

By: Senator(s) Nunnelee

To: Finance

SENATE BILL NO. 2104

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. 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 Thousand Dollars (\$8,700,000.00).

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 (1) 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 time  
183 or, from time to time, may declare by resolution the necessity for  
184 issuance of general obligation bonds of the State of Mississippi  
185 to provide funds for all costs incurred or to be incurred by the  
186 board in constructing new water systems or repairing existing  
187 water systems described in Section 41-3-16. Upon the adoption of  
188 a resolution by the board, declaring the necessity for the  
189 issuance of any part or all of the general obligation bonds  
190 authorized by this section, the board shall deliver a certified  
191 copy of its resolution or resolutions to the State Bond  
192 Commission. Upon receipt of such resolution, the State Bond  
193 Commission, in its discretion, may act as the issuing agent,  
194 prescribe the form of the bonds, advertise for and accept bids,



195 issue and sell the tax exempt or taxable bonds so authorized to be  
196 sold, and do any and all other things necessary and advisable in  
197 connection with the issuance and sale of such bonds. The amount  
198 of bonds issued under Sections 6 through 20 of this act shall not  
199 exceed Seventeen Million Six Hundred Thousand Dollars  
200 (\$17,600,000.00), the proceeds of which shall be deposited in the  
201 revolving fund and Five Million Dollars (\$5,000,000.00), the  
202 proceeds of which shall be deposited in the emergency fund.

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

216 Section 8. The bonds authorized by Section 6 of this act  
217 shall be signed by the Chairman of the State Bond Commission, or  
218 by his facsimile signature, and the official seal of the State  
219 Bond Commission shall be affixed thereto, attested by the  
220 Secretary of the State Bond Commission. The interest coupons, if  
221 any, to be attached to such bonds may be executed by the facsimile  
222 signatures of such officers. Whenever any such bonds shall have  
223 been signed by the officials designated to sign the bonds who were  
224 in office at the time of such signing but who may have ceased to  
225 be such officers before the sale and delivery of such bonds, or  
226 who may not have been in office on the date such bonds may bear,  
227 the signatures of such officers upon such bonds and coupons shall



228 nevertheless be valid and sufficient for all purposes and have the  
229 same effect as if the person so officially signing such bonds had  
230 remained in office until their delivery to the purchaser, or had  
231 been in office on the date such bonds may bear. However,  
232 notwithstanding anything herein to the contrary, such bonds may be  
233 issued as provided in the Registered Bond Act of the State of  
234 Mississippi.

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

243 Section 10. The State Bond Commission shall act as the  
244 issuing agent for the bonds authorized under Sections 6 through 20  
245 of this act, prescribe the form of the bonds, advertise for and  
246 accept bids, issue and sell the bonds so authorized to be sold,  
247 pay all fees and costs incurred in such issuance and sale, and do  
248 all other things necessary and advisable in connection with the  
249 issuance and sale of the bonds. The State Bond Commission may pay  
250 the costs that are incident to the sale, issuance and delivery of  
251 the bonds authorized under Sections 6 through 20 of this act from  
252 the proceeds derived from the sale of the bonds. The State Bond  
253 Commission shall sell such bonds on sealed bids at public sale,  
254 and for such price as it may determine to be for the best interest  
255 of the State of Mississippi, but no such sale may be made at a  
256 price less than par plus accrued interest to the date of delivery  
257 of the bonds to the purchaser. All interest accruing on such  
258 bonds so issued shall be payable semiannually or annually;  
259 however, the first interest payment may be for any period of not  
260 more than one (1) year.



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

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

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

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



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

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

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

322 Section 16. Any holder of bonds issued under the provisions  
323 of Sections 6 through 20 of this act or of any of the interest  
324 coupons pertaining thereto may, either at law or in equity, by  
325 suit, action, mandamus or other proceeding, protect and enforce  
326 all rights granted under Sections 6 through 20 of this act, or



327 under such resolution, and may enforce and compel performance of  
328 all duties required by Sections 6 through 20 of this act to be  
329 performed, in order to provide for the payment of bonds and  
330 interest thereon.

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

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

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

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

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

