

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.

