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To: Finance

SENATE BILL NO. 2018

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS IN AN AMOUNT NOT TO EXCEED \$10,000,000.00; TO PROVIDE FUNDS
3 FOR THE DISASTER ASSISTANCE TRUST FUND TO PAY MATCHING FUNDS FOR
4 TORNADO OR OTHER STORM DAMAGE TO PUBLIC FACILITIES AND
5 INFRASTRUCTURE OCCURRING ON NOVEMBER 10, 2002; TO AMEND SECTIONS
6 33-15-305 AND 33-15-307, MISSISSIPPI CODE OF 1972, TO CHANGE THE
7 DEFINITION OF THE TERM "PROJECT" AS IT IS USED IN THE DISASTER
8 ASSISTANCE ACT OF 1993; TO AUTHORIZE THE PROCEEDS OF THE BONDS
9 ISSUED PURSUANT TO THIS ACT TO BE DEPOSITED INTO THE DISASTER
10 ASSISTANCE TRUST FUND AND TO REVISE THE PURPOSES FOR WHICH MONEY
11 IN SUCH FUND MAY BE USED; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** As used in Sections 1 through 16 of this act, the
14 following words shall have the meanings ascribed herein unless the
15 context clearly requires otherwise:

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

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

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

25 **SECTION 2.** (1) The commission, at one time, or from time to
26 time, may declare by resolution the necessity for issuance of
27 general obligation bonds of the State of Mississippi to provide
28 funds for the state's portion of the cost share for public
29 assistance under a major disaster declaration for tornado or other
30 storm damage to public facilities and infrastructure occurring on



31 November 10, 2002. Upon the adoption of a resolution by the
32 Mississippi Emergency Management Agency, declaring the necessity
33 for the issuance of any part or all of the general obligation
34 bonds authorized by this section, the Mississippi Emergency
35 Management Agency shall deliver a certified copy of its resolution
36 or resolutions to the commission. Upon receipt of such
37 resolution, the commission, in its discretion, may act as the
38 issuing agent, prescribe the form of the bonds, advertise for and
39 accept bids, issue and sell the bonds so authorized to be sold and
40 do any and all other things necessary and advisable in connection
41 with the issuance and sale of such bonds. The total amount of
42 bonds issued under Sections 1 through 16 of this act shall not
43 exceed Ten Million Dollars (\$10,000,000.00). No bonds authorized
44 under Sections 1 through 16 of this act shall be issued after
45 January 1, 2006.

46 (2) The proceeds of bonds issued pursuant to Sections 1
47 through 16 of this act shall be deposited into the Disaster
48 Assistance Trust Fund created pursuant to Section 33-15-307.

49 **SECTION 3.** The principal of and interest on the bonds
50 authorized under Sections 1 through 16 of this act shall be
51 payable in the manner provided in this section. Such bonds shall
52 bear such date or dates, be in such denomination or denominations,
53 bear interest at such rate or rates (not to exceed the limits set
54 forth in Section 75-17-101, Mississippi Code of 1972), be payable
55 at such place or places within or without the State of
56 Mississippi, shall mature absolutely at such time or times not to
57 exceed twenty-five (25) years from date of issue, be redeemable
58 before maturity at such time or times and upon such terms, with or
59 without premium, shall bear such registration privileges, and
60 shall be substantially in such form, all as shall be determined by
61 resolution of the commission.

62 **SECTION 4.** The bonds authorized by Sections 1 through 16 of
63 this act shall be signed by the chairman of the commission, or by



64 his facsimile signature, and the official seal of the commission
65 shall be affixed thereto, attested by the secretary of the
66 commission. The interest coupons, if any, to be attached to such
67 bonds may be executed by the facsimile signatures of such
68 officers. Whenever any such bonds shall have been signed by the
69 officials designated to sign the bonds who were in office at the
70 time of such signing but who may have ceased to be such officers
71 before the sale and delivery of such bonds, or who may not have
72 been in office on the date such bonds may bear, the signatures of
73 such officers upon such bonds and coupons shall nevertheless be
74 valid and sufficient for all purposes and have the same effect as
75 if the person so officially signing such bonds had remained in
76 office until their delivery to the purchaser, or had been in
77 office on the date such bonds may bear. However, notwithstanding
78 anything herein to the contrary, such bonds may be issued as
79 provided in the Registered Bond Act of the State of Mississippi.

80 **SECTION 5.** All bonds and interest coupons issued under the
81 provisions of Sections 1 through 16 of this act have all the
82 qualities and incidents of negotiable instruments under the
83 provisions of the Uniform Commercial Code, and in exercising the
84 powers granted by Sections 1 through 16 of this act, the
85 commission shall not be required to and need not comply with the
86 provisions of the Uniform Commercial Code.

87 **SECTION 6.** The commission shall act as the issuing agent for
88 the bonds authorized under Sections 1 through 16 of this act,
89 prescribe the form of the bonds, advertise for and accept bids,
90 issue and sell the bonds so authorized to be sold, pay all fees
91 and costs incurred in such issuance and sale, and do any and all
92 other things necessary and advisable in connection with the
93 issuance and sale of such bonds. The commission is authorized and
94 empowered to pay the costs that are incident to the sale, issuance
95 and delivery of the bonds authorized under Sections 1 through 16
96 of this act from the proceeds derived from the sale of such bonds.



97 The commission shall sell such bonds on sealed bids at public
98 sale, and for such price as it may determine to be for the best
99 interest of the State of Mississippi, but no such sale shall be
100 made at a price less than par plus accrued interest to the date of
101 delivery of the bonds to the purchaser. All interest accruing on
102 such bonds so issued shall be payable semiannually or annually;
103 however, the first interest payment may be for any period of not
104 more than one (1) year.

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

112 The commission, when issuing any bonds under the authority of
113 Sections 1 through 16 of this act, may provide that bonds, at the
114 option of the State of Mississippi, may be called in for payment
115 and redemption at the call price named therein and accrued
116 interest on such date or dates named therein.

117 **SECTION 7.** The bonds issued under the provisions of Sections
118 1 through 16 of this act are general obligations of the State of
119 Mississippi, and for the payment thereof the full faith and credit
120 of the State of Mississippi is irrevocably pledged. If the funds
121 appropriated by the Legislature are insufficient to pay the
122 principal of and the interest on such bonds as they become due,
123 then the deficiency shall be paid by the State Treasurer from any
124 funds in the State Treasury not otherwise appropriated. All such
125 bonds shall contain recitals on their faces substantially covering
126 the provisions of this section.

127 **SECTION 8.** Upon the issuance and sale of bonds under the
128 provisions of Sections 1 through 16 of this act, the commission
129 shall transfer the proceeds of any such sale or sales to the



130 Disaster Assistance Trust Fund created pursuant to Section
131 33-15-307. The proceeds of such bonds shall be disbursed solely
132 upon the order of the Mississippi Emergency Management Agency
133 under such restrictions, if any, as may be contained in the
134 resolution providing for the issuance of the bonds.

135 **SECTION 9.** The bonds authorized under Sections 1 through 16
136 of this act may be issued without any other proceedings or the
137 happening of any other conditions or things other than those
138 proceedings, conditions and things which are specified or required
139 by Sections 1 through 16 of this act. Any resolution providing
140 for the issuance of bonds under the provisions of Sections 1
141 through 16 of this act shall become effective immediately upon its
142 adoption by the commission, and any such resolution may be adopted
143 at any regular or special meeting of the commission by a majority
144 of its members.

145 **SECTION 10.** The bonds authorized under the authority of
146 Sections 1 through 16 of this act may be validated in the Chancery
147 Court of the First Judicial District of Hinds County, Mississippi,
148 in the manner and with the force and effect provided by Chapter
149 13, Title 31, Mississippi Code of 1972, for the validation of
150 county, municipal, school district and other bonds. The notice to
151 taxpayers required by such statutes shall be published in a
152 newspaper published or having a general circulation in the City of
153 Jackson, Mississippi.

154 **SECTION 11.** Any holder of bonds issued under the provisions
155 of Sections 1 through 16 of this act or of any of the interest
156 coupons pertaining thereto may, either at law or in equity, by
157 suit, action, mandamus or other proceeding, protect and enforce
158 any and all rights granted under Sections 1 through 16 of this
159 act, or under such resolution, and may enforce and compel
160 performance of all duties required by Sections 1 through 16 of
161 this act to be performed, in order to provide for the payment of
162 bonds and interest thereon.



163 **SECTION 12.** All bonds issued under the provisions of
164 Sections 1 through 16 of this act shall be legal investments for
165 trustees and other fiduciaries, and for savings banks, trust
166 companies and insurance companies organized under the laws of the
167 State of Mississippi, and such bonds shall be legal securities
168 which may be deposited with and shall be received by all public
169 officers and bodies of this state and all municipalities and
170 political subdivisions for the purpose of securing the deposit of
171 public funds.

172 **SECTION 13.** Bonds issued under the provisions of Sections 1
173 through 16 of this act and income therefrom shall be exempt from
174 all taxation in the State of Mississippi.

175 **SECTION 14.** The proceeds of the bonds issued under Sections
176 1 through 16 of this act shall be used solely for the purposes
177 therein provided, including the costs incident to the issuance and
178 sale of such bonds.

179 **SECTION 15.** The State Treasurer is authorized, without
180 further process of law, to certify to the Department of Finance
181 and Administration the necessity for warrants, and the Department
182 of Finance and Administration is authorized and directed to issue
183 such warrants, in such amounts as may be necessary to pay when due
184 the principal of, premium, if any, and interest on, or the
185 accreted value of, all bonds issued under Sections 1 through 16 of
186 this act; and the State Treasurer shall forward the necessary
187 amount to the designated place or places of payment of such bonds
188 in ample time to discharge such bonds, or the interest thereon, on
189 the due dates thereof.

190 **SECTION 16.** Sections 1 through 16 of this act shall be
191 deemed to be full and complete authority for the exercise of the
192 powers therein granted, but Sections 1 through 16 of this act
193 shall not be deemed to repeal or to be in derogation of any
194 existing law of this state.



195 **SECTION 17.** Section 33-15-305, Mississippi Code of 1972, is
196 amended as follows:

197 33-15-305. The following terms shall have the meanings
198 ascribed in this section, unless the context requires otherwise:

199 (a) "Director" means the Director of the Mississippi
200 Emergency Management Agency.

201 (b) "Disaster" means a fire, flood, storm, tornado,
202 hurricane, earthquake or other similar public calamity resulting
203 directly from man-made, technological or natural causes.

204 (c) "Local agency" means any municipality, county or
205 special district.

206 (d) "Local emergency" means the existence of conditions
207 of disaster or extreme peril to the safety of persons and property
208 within a county or municipality proclaimed by the local governing
209 body in accordance with Section 33-15-17(d).

210 (e) "Project" means the repair or restoration, or both,
211 other than normal maintenance, or the replacement of public real
212 property of a local agency or a state agency, including, but not
213 limited to, buildings, schools, levees, flood control works,
214 channels, irrigation works, city streets, county roads, bridges
215 and other public works, including those facilities used for
216 recreation purposes, that are damaged or destroyed by a disaster.

217 (f) "Project application" means the written application
218 made by a state or local agency to the director for federal and
219 state financial assistance, which shall include all damage to
220 public property that resulted from a disaster within the
221 jurisdiction of the agency making application.

222 (g) "State agency" means any agency, department,
223 commission, board, institution or special district of the state.

224 (h) "State of emergency" means the existence of
225 conditions of disaster or extreme peril to the safety of persons
226 or property within the state declared by the Governor in
227 accordance with Section 33-15-11(b)(16).



228 (i) "Trust fund" means the Disaster Assistance Trust
229 Fund.

230 **SECTION 18.** Section 33-15-307, Mississippi Code of 1972, is
231 amended as follows:

232 33-15-307. (1) The provisions of this article shall be
233 invoked only pursuant to a state of emergency declared by the
234 Governor or an emergency or major disaster declared by the
235 President, or pursuant to an executive order of the Governor, or
236 administrative order of the director, in order to provide state or
237 local government resources and personnel in compliance with the
238 provisions of the Emergency Management Assistance Compact, Section
239 45-18-1 et seq., or in nondeclared times for administrative and
240 training costs associated with state disaster response and
241 recovery programs. Each declaration shall cite the cause for the
242 declaration and define the area eligible for assistance and the
243 type of assistance to be provided.

244 (2) The Disaster Assistance Trust Fund is created as a
245 special fund in the State Treasury into which shall be paid any
246 funds appropriated or otherwise made available by the Legislature
247 for disaster assistance, any funds transferred from the Working
248 Cash-Stabilization Reserve Fund as provided under subsection (5)
249 of this section, any income from investment of the funds in the
250 trust fund, and federal reimbursement for administrative costs for
251 management of the Individual and Family Grant Program, the Public
252 Assistance Program, the Hazard Mitigation Program and Disaster
253 Reservist Program.

254 (3) Income from investment of the funds in the trust fund,
255 and all other funds deposited therein pursuant to law, shall be
256 available for expenditure, transfer and allocation pursuant to
257 this article.

258 (4) The Disaster Assistance Trust Fund shall be used only
259 for the following purposes:



260 (a) The state's portion of the cost share for public
261 assistance under a major disaster declaration.

262 (b) The state's cost share of the Individual and Family
263 Grant (IFG) Program under the provisions of Section 43-41-1 et
264 seq.

265 (c) Administrative costs for managing the IFG Program.

266 (d) Administrative costs for managing the Public
267 Assistance Program.

268 (e) The Temporary Housing Program under provisions of
269 Section 43-41-301 et seq.

270 (f) Out-of-pocket expenses, including travel, per diem,
271 overtime and other similar expenses, of state or local agencies
272 when so tasked by the Governor or the director for emergency
273 response under the provisions of Section 33-15-11(b)(7) and
274 current executive orders. This includes actual emergency response
275 and recovery activities, and applies to mobilization and
276 deployment of state or local agencies to another state under the
277 provisions of the Emergency Management Assistance Compact.

278 (g) Costs incurred as a result of state active duty for
279 the Mississippi National Guard when so tasked by the Governor to
280 provide support to other agencies and local governments in a major
281 disaster or emergency situation, or when tasked by the Governor to
282 provide support to another state under the provisions of the
283 Emergency Management Assistance Compact.

284 (h) The state's portion of the cost share for hazard
285 mitigation under a major disaster declaration.

286 (i) Administrative costs of the Hazard Mitigation
287 Program.

288 (j) Costs incurred as a result of the implementation of
289 the Disaster Reservist Program under a major disaster declaration.

290 (k) Administrative costs of the Disaster Reservist
291 Program.



292 (1) Costs incurred as a result of the implementation of
293 public assistance, and/or individual assistance, and/or Disaster
294 Reservist Program, and/or hazard mitigation, and/or temporary
295 housing under a Governor's state of emergency.

296 (m) The state's portion of the cost share for public
297 assistance under a major disaster declaration for tornado or other
298 storm damage to public facilities and infrastructure occurring on
299 November 10, 2002, as provided in Sections 1 through 16 of Senate
300 Bill No. _____, 2002 Third Extraordinary Session.

301 (5) Whenever the director determines that funds are
302 immediately needed in the Disaster Assistance Trust Fund to
303 provide for disaster assistance under this article, he shall
304 notify the Executive Director of the Department of Finance and
305 Administration of his determination and shall requisition the
306 amount of funds from the Working Cash-Stabilization Fund that are
307 needed in the trust fund, which shall be subject to the
308 limitations set forth below in this subsection. At the same time
309 he makes the requisition, the director shall notify the Lieutenant
310 Governor, the Speaker of the House of Representatives and the
311 respective Chairmen of the Senate Appropriations Committee, the
312 Senate Finance Committee, the House Appropriations Committee and
313 the House Ways and Means Committee of his determination of the
314 need for the funds and the amount that he has requisitioned. Upon
315 receipt of such a requisition from the director, the Executive
316 Director of the Department of Finance and Administration shall
317 ascertain if the amount requisitioned is available in the Working
318 Cash-Stabilization Reserve Fund and is within the limitations set
319 forth below in this subsection and, if it is, he shall transfer
320 that amount from the Working Cash-Stabilization Reserve Fund to
321 the trust fund. If the amount requisitioned is more than the
322 amount available in the Working Cash-Stabilization Fund or above
323 the limitations set forth below in this subsection, the executive
324 director shall transfer the amount that is available within the



325 limitations. The maximum amount that may be transferred from the
326 Working Cash-Stabilization Reserve Fund to the trust fund for any
327 one (1) disaster occurrence shall be Five Hundred Thousand Dollars
328 (\$500,000.00) and the maximum amount that may be transferred
329 during any fiscal year shall be One Million Dollars
330 (\$1,000,000.00).

331 (6) Unexpended state funds in the Disaster Assistance Trust
332 Fund at the end of a fiscal year shall not lapse into the State
333 General Fund but shall remain in the trust fund for use under this
334 article for as long as the funds are needed for the particular
335 purpose for which they were appropriated, deposited or transferred
336 into the trust fund. After any state funds in the trust fund are
337 no longer needed for the particular purpose for which they were
338 appropriated, deposited or transferred into the trust fund, the
339 director may use those funds for any other purpose under this
340 article for which they currently are needed and for which other
341 funds are not available. If there is no current need for such
342 funds for any purpose under this article, the funds and the income
343 earned from the investment of the funds shall be transferred back
344 to the particular fund or funds in the State Treasury from which
345 they were appropriated or transferred into the trust fund, upon
346 certification of the director to the Executive Director of the
347 Department of Finance and Administration that the funds are not
348 currently needed; however, if such funds are derived from the
349 proceeds of general obligation bonds issued by the state, such
350 excess funds and the income earned from such funds shall be
351 utilized to pay the debt service on the bonds.

352 **SECTION 19.** This act shall take effect and be in force from
353 and after its passage.

