HOUSE BILL NO. 988

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

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

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

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

(2) A special fund to be designated the "Master Water Management Districts Revolving Loan Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. The fund shall consist of any monies designated for deposit therein from any source, including proceeds of any state general obligation bonds issued under Sections 2 through 17 of this act, and all repayments of principal...
and interest on loans made under the revolving loan program authorized under this section. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited to the credit of the fund. The expenditure of monies deposited into the fund shall be under the direction of the Department of Finance and Administration, based upon recommendations of the commission, and such funds shall be paid by the State Treasurer upon warrants issued by the Department of Finance and Administration. Monies in the fund shall be used for the purposes provided in this section.

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

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

(b) A master water management district that receives a loan from the Master Water Management Districts Revolving Loan Fund shall pledge for repayment of the loan the necessary portion of any assessment made by the master water management district under Section 51-7-29. Each loan agreement shall provide for (i) monthly payments, (ii) semiannual payments, or (iii) other periodic payments, the annual total of which shall not exceed the annual total for any other year of the loan by more than fifteen percent (15%). The loan agreement shall provide for the repayment
of all funds received within not more than twenty (20) years from
the date of project completion.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. (1) The commission, at one time, or from time to
time, may declare by resolution the necessity for issuance of
general obligation bonds of the State of Mississippi to provide
funds for the Master Water Management Districts Revolving Loan
Fund created in Section 1 of this act. Upon the adoption of a
resolution by the Department of Finance and Administration,
declaring the necessity for the issuance of any part or all of the
general obligation bonds authorized by this section, the
Department of Finance and Administration shall deliver a certified
copy of its resolution or resolutions to the commission. Upon
receipt of such resolution, the commission, 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 Sections 2
through 17 of this act shall be deposited into the Master Water
Management Districts Revolving Loan Fund created in Section 1 of
this act. Any investment earnings on bonds issued pursuant to
Sections 2 through 17 of this act shall be used to pay debt
service on bonds issued under Sections 2 through 17 of this act,
in accordance with the proceedings authorizing issuance of such
bonds.

SECTION 4. The principal of and interest on the bonds
authorized under Sections 2 through 17 of 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 5. The bonds authorized by Sections 2 through 17 of 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 of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

SECTION 6. All bonds and interest coupons issued under the provisions of Sections 2 through 17 of this act have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by Sections 2 through 17 of this act, the
commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

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

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

The commission, when issuing any bonds under the authority of Sections 2 through 17 of this act, may provide that bonds, at the option of the State of Mississippi, may be called in for payment and redemption at the call price named therein and accrued interest on such date or dates named therein.
SECTION 8. The bonds issued under the provisions of Sections 2 through 17 of this act are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. If the funds appropriated by the Legislature are insufficient to pay the principal of and the interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this section.

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

SECTION 10. The bonds authorized under Sections 2 through 17 of this act may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions and things which are specified or required by Sections 2 through 17 of this act. Any resolution providing for the issuance of bonds under the provisions of Sections 2 through 17 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 11. The bonds authorized under the authority of Sections 2 through 17 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 12. Any holder of bonds issued under the provisions of Sections 2 through 17 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 Sections 2 through 17 of this act, or under such resolution, and may enforce and compel performance of all duties required by Sections 2 through 17 of this act to be performed, in order to provide for the payment of bonds and interest thereon.

SECTION 13. All bonds issued under the provisions of Sections 2 through 17 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 14. Bonds issued under the provisions of Sections 2 through 17 of this act and income therefrom shall be exempt from all taxation in the State of Mississippi.

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

SECTION 16. 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
accrued value of, all bonds issued under Sections 2 through 17 of
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 17. Sections 2 through 17 of this act shall be
deemed to be full and complete authority for the exercise of the
powers therein granted, but Sections 2 through 17 of this act
shall not be deemed to repeal or to be in derogation of any
existing law of this state.

SECTION 18. Section 51-7-27, Mississippi Code of 1972, is
amended as follows:
51-7-27. For the purposes of carrying out the projects and
responsibilities outlined herein, the board of commissioners shall
have authority to borrow money at a rate of interest not exceeding
that allowed in Section 75-17-105, to issue its bonds, notes or
other evidences of indebtedness therefor in a principal amount not
exceeding the total amount assessed against all the real property
in the district under the provisions of this chapter. Such bonds
shall be issued only with the approval of the chancery court and
upon the same notice to landowners of the district given in the
same manner as provided herein in Section 51-7-11, in connection
with organization of the district. Such bonds, notes or other
evidences of indebtedness shall bear a rate of interest not
exceeding that allowed in Section 75-17-105, shall be issued in
denominations of not less than Five Hundred Dollars ($500.00),
shall be signed by the president of said master water management
district and countersigned by the secretary; shall bear the seal
of the district; may be made payable either within or without the
state, to the persons or person to whom sold, or bearer, or bearer
simply, at the discretion of the commissioners; may be validated
in the manner provided by law for validation of bonds; may have
attached interest coupons bearing the facsimile signatures of the
president and secretary of the district; and shall be sold at
public sale, subject to approval of the chancery court. If any
protest against issuance of such bonds shall be filed, such
protest shall be heard and determination made thereon by the
chancery court; and appeals may be taken either by the
commissioners or the person filing the protest from the judgment
or order of the court, in the manner provided herein for other
appeals from judgments or orders of the court in connection with
said master water management districts.

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

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

If the board of commissioners desires to borrow funds under
the revolving loan program established under Section 1 of House
Bill No. , 2002 Regular Session, such indebtedness may be
incurred only with the approval of the chancery court and upon the
same notice to landowners of the master water management district
given in the same manner as provided in Section 51-7-11 in
connection with organization of the district. If any protest
against such proposed indebtedness shall be filed, such protest
shall be heard and determination made thereon by the chancery
court. Appeals may be taken either by the board of commissioners
or the person filing the protest from the judgment or order of the court in the manner provided in this chapter for other appeals from judgments or orders of the court in connection with master water management districts.

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

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

The assessments provided for in this section may be made even though evidences of indebtedness have been issued or validated or
both prior thereto, but the lien of the holders of any such
indebtedness shall not be impaired thereby. No assessments shall
be made against lands owned by the State of Mississippi or any
political subdivision thereof, or lands owned by the United States
of America or any agency thereof. Such assessment shall be made
in such manner as to clearly show the name of the owner and the
description of the lands against which the assessment is made.
When the assessment has been made, the assessment roll shall be
filed with the chancery clerk and notice of such assessment shall
be given in the same manner that notice is given for other
purposes as provided in section 51-7-11. Such notice of
assessment shall include the date which the chancellor has set for
hearing of any protest of such assessment. Such protest shall
affect only the assessment against the person or persons making
the protest. The court on said date, or within thirty (30) days
thereafter, shall pass upon the assessment roll; and he shall have
the authority to approve the roll, order its revision, or modify
same, within his discretion. After said roll has been approved by
the court, copies thereof certified by the secretary of the board
of commissioners shall be transmitted to the boards of supervisors
and the tax collectors of the counties within which the lands of
said master water management district are located, and the said
boards of supervisors shall make the levy for taxes upon the said
lands on said assessment roll on such percentage basis as is
requested by the board of commissioners. If any landowners or the
board of commissioners are aggrieved at any assessment approved by
the chancellor, they shall have the right of appeal from the order
of the chancellor as provided for under section 51-7-23, but such
appeal shall not stay the collection of any tax levied on such
assessment. The tax collectors of the respective counties in
which such lands are located shall collect the taxes at the
regular times provided by law for the collection of real estate
taxes, and shall remit such collections to the secretary of said
district within thirty (30) days after expiration of the time
provided for payment thereof. All provisions of law for the sale
of land for delinquent ad valorem taxes shall be applicable in
effecting collection of any delinquent taxes which may be due
under provisions of this chapter, and suit may be maintained
against any delinquent taxpayer hereunder in the manner provided
by law. All liabilities and penalties pertaining to
responsibilities and duties of the tax collector generally shall
be applicable hereunder.

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

At any time within three (3) years after the completion of
construction of improvements for which assessment has been made
under the provisions hereof, or within six (6) months after the
effective date of this section, whichever is later, any landowner
or group of landowners upon whose lands the original assessment or
benefits were improperly or erroneously made may file an action in
the chancery court of proper jurisdiction requesting modification
or removal of such assessments. Upon a hearing being had on such
action the chancellor shall make such findings of fact as the
evidence adduced may require and may either confirm the
assessments as originally made or may order such changes therein
as may be required so that the total cost of the works as
constructed may be borne by those lands in the district actually
benefited thereby in proportion to the benefits actually conferred
thereon by such improvements except as otherwise provided in this
section. Such order may be made even though evidences of
indebtedness have been issued and validated prior thereto, but the
SECTION 20. Section 51-7-41, Mississippi Code of 1972, is amended as follows:

51-7-41. Any master water management district which has no unmatured bonded indebtedness or unmatured indebtedness incurred under Section 1 of House Bill No. 988, 2002 Regular Session, or both, and which has constructed no works of improvement or projects as set forth herein or which has completed all purposes for which it was created, may be dissolved by the chancery court which organized said district in the manner hereinafter provided, but the proceedings for its dissolution shall not be commenced within three (3) years after the date of organization of such district.

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