

By: Senator(s) Jordan

To: Finance

SENATE BILL NO. 2272

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
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 Upon the adoption of a resolution by the board, declaring the
189 necessity for the issuance of any part or all of the general
190 obligation bonds authorized by this section, the board shall
191 deliver a certified copy of its resolution or resolutions to the
192 State Bond Commission. Upon receipt of such resolution, the State
193 Bond 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.

