

By: Representative Ellington

To: Ways and Means

HOUSE BILL NO. 1688

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$8,750,000.00 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 \$17,100,000.00 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. Upon the adoption
 27 of a resolution by the Commission on Environmental Quality,
 28 declaring the necessity for the issuance of any part or all of the
 29 general obligation bonds authorized by this section, the
 30 Commission on Environmental Quality shall deliver a certified copy



31 of its resolution or resolutions to the commission. Upon receipt
32 of such resolution, the commission, in its discretion, may act as
33 the issuing agent, prescribe the form of the bonds, advertise for
34 and accept bids, issue and sell the bonds so authorized to be sold
35 and do any and all other things necessary and advisable in
36 connection with the issuance and sale of such bonds. The total
37 amount of bonds issued under this act shall not exceed Eight
38 Million Seven Hundred Fifty Thousand Dollars (\$8,750,000.00).

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

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

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



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

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

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



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

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

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

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

126 **SECTION 9.** The bonds authorized under this act may be issued
127 without any other proceedings or the happening of any other
128 conditions or things other than those proceedings, conditions and



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

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

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

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

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



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

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

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

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

182 Section 6. The board created in Section 41-3-16, at one
183 time, or from time to time, may declare by resolution the
184 necessity for issuance of general obligation bonds of the State of
185 Mississippi to provide funds for all costs incurred or to be
186 incurred by the board in constructing new water systems or
187 repairing existing water systems described in Section 41-3-16.
188 The board shall declare by such resolution the necessity for
189 issuance of general obligation bonds only to provide state
190 matching funds as necessary to avoid the loss of federal funds to
191 the State of Mississippi, or only as necessary to provide state
192 matching funds needed to provide loans to counties, incorporated
193 municipalities, districts and other water organizations that have
194 been granted tax exempt status under either federal or state law,



195 as provided in Section 41-3-16. Upon the adoption of a resolution
196 by the board, declaring the necessity for the issuance of any part
197 or all of the general obligation bonds authorized by this section,
198 the board shall deliver a certified copy of its resolution or
199 resolutions to the State Bond Commission. Upon receipt of such
200 resolution, the State Bond Commission, in its discretion, may act
201 as the issuing agent, prescribe the form of the bonds, advertise
202 for and accept bids, issue and sell the tax exempt or taxable
203 bonds so authorized to be sold, and do any and all other things
204 necessary and advisable in connection with the issuance and sale
205 of such bonds. The amount of bonds issued under Sections 6
206 through 20 of this act shall not exceed Seventeen Million One
207 Hundred Thousand Dollars (\$17,100,000.00), the proceeds of which
208 shall be deposited in the revolving fund and Five Million Dollars
209 (\$5,000,000.00), the proceeds of which shall be deposited in the
210 emergency fund.

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

224 Section 8. The bonds authorized by Section 6 of this act
225 shall be signed by the Chairman of the State Bond Commission, or
226 by his facsimile signature, and the official seal of the State
227 Bond Commission shall be affixed thereto, attested by the



228 Secretary of the State Bond Commission. The interest coupons, if
229 any, to be attached to such bonds may be executed by the facsimile
230 signatures of such officers. Whenever any such bonds shall have
231 been signed by the officials designated to sign the bonds who were
232 in office at the time of such signing but who may have ceased to
233 be such officers before the sale and delivery of such bonds, or
234 who may not have been in office on the date such bonds may bear,
235 the signatures of such officers upon such bonds and coupons shall
236 nevertheless be valid and sufficient for all purposes and have the
237 same effect as if the person so officially signing such bonds had
238 remained in office until their delivery to the purchaser, or had
239 been in office on the date such bonds may bear. However,
240 notwithstanding anything herein to the contrary, such bonds may be
241 issued as provided in the Registered Bond Act of the State of
242 Mississippi.

243 Section 9. All bonds and interest coupons issued under the
244 provisions of Sections 6 through 20 of this act have all the
245 qualities and incidents of negotiable instruments under the
246 provisions of the Mississippi Uniform Commercial Code, and in
247 exercising the powers granted by Sections 6 through 20 of this
248 act, the State Bond Commission shall not be required to and need
249 not comply with the provisions of the Mississippi Uniform
250 Commercial Code.

251 Section 10. The State Bond Commission shall act as the
252 issuing agent for the bonds authorized under Sections 6 through 20
253 of this act, prescribe the form of the bonds, advertise for and
254 accept bids, issue and sell the bonds so authorized to be sold,
255 pay all fees and costs incurred in such issuance and sale, and do
256 all other things necessary and advisable in connection with the
257 issuance and sale of the bonds. The State Bond Commission may pay
258 the costs that are incident to the sale, issuance and delivery of
259 the bonds authorized under Sections 6 through 20 of this act from
260 the proceeds derived from the sale of the bonds. The State Bond



261 Commission shall sell such bonds on sealed bids at public sale,
262 and for such price as it may determine to be for the best interest
263 of the State of Mississippi, but no such sale may be made at a
264 price less than par plus accrued interest to the date of delivery
265 of the bonds to the purchaser. All interest accruing on such
266 bonds so issued shall be payable semiannually or annually;
267 however, the first interest payment may be for any period of not
268 more than one (1) year.

269 Notice of the sale of any such bond shall be published at
270 least one time, not less than ten (10) days before the date of
271 sale, and shall be so published in one or more newspapers
272 published or having a general circulation in the City of Jackson,
273 Mississippi, and in one or more other newspapers or financial
274 journals with a national circulation, to be selected by the State
275 Bond Commission.

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

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

291 Section 12. The State Treasurer is authorized, without
292 further process of law, to certify to the Department of Finance
293 and Administration the necessity for warrants, and the Department



294 of Finance and Administration is authorized and directed to issue
295 such warrants, in such amounts as may be necessary to pay when due
296 the principal of, premium, if any, and interest on, or the
297 accreted value of, all bonds issued under this act; and the State
298 Treasurer shall forward the necessary amount to the designated
299 place or places of payment of such bonds in ample time to
300 discharge such bonds, or the interest on the bonds, on their due
301 dates.

302 Section 13. Upon the issuance and sale of bonds under the
303 provisions of Sections 6 through 20 of this act, the State Bond
304 Commission shall transfer the proceeds of any sale or sales of
305 bonds to the revolving fund and the emergency fund in the amounts
306 specified in Section 6 of this act. After such transfer, all
307 interest earned on the proceeds of such bonds shall be deposited
308 to the revolving fund and the emergency fund, to be used only for
309 the purposes established in Section 41-3-16. The proceeds of such
310 bonds shall be disbursed solely upon the order of the board
311 created in Section 1 of this act under such restrictions, if any,
312 as may be contained in the resolution providing for the issuance
313 of the bonds.

314 Section 14. The bonds authorized under Sections 6 through 20
315 of this act may be issued without any other proceedings or the
316 happening of any other conditions or things other than those
317 proceedings, conditions and things which are specified or required
318 by Sections 6 through 20 of this act. Any resolution providing
319 for the issuance of bonds under the provisions of Sections 6
320 through 20 of this act shall become effective immediately upon its
321 adoption by the State Bond Commission, and any such resolution may
322 be adopted at any regular or special meeting of the State Bond
323 Commission by a majority of its members.

324 Section 15. The bonds authorized under the authority of
325 Sections 6 through 20 of this act may be validated in the Chancery
326 Court of the First Judicial District of Hinds County, Mississippi,



327 in the manner and with the force and effect provided by Chapter
328 13, Title 31, Mississippi Code of 1972, for the validation of
329 county, municipal, school district and other bonds. The notice to
330 taxpayers required by such statutes shall be published in a
331 newspaper published or having a general circulation in the City of
332 Jackson, Mississippi.

333 Section 16. Any holder of bonds issued under the provisions
334 of Sections 6 through 20 of this act or of any of the interest
335 coupons pertaining thereto may, either at law or in equity, by
336 suit, action, mandamus or other proceeding, protect and enforce
337 all rights granted under Sections 6 through 20 of this act, or
338 under such resolution, and may enforce and compel performance of
339 all duties required by Sections 6 through 20 of this act to be
340 performed, in order to provide for the payment of bonds and
341 interest thereon.

342 Section 17. All bonds issued under the provisions of
343 Sections 6 through 20 of this act shall be legal investments for
344 trustees and other fiduciaries, and for savings banks, trust
345 companies and insurance companies organized under the laws of the
346 State of Mississippi, and such bonds shall be legal securities
347 which may be deposited with and shall be received by all public
348 officers and bodies of this state and all municipalities and
349 political subdivisions for the purpose of securing the deposit of
350 public funds.

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

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

358 Section 20. Sections 6 through 20 of this act shall be
359 deemed to be full and complete authority for the exercise of the



360 powers granted, but Sections 6 through 20 of this act shall not be
361 deemed to repeal or to be in derogation of any existing law of
362 this state.

363 **SECTION 18.** This act shall take effect and be in force from
364 and after its passage.

