202 principal of and the interest on such bonds as they become due,
203 then the deficiency shall be paid by the State Treasurer from any
204 funds in the State Treasury not otherwise appropriated. All such
205 bonds shall contain recitals on their faces substantially covering
206 the provisions of this section.

207 **SECTION 9.** Upon the issuance and sale of bonds under the
208 provisions of Sections 2 through 17 of this act, the commission
209 shall transfer the proceeds of any such sale or sales to the
210 Master Water Management Districts Revolving Loan Fund created in
211 Section 1 of this act. The proceeds of such bonds shall be
212 disbursed solely upon the order of the Department of Finance and
213 Administration under such restrictions, if any, as may be
214 contained in the resolution providing for the issuance of the
215 bonds.

216 **SECTION 10.** The bonds authorized under Sections 2 through 17
217 of this act may be issued without any other proceedings or the
218 happening of any other conditions or things other than those
219 proceedings, conditions and things which are specified or required
220 by Sections 2 through 17 of this act. Any resolution providing
221 for the issuance of bonds under the provisions of Sections 2
222 through 17 of this act shall become effective immediately upon its
223 adoption by the commission, and any such resolution may be adopted
224 at any regular or special meeting of the commission by a majority
225 of its members.

226 **SECTION 11.** The bonds authorized under the authority of
227 Sections 2 through 17 of this act may be validated in the Chancery
228 Court of the First Judicial District of Hinds County, Mississippi,
229 in the manner and with the force and effect provided by Chapter



230 13, Title 31, Mississippi Code of 1972, for the validation of
231 county, municipal, school district and other bonds. The notice to
232 taxpayers required by such statutes shall be published in a
233 newspaper published or having a general circulation in the City of
234 Jackson, Mississippi.

235 **SECTION 12.** Any holder of bonds issued under the provisions
236 of Sections 2 through 17 of this act or of any of the interest
237 coupons pertaining thereto may, either at law or in equity, by
238 suit, action, mandamus or other proceeding, protect and enforce
239 any and all rights granted under Sections 2 through 17 of this
240 act, or under such resolution, and may enforce and compel
241 performance of all duties required by Sections 2 through 17 of
242 this act to be performed, in order to provide for the payment of
243 bonds and interest thereon.

244 **SECTION 13.** All bonds issued under the provisions of
245 Sections 2 through 17 of this act shall be legal investments for
246 trustees and other fiduciaries, and for savings banks, trust
247 companies and insurance companies organized under the laws of the
248 State of Mississippi, and such bonds shall be legal securities
249 which may be deposited with and shall be received by all public
250 officers and bodies of this state and all municipalities and
251 political subdivisions for the purpose of securing the deposit of
252 public funds.

253 **SECTION 14.** Bonds issued under the provisions of Sections 2
254 through 17 of this act and income therefrom shall be exempt from
255 all taxation in the State of Mississippi.

256 **SECTION 15.** The proceeds of the bonds issued under Sections
257 2 through 17 of this act shall be used solely for the purposes
258 therein provided, including the costs incident to the issuance and
259 sale of such bonds.

260 **SECTION 16.** The State Treasurer is authorized, without
261 further process of law, to certify to the Department of Finance
262 and Administration the necessity for warrants, and the Department



263 of Finance and Administration is authorized and directed to issue
264 such warrants, in such amounts as may be necessary to pay when due
265 the principal of, premium, if any, and interest on, or the
266 accreted value of, all bonds issued under Sections 2 through 17 of
267 this act; and the State Treasurer shall forward the necessary
268 amount to the designated place or places of payment of such bonds
269 in ample time to discharge such bonds, or the interest thereon, on
270 the due dates thereof.

271 **SECTION 17.** Sections 2 through 17 of this act shall be
272 deemed to be full and complete authority for the exercise of the
273 powers therein granted, but Sections 2 through 17 of this act
274 shall not be deemed to repeal or to be in derogation of any
275 existing law of this state.

276 **SECTION 18.** Section 51-7-27, Mississippi Code of 1972, is
277 amended as follows:

278 51-7-27. For the purposes of carrying out the projects and
279 responsibilities outlined herein, the board of commissioners shall
280 have authority to borrow money at a rate of interest not exceeding
281 that allowed in Section 75-17-105, to issue its bonds, notes or
282 other evidences of indebtedness therefor in a principal amount not
283 exceeding the total amount assessed against all the real property
284 in the district under the provisions of this chapter. Such bonds
285 shall be issued only with the approval of the chancery court and
286 upon the same notice to landowners of the district given in the
287 same manner as provided herein in Section 51-7-11, in connection
288 with organization of the district. Such bonds, notes or other
289 evidences of indebtedness shall bear a rate of interest not
290 exceeding that allowed in Section 75-17-105, shall be issued in
291 denominations of not less than Five Hundred Dollars (\$500.00),
292 shall be signed by the president of said master water management
293 district and countersigned by the secretary; shall bear the seal
294 of the district; may be made payable either within or without the
295 state, to the persons or person to whom sold, or bearer, or bearer



296 simply, at the discretion of the commissioners; may be validated
297 in the manner provided by law for validation of bonds; may have
298 attached interest coupons bearing the facsimile signatures of the
299 president and secretary of the district; and shall be sold at
300 public sale, subject to approval of the chancery court. If any
301 protest against issuance of such bonds shall be filed, such
302 protest shall be heard and determination made thereon by the
303 chancery court; and appeals may be taken either by the
304 commissioners or the person filing the protest from the judgment
305 or order of the court, in the manner provided herein for other
306 appeals from judgments or orders of the court in connection with
307 said master water management districts.

308 If it is found to be beneficial to the district, the
309 commissioners may, in their discretion, deliver bonds by groups
310 instead of for the total bond issue, with interest payable from
311 the delivery date instead of the issue date, the delivery being
312 made for an amount of money estimated to be needed to finance the
313 district's operation for a year.

314 Notwithstanding the foregoing provisions of this section,
315 bonds referred to hereinabove may be issued pursuant to the
316 supplemental powers and authorizations conferred by the provisions
317 of the Registered Bond Act, being Sections 31-21-1 through
318 31-21-7.

319 If the board of commissioners desires to borrow funds under
320 the revolving loan program established under Section 1 of House
321 Bill No. _____, 2002 Regular Session, such indebtedness may be
322 incurred only with the approval of the chancery court and upon the
323 same notice to landowners of the master water management district
324 given in the same manner as provided in Section 51-7-11 in
325 connection with organization of the district. If any protest
326 against such proposed indebtedness shall be filed, such protest
327 shall be heard and determination made thereon by the chancery
328 court. Appeals may be taken either by the board of commissioners



329 or the person filing the protest from the judgment or order of the
330 court in the manner provided in this chapter for other appeals
331 from judgments or orders of the court in connection with master
332 water management districts.

333 **SECTION 19.** Section 51-7-29, Mississippi Code of 1972, is
334 amended as follows:

335 51-7-29. For the purposes of this chapter, including but not
336 limited to the construction and maintenance of works of
337 improvement, expenses of the board of commissioners, assessment of
338 benefits, * * * for repayment of bonds and interest as provided
339 herein and for repayment of any loan obtained under Section 1 of
340 House Bill No. _____, 2002 Regular Session, the commissioners of a
341 master water management district shall have authority to assess
342 the lands of the district in proportion to the benefits accruing
343 to said lands; provided, however, that for the purpose of
344 providing funds with which to clean out, restore, repair and
345 rehabilitate the whole or any part of the drainage system of such
346 district or for the purpose of cooperating with the United States
347 or any agency thereof in such works, there may be imposed a
348 uniform assessment by the commissioners of such master water
349 management district or, upon resolution of said commissioners, by
350 the commissioners of a drainage or subdrainage district on each
351 acre of unsubdivided land lying within the master district and a
352 uniform assessment by lot on subdivided land lying within the
353 master district and the records required in this chapter shall
354 show the amount of the assessment in lieu of the amount of
355 benefits accruing to each tract. Taxes levied hereunder are
356 hereby declared to be taxes for maintenance purposes and shall not
357 diminish in any manner the amount of assessed benefits in any such
358 district which is otherwise available for the payment of any
359 outstanding bonds of such district.

360 The assessments provided for in this section may be made even
361 though evidences of indebtedness have been issued or validated or



362 both prior thereto, but the lien of the holders of any such
363 indebtedness shall not be impaired thereby. No assessments shall
364 be made against lands owned by the State of Mississippi or any
365 political subdivision thereof, or lands owned by the United States
366 of America or any agency thereof. Such assessment shall be made
367 in such manner as to clearly show the name of the owner and the
368 description of the lands against which the assessment is made.
369 When the assessment has been made, the assessment roll shall be
370 filed with the chancery clerk and notice of such assessment shall
371 be given in the same manner that notice is given for other
372 purposes as provided in section 51-7-11. Such notice of
373 assessment shall include the date which the chancellor has set for
374 hearing of any protest of such assessment. Such protest shall
375 affect only the assessment against the person or persons making
376 the protest. The court on said date, or within thirty (30) days
377 thereafter, shall pass upon the assessment roll; and he shall have
378 the authority to approve the roll, order its revision, or modify
379 same, within his discretion. After said roll has been approved by
380 the court, copies thereof certified by the secretary of the board
381 of commissioners shall be transmitted to the boards of supervisors
382 and the tax collectors of the counties within which the lands of
383 said master water management district are located, and the said
384 boards of supervisors shall make the levy for taxes upon the said
385 lands on said assessment roll on such percentage basis as is
386 requested by the board of commissioners. If any landowners or the
387 board of commissioners are aggrieved at any assessment approved by
388 the chancellor, they shall have the right of appeal from the order
389 of the chancellor as provided for under section 51-7-23, but such
390 appeal shall not stay the collection of any tax levied on such
391 assessment. The tax collectors of the respective counties in
392 which such lands are located shall collect the taxes at the
393 regular times provided by law for the collection of real estate
394 taxes, and shall remit such collections to the secretary of said



395 district within thirty (30) days after expiration of the time
396 provided for payment thereof. All provisions of law for the sale
397 of land for delinquent ad valorem taxes shall be applicable in
398 effecting collection of any delinquent taxes which may be due
399 under provisions of this chapter, and suit may be maintained
400 against any delinquent taxpayer hereunder in the manner provided
401 by law. All liabilities and penalties pertaining to
402 responsibilities and duties of the tax collector generally shall
403 be applicable hereunder.

404 If a master water management district receives a loan under
405 the revolving loan program established under Section 1 of House
406 Bill No. _____, 2002 Regular Session, the board of commissioners
407 shall make an assessment under this section in the amount
408 necessary to repay such loan and shall pledge the revenues from
409 such assessment for the repayment of the loan.

410 At any time within three (3) years after the completion of
411 construction of improvements for which assessment has been made
412 under the provisions hereof, or within six (6) months after the
413 effective date of this section, whichever is later, any landowner
414 or group of landowners upon whose lands the original assessment or
415 benefits were improperly or erroneously made may file an action in
416 the chancery court of proper jurisdiction requesting modification
417 or removal of such assessments. Upon a hearing being had on such
418 action the chancellor shall make such findings of fact as the
419 evidence adduced may require and may either confirm the
420 assessments as originally made or may order such changes therein
421 as may be required so that the total cost of the works as
422 constructed may be borne by those lands in the district actually
423 benefited thereby in proportion to the benefits actually conferred
424 thereon by such improvements except as otherwise provided in this
425 section. Such order may be made even though evidences of
426 indebtedness have been issued and validated prior thereto, but the



427 lien of the holders of any such indebtedness shall not be impaired
428 thereby.

429 **SECTION 20.** Section 51-7-41, Mississippi Code of 1972, is
430 amended as follows:

431 51-7-41. Any master water management district which has no
432 unmatured bonded indebtedness or unmatured indebtedness incurred
433 under Section 1 of House Bill No. , 2002 Regular Session, or
434 both, and which has constructed no works of improvement or
435 projects as set forth herein or which has completed all purposes
436 for which it was created, may be dissolved by the chancery court
437 which organized said district in the manner hereinafter provided,
438 but the proceedings for its dissolution shall not be commenced
439 within three (3) years after the date of organization of such
440 district.

441 **SECTION 21.** This act shall take effect and be in force from
442 and after July 1, 2002.

