

By: Representative Ryals

To: Insurance; Ways and Means

HOUSE BILL NO. 1229

1 AN ACT TO ESTABLISH A RURAL FIRE RESCUE AND EXTRICATION  
2 EQUIPMENT ACQUISITION ASSISTANCE PROGRAM TO BE ADMINISTERED BY THE  
3 DEPARTMENT OF INSURANCE FOR THE PURPOSE OF ASSISTING COUNTIES AND  
4 MUNICIPALITIES IN THE ACQUISITION OF FIRE RESCUE AND EXTRICATION  
5 EQUIPMENT; TO CREATE IN THE STATE TREASURY A SPECIAL FUND; TO  
6 PROVIDE THAT MONIES IN THE FUND SHALL BE USED AND DISTRIBUTED BY  
7 THE DEPARTMENT OF INSURANCE IN THE FORM OF GRANTS TO COUNTIES AND  
8 CITIES FOR THE PURPOSE OF ASSISTING COUNTIES AND CITIES IN  
9 PURCHASING FIRE RESCUE AND EXTRICATION EQUIPMENT FOR USE IN RURAL  
10 AREAS; TO PRESCRIBE ELIGIBILITY REQUIREMENTS FOR COUNTIES AND  
11 CITIES TO RECEIVE SUCH GRANTS UNDER THIS ACT; TO REQUIRE COUNTIES  
12 AND CITIES TO SUPPLY ADEQUATE DOCUMENTATION THAT FIRE DEPARTMENTS  
13 ARE CERTIFIED IN THE PROPER USE OF THE EQUIPMENT AT THE TIME OF  
14 APPLICATION OR WILL BE WITHIN ONE YEAR THEREAFTER AND TO REQUIRE  
15 EACH SUCH FIRE DEPARTMENT TO BE RECERTIFIED ANNUALLY; TO PROVIDE  
16 FOR REDISTRIBUTION OF SUCH EQUIPMENT UPON FAILURE OF SUCH FIRE  
17 DEPARTMENTS TO BE RECERTIFIED; TO AUTHORIZE THE ISSUANCE OF  
18 \$3,750,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS  
19 FOR THE RURAL FIRE RESCUE AND EXTRICATION EQUIPMENT ACQUISITION  
20 ASSISTANCE PROGRAM; TO PROVIDE THAT PROCEEDS FROM THE BONDS SHALL  
21 BE DEPOSITED INTO THE SPECIAL FUND; AND FOR RELATED PURPOSES.

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

23 **SECTION 1.** (1) There is established a rural fire rescue and  
24 extrication equipment acquisition assistance program to be  
25 administered by the Department of Insurance for the purpose of  
26 assisting counties and municipalities in the acquisition of fire  
27 rescue and extrication equipment.

28 (2) There is created in the State Treasury a special fund to  
29 be designated as the "Rural Fire Rescue and Extrication Equipment  
30 Acquisition Assistance Fund." There shall be deposited into the  
31 fund the proceeds of the bonds issued under Sections 2 through 17  
32 of this act. Unexpended amounts remaining in the fund at the end  
33 of a fiscal year shall not lapse into the State General Fund, and  
34 any interest earned on amounts in the fund shall be deposited to  
35 the credit of the fund. Monies in the fund shall be used and  
36 distributed by the Department of Insurance in the form of grants



37 to counties and cities for the purpose of assisting counties and  
38 cities in purchasing fire rescue and extrication equipment for use  
39 in rural areas. As used in this act, the term "rural areas" means  
40 any area within the county located outside the boundaries of an  
41 incorporated municipality or any incorporated municipality with a  
42 population of two thousand five hundred (2,500) or less.

43 (3) The board of supervisors of any county or the governing  
44 authorities of any municipality that wishes to participate in the  
45 program shall submit its request for the receipt of monies to the  
46 Department of Insurance. A committee composed of the Commissioner  
47 of Insurance, the State Fire Coordinator and the Director of the  
48 State Fire Academy shall review the requests by boards of  
49 supervisors and governing authorities of municipalities to  
50 determine whether the county or municipality meets the  
51 requirements of eligibility under this act. To be eligible to  
52 receive monies under this act:

53 (a) The county or municipality must supply adequate  
54 documentation to the committee that any fire department on whose  
55 behalf money will be granted is certified in the proper use of the  
56 equipment at the time of application or will be within one (1)  
57 year thereafter;

58 (b) Each such fire department must be recertified  
59 annually or, upon failure thereof, the equipment purchased with  
60 the monies granted under this act shall be forfeited and  
61 distributed to other eligible fire departments; and

62 (c) A municipality must provide adequate documentation  
63 of its contract with the county that requires the municipality to  
64 provide fire protection in rural areas.

65 (4) All equipment purchased with the monies granted under  
66 this act must be approved by the State Fire Coordinator.

67 (5) The Department of Insurance shall maintain an accurate  
68 record of all monies distributed to counties and municipalities  
69 and the specific equipment purchased and the cost for such



70 equipment by each county and municipality, such records to be kept  
71 separate from other records of the Department of Insurance. The  
72 department shall notify counties and municipalities of the rural  
73 fire rescue and extrication equipment acquisition assistance  
74 program and the requirements for them to become eligible to  
75 participate. The department may adopt and promulgate such rules  
76 and regulations as may be necessary and desirable to implement the  
77 provisions of this act and shall file with the Legislature a  
78 report detailing how monies made available under this act were  
79 distributed and spent during the preceding portion of the fiscal  
80 year in each county and municipality, the equipment purchased, the  
81 counties and municipalities making such purchases and the cost of  
82 such equipment.

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

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

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

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

95 **SECTION 3.** (1) The Mississippi Department of Insurance, at  
96 one time, or from time to time, may declare by resolution the  
97 necessity for issuance of general obligation bonds of the State of  
98 Mississippi to provide funds for the grant program authorized in  
99 Section 1 of this act. Upon the adoption of a resolution by the  
100 Mississippi Department of Insurance, declaring the necessity for  
101 the issuance of any part or all of the general obligation bonds  
102 authorized by this section, the Mississippi Department of



103 Insurance shall deliver a certified copy of its resolution or  
104 resolutions to the commission. Upon receipt of such resolution,  
105 the commission, in its discretion, may act as the issuing agent,  
106 prescribe the form of the bonds, advertise for and accept bids,  
107 issue and sell the bonds so authorized to be sold and do any and  
108 all other things necessary and advisable in connection with the  
109 issuance and sale of such bonds. The total amount of bonds issued  
110 under Sections 2 through 17 of this act shall not exceed Three  
111 Million Seven Hundred Fifty Thousand Dollars (\$3,750,000.00),  
112 issued over a period of five (5) years; however, not more than  
113 Seven Hundred Fifty Thousand Dollars (\$750,000.00) may be issued  
114 in any one (1) year.

115 (2) The proceeds of bonds issued pursuant to Sections 2  
116 through 17 of this act shall be deposited into the Rural Fire  
117 Rescue and Extrication Equipment Acquisition Assistance Fund  
118 created pursuant to Section 1 of this act. Any investment  
119 earnings on bonds issued pursuant to Sections 2 through 17 of this  
120 act shall be used to pay debt service on bonds issued under  
121 Sections 2 through 17 of this act, in accordance with the  
122 proceedings authorizing issuance of such bonds.

123 **SECTION 4.** The principal of and interest on the bonds  
124 authorized under Sections 2 through 17 of this act shall be  
125 payable in the manner provided in this section. Such bonds shall  
126 bear such date or dates, be in such denomination or denominations,  
127 bear interest at such rate or rates (not to exceed the limits set  
128 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
129 at such place or places within or without the State of  
130 Mississippi, shall mature absolutely at such time or times not to  
131 exceed twenty-five (25) years from date of issue, be redeemable  
132 before maturity at such time or times and upon such terms, with or  
133 without premium, shall bear such registration privileges, and  
134 shall be substantially in such form, all as shall be determined by  
135 resolution of the commission.



136           **SECTION 5.** The bonds authorized by Sections 2 through 17 of  
137 this act shall be signed by the chairman of the commission, or by  
138 his facsimile signature, and the official seal of the commission  
139 shall be affixed thereto, attested by the secretary of the  
140 commission. The interest coupons, if any, to be attached to such  
141 bonds may be executed by the facsimile signatures of such  
142 officers. Whenever any such bonds shall have been signed by the  
143 officials designated to sign the bonds who were in office at the  
144 time of such signing but who may have ceased to be such officers  
145 before the sale and delivery of such bonds, or who may not have  
146 been in office on the date such bonds may bear, the signatures of  
147 such officers upon such bonds and coupons shall nevertheless be  
148 valid and sufficient for all purposes and have the same effect as  
149 if the person so officially signing such bonds had remained in  
150 office until their delivery to the purchaser, or had been in  
151 office on the date such bonds may bear. However, notwithstanding  
152 anything herein to the contrary, such bonds may be issued as  
153 provided in the Registered Bond Act of the State of Mississippi.

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

161           **SECTION 7.** The commission shall act as the issuing agent for  
162 the bonds authorized under Sections 2 through 17 of this act,  
163 prescribe the form of the bonds, advertise for and accept bids,  
164 issue and sell the bonds so authorized to be sold, pay all fees  
165 and costs incurred in such issuance and sale, and do any and all  
166 other things necessary and advisable in connection with the  
167 issuance and sale of such bonds. The commission is authorized and  
168 empowered to pay the costs that are incident to the sale, issuance



169 and delivery of the bonds authorized under Sections 2 through 17  
170 of this act from the proceeds derived from the sale of such bonds.  
171 The commission shall sell such bonds on sealed bids at public  
172 sale, and for such price as it may determine to be for the best  
173 interest of the State of Mississippi, but no such sale shall be  
174 made at a price less than par plus accrued interest to the date of  
175 delivery of the bonds to the purchaser. All interest accruing on  
176 such bonds so issued shall be payable semiannually or annually;  
177 however, the first interest payment may be for any period of not  
178 more than one (1) year.

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

186 The commission, when issuing any bonds under the authority of  
187 Sections 2 through 17 of this act, may provide that bonds, at the  
188 option of the State of Mississippi, may be called in for payment  
189 and redemption at the call price named therein and accrued  
190 interest on such date or dates named therein.

191 **SECTION 8.** The bonds issued under the provisions of Sections  
192 2 through 17 of this act are general obligations of the State of  
193 Mississippi, and for the payment thereof the full faith and credit  
194 of the State of Mississippi is irrevocably pledged. If the funds  
195 appropriated by the Legislature are insufficient to pay the  
196 principal of and the interest on such bonds as they become due,  
197 then the deficiency shall be paid by the State Treasurer from any  
198 funds in the State Treasury not otherwise appropriated. All such  
199 bonds shall contain recitals on their faces substantially covering  
200 the provisions of this section.



201           **SECTION 9.** Upon the issuance and sale of bonds under the  
202 provisions of Sections 2 through 17 of this act, the commission  
203 shall transfer the proceeds of any such sale or sales to the Rural  
204 Fire Rescue and Extrication Equipment Acquisition Assistance Fund  
205 created in Section 1 of this act. The proceeds of such bonds  
206 shall be disbursed solely upon the order of the Mississippi  
207 Department of Insurance under such restrictions, if any, as may be  
208 contained in the resolution providing for the issuance of the  
209 bonds.

210           **SECTION 10.** The bonds authorized under Sections 2 through 17  
211 of this act may be issued without any other proceedings or the  
212 happening of any other conditions or things other than those  
213 proceedings, conditions and things which are specified or required  
214 by Sections 2 through 17 of this act. Any resolution providing  
215 for the issuance of bonds under the provisions of Sections 2  
216 through 17 of this act shall become effective immediately upon its  
217 adoption by the commission, and any such resolution may be adopted  
218 at any regular or special meeting of the commission by a majority  
219 of its members.

220           **SECTION 11.** The bonds authorized under the authority of  
221 Sections 2 through 17 of this act may be validated in the Chancery  
222 Court of the First Judicial District of Hinds County, Mississippi,  
223 in the manner and with the force and effect provided by Chapter  
224 13, Title 31, Mississippi Code of 1972, for the validation of  
225 county, municipal, school district and other bonds. The notice to  
226 taxpayers required by such statutes shall be published in a  
227 newspaper published or having a general circulation in the City of  
228 Jackson, Mississippi.

229           **SECTION 12.** Any holder of bonds issued under the provisions  
230 of Sections 2 through 17 of this act or of any of the interest  
231 coupons pertaining thereto may, either at law or in equity, by  
232 suit, action, mandamus or other proceeding, protect and enforce  
233 any and all rights granted under Sections 2 through 17 of this



234 act, or under such resolution, and may enforce and compel  
235 performance of all duties required by Sections 2 through 17 of  
236 this act to be performed, in order to provide for the payment of  
237 bonds and interest thereon.

238       **SECTION 13.** All bonds issued under the provisions of  
239 Sections 2 through 17 of this act shall be legal investments for  
240 trustees and other fiduciaries, and for savings banks, trust  
241 companies and insurance companies organized under the laws of the  
242 State of Mississippi, and such bonds shall be legal securities  
243 which may be deposited with and shall be received by all public  
244 officers and bodies of this state and all municipalities and  
245 political subdivisions for the purpose of securing the deposit of  
246 public funds.

247       **SECTION 14.** Bonds issued under the provisions of Sections 2  
248 through 17 of this act and income therefrom shall be exempt from  
249 all taxation in the State of Mississippi.

250       **SECTION 15.** The proceeds of the bonds issued under Sections  
251 2 through 17 of this act shall be used solely for the purposes  
252 therein provided, including the costs incident to the issuance and  
253 sale of such bonds.

254       **SECTION 16.** The State Treasurer is authorized, without  
255 further process of law, to certify to the Department of Finance  
256 and Administration the necessity for warrants, and the Department  
257 of Finance and Administration is authorized and directed to issue  
258 such warrants, in such amounts as may be necessary to pay when due  
259 the principal of, premium, if any, and interest on, or the  
260 accreted value of, all bonds issued under Sections 2 through 17 of  
261 this act; and the State Treasurer shall forward the necessary  
262 amount to the designated place or places of payment of such bonds  
263 in ample time to discharge such bonds, or the interest thereon, on  
264 the due dates thereof.

265       **SECTION 17.** Sections 2 through 17 of this act shall be  
266 deemed to be full and complete authority for the exercise of the



267 powers therein granted, but Sections 2 through 17 of this act  
268 shall not be deemed to repeal or to be in derogation of any  
269 existing law of this state.

270         **SECTION 18.** This act shall take effect and be in force from  
271 and after July 1, 2003.

