

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 1334

1 AN ACT TO AMEND SECTION 31-25-19, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT BANK TO RECEIVE AND
3 ACCEPT LOAN GUARANTEES; TO ALLOW THE MISSISSIPPI DEVELOPMENT BANK
4 TO LOAN MONEY TO A LOCAL GOVERNMENTAL UNIT UNDER ANY LOAN GUARANTY
5 PROGRAM OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES,
6 INCLUDING THE UNITED STATES DEPARTMENT OF AGRICULTURE RURAL
7 UTILITY SERVICES WATER AND WASTE DISPOSAL GUARANTEED LOAN PROGRAM
8 AND COMMUNITY PROGRAMS GUARANTEED LOAN PROGRAM OR ANY SUCH
9 SUCCESSOR GUARANTY PROGRAM; TO PROVIDE ADDITIONAL AUTHORITY TO THE
10 MISSISSIPPI DEVELOPMENT BANK; TO AMEND SECTION 31-25-21,
11 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT
12 BANK TO ISSUE BONDS TO FUND LOANS UNDER ANY LOAN GUARANTY PROGRAM;
13 TO AMEND SECTION 31-25-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
14 LOCAL GOVERNMENTAL UNITS TO BORROW MONEY FROM THE MISSISSIPPI
15 DEVELOPMENT BANK UNDER ANY LOAN GUARANTY PROGRAM OF ANY DEPARTMENT
16 OR AGENCY OF THE UNITED STATES, INCLUDING THE UNITED STATES
17 DEPARTMENT OF AGRICULTURE RURAL UTILITY SERVICES WATER AND WASTE
18 DISPOSAL GUARANTEED LOAN PROGRAM AND COMMUNITY PROGRAMS GUARANTEED
19 LOAN PROGRAM OR ANY SUCH SUCCESSOR GUARANTY PROGRAM; TO AMEND
20 SECTION 31-25-51, MISSISSIPPI CODE OF 1972, TO REVISE THE POWERS
21 OF THE MISSISSIPPI DEVELOPMENT BANK; TO BRING FORWARD SECTIONS
22 31-25-1, 31-25-3, 31-25-7, 31-7-9, 31-25-11, 31-25-15, 31-25-17,
23 31-25-20, 31-25-23, 31-25-25, 31-25-28, 31-25-29, 31-25-31,
24 31-25-33, 31-25-35, 31-25-37, 31-25-39, 31-25-41, 31-25-43,
25 31-25-45, 31-25-47, 31-25-49, 31-25-53 AND 31-25-55, MISSISSIPPI
26 CODE OF 1972, WHICH PROVIDE FOR THE ESTABLISHMENT OF THE
27 MISSISSIPPI DEVELOPMENT BANK ACT AND PRESCRIBE THE POWERS AND
28 DUTIES OF THE BANK; AND FOR RELATED PURPOSES.

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

30 **SECTION 1.** Section 31-25-19, Mississippi Code of 1972, is
31 amended as follows:

32 31-25-19. In addition to the other powers granted to the
33 bank under this act, the bank shall have the power:

- 34 (a) To sue and be sued in its own name;
- 35 (b) To have an official seal and to alter the same at
36 pleasure;
- 37 (c) To maintain an office at such place or places
38 within this state as it may designate, by lease without the
39 approval of any other state agency or department;



40 (d) To adopt and from time to time to amend and repeal
41 bylaws and rules and regulations, not inconsistent with this act,
42 to carry into effect the powers and purposes of the bank and
43 governing the conduct of its affairs and business and the use of
44 its services and facilities;

45 (e) To make, enter into and enforce all contracts or
46 agreements necessary, convenient or desirable for the purposes of
47 the bank or pertaining to any loan to a local governmental unit
48 made by the purchase of municipal securities or to the performance
49 of its duties and execution or carrying out of any of its other
50 powers under this act;

51 (f) To acquire, hold, use and dispose of its income,
52 revenues, funds and monies;

53 (g) To the extent that it will facilitate the conduct
54 of its operations and thereby further the purposes of this act, to
55 acquire real or other personal property, or any interest therein,
56 on either a temporary or long-term basis in the name of the bank
57 by gift, purchase, transfer, foreclosure, lease or otherwise,
58 including rights or easements, hold, sell, assign, lease, encumber
59 mortgage or otherwise dispose of any real or other personal
60 property, or any interest therein or mortgage interest owned by it
61 or under its control, custody or in its possession and release or
62 relinquish any right, title, claim, lien, interest, easement or
63 demand however acquired, including any equity or right of
64 redemption in property foreclosed by it and to do any of the
65 foregoing by public or private sale; and, to the same extent, to
66 lease or rent any lands, buildings, structures, facilities or
67 equipment from private parties;

68 (h) To enter into agreements or other transactions with
69 and accept the cooperation of the United States or any agency
70 thereof or of the state or any agency or governmental subdivision
71 thereof (including any local governmental unit whether or not such
72 local governmental unit is selling or has sold its bonds to the



73 bank) in furtherance of the purposes of this act and the corporate
74 purposes of the bank, and to do any and all things necessary in
75 order to avail itself of such cooperation;

76 (i) To receive and accept grants, aid or contributions,
77 including loan guarantees, from any source of money, materials,
78 property, labor, supplies, services, program or other things of
79 value, to be held, used and applied to carry out the purposes of
80 this act subject to such conditions upon which such grants and
81 contributions, including loan guarantees, may be made, including,
82 but not limited to, gifts or grants, including loan guarantees,
83 from any department or agency of the United States or of this
84 state or of any governmental subdivision of this state (including
85 any local governmental unit whether or not such local governmental
86 unit is selling or has sold its bonds to the bank) for any purpose
87 consistent with this act, and to do any and all things necessary,
88 useful, desirable or convenient in connection with the procurement
89 acceptance or disposition of such gifts or grants, including loan
90 guarantees;

91 (j) To procure insurance against any loss in connection
92 with its property and other assets in such amounts and from
93 insurers as it deems desirable, and to obtain from any department
94 or agency of the United States of America or nongovernmental
95 insurer any insurance or guaranty, to the extent now or hereafter
96 available, as to, or of or for the payment or repayment of
97 interest, principal or redemption price, if any, or all or any
98 part thereof, on any bonds issued by the bank, or on any municipal
99 securities of local governmental units purchased or held by the
100 bank pursuant to this act; and notwithstanding any other
101 provisions of this act to the contrary, to enter into any
102 agreement or contract whatsoever with respect to any such
103 insurance or guaranty, except to the extent that the same would in
104 any way impair or interfere with the ability of the bank to



105 perform and fulfill the terms of any agreement made with the
106 holders of the bonds of the bank;

107 (k) To employ administrative and clerical staff,
108 managing agents, architects, engineers, attorneys, accountants,
109 and financial advisors and experts and such other advisors,
110 consultants, agents and employees as may be necessary in its
111 judgment and to fix their compensation, and to perform its powers
112 or functions through its officers, agents and employees or by
113 contracts with any firm, person or corporation;

114 (l) To the extent permitted under its contract with the
115 holders of bonds of the bank, to consent to any modification of
116 the rate of interest, time and payment of any installment of
117 principal or interest, security or any other term of such bond,
118 contract or agreement of any kind to which the bank is a party;

119 (m) To purchase, hold or dispose of any of its bonds;

120 (n) Notwithstanding any law to the contrary, * * * to
121 invest any funds or monies of the bank or proceeds of any
122 securities or certificates of participation in such manner as
123 shall be deemed by the bank to be prudent except as otherwise
124 permitted or provided by this act;

125 (o) To conduct examinations and hearings and to hear
126 testimony and take proof, under oath or affirmation, at public or
127 private hearings, on any matter material for its information and
128 necessary to carry out this act;

129 (p) To loan money to local governmental units by the
130 purchase of municipal securities, subject to the provisions of
131 this act;

132 (q) To borrow money for any of its corporate purposes
133 and to issue bonds therefor, subject to the provisions of this
134 act; * * *

135 (r) To exercise any and all of the powers granted to
136 the bank by any other section of this act and to do any act



137 necessary or convenient to the exercise of the powers herein
138 granted or reasonably implied therefrom;

139 (s) To loan money to any local governmental unit under
140 any loan guaranty program of any department or agency of the
141 United States, including the United States Department of
142 Agriculture Rural Utility Services Water and Waste Disposal
143 Guaranteed Loan Program and Community Programs Guaranteed Loan
144 Program or any such successor guaranty programs; and

145 (t) Notwithstanding any law to the contrary, to
146 contract with any local governmental unit for the exercise by the
147 bank of any and all of the bank's powers as set out in the act,
148 with respect to proceeds of such local governmental unit's
149 securities or certificates of participation issued by such local
150 governmental unit pursuant to any state law authorizing the
151 issuance of local governmental unit debt.

152 Paragraphs (s) and (t) of this section shall be deemed to
153 provide all necessary authority for the doing of the things
154 authorized thereby and shall be liberally construed to accomplish
155 the purposes and the authorizations therein stated.

156 **SECTION 2.** Section 31-25-21, Mississippi Code of 1972, is
157 amended as follows:

158 31-25-21. The bank is hereby granted, has and may exercise
159 the power to borrow money and issue its bonds in such principal
160 amounts as it shall deem necessary to provide funds to accomplish
161 a public purpose or purposes of the state provided for under this
162 chapter, including:

163 (a) The making of loans to local governmental units by
164 the purchase of municipal securities thereof;

165 (b) The payment, funding, refunding of the principal
166 of, or interest or redemption premiums on, any bonds issued by it
167 whether the bonds have or have not become due or subject to
168 redemption in accordance with their terms;



169 (c) The establishment or increase of such debt service
170 reserves and capitalized interest accounts to pay bonds or
171 interest thereon as the bank shall consider necessary or advisable
172 in the marketing of such bonds;

173 (d) The payment of consultant and legal fees and such
174 other costs of issuance and expenses necessary or incidental to
175 such bond issue;

176 (e) The deposit of funds into reserve funds established
177 by the bank;

178 (f) The establishment or increase of reserves to pay
179 all other costs and expenses of the bank incident to and necessary
180 or convenient to carrying out its corporate purposes and powers;

181 (g) The deposit of funds into the Water Pollution
182 Control Revolving Fund and the Water Pollution Control Emergency
183 Loan Fund created pursuant to Sections 49-17-81 through 49-17-89;

184 (h) The issuance of up to Fifty Million Dollars
185 (\$50,000,000.00) in revenue bonds for regional solid waste
186 authorities and county cooperative service districts;

187 (i) The advance purchase of energy for any municipality
188 that operates a gas producing, generating, transmission or
189 distribution system, or an electric generating, transmission or
190 distribution system under Sections 21-27-11 through 21-27-71;

191 (j) The issuance of revenue bonds to fund or assist in
192 funding retirement systems established pursuant to Sections
193 21-29-1 through 21-29-55 and Sections 21-29-101 through 21-29-151.
194 Before any revenue bonds may be issued for this purpose the
195 municipality whose retirement system is being funded by such bonds
196 shall have an actuary perform a study through the Public
197 Employees' Retirement System to determine the amount of revenue
198 bonds that should be issued to make such retirement system
199 actuarially sound;

200 (k) To issue general obligation bonds of the State of
201 Mississippi for the purposes provided in Section 31-25-20(g), as



202 such section existed on April 3, 1996. The authority to issue
203 such general obligation bonds of the State of Mississippi shall be
204 repealed from and after the date that the bonds have been issued
205 in their entirety;

206 (1) The issuance of bonds to fund loans made by the
207 bank to any local governmental unit under any loan guaranty
208 program of any department or agency of the United States,
209 including the United States Department of Agriculture Rural
210 Utility Services Water and Waste Disposal Guaranteed Loan Program
211 and Community Programs Guaranteed Loan Program or any such
212 successor guaranty programs.

213 (m) Any other lawful, corporate purpose.

214 **SECTION 3.** Section 31-25-27, Mississippi Code of 1972, is
215 amended as follows:

216 31-25-27. (1) Each local governmental unit is hereby
217 authorized and empowered to contract with the bank with respect to
218 the bank's purchase of such local governmental unit's securities
219 and such contract shall contain such terms and conditions as may
220 be prescribed by the bank. Each local governmental unit is
221 authorized and empowered to pay to the bank such fees and charges
222 for services as the bank may prescribe.

223 (2) Each local governmental unit is hereby authorized to
224 issue securities under the provisions of this act and to sell such
225 securities to the bank to raise money for any purpose or purposes
226 set forth in Sections 21-27-23, 21-33-301, 21-33-325, 21-33-326,
227 31-27-5, 17-17-301 et seq. and any other state law authorizing the
228 issuance of local governmental unit debt, and for the purpose of
229 refunding any securities issued under the provisions of this act
230 or under the provisions of Section 21-27-11 et seq., or Section
231 21-33-301 et seq., or Section 31-27-1 et seq. Such securities may
232 be issued in accordance with Sections 21-33-301, 21-33-303,
233 21-33-307, 21-33-309, 21-33-311, 21-33-313, 21-33-325 and
234 21-33-326, or Sections 21-27-23 through 21-27-43 and Sections



235 21-27-47 through 21-27-71, or Sections 31-27-1 through 31-27-25,
236 or Sections 17-5-3 through 17-5-11, or Sections 49-17-101 through
237 49-17-123, or Sections 17-17-301 through 17-17-349 or any other
238 state law authorizing issuance of local governmental unit debt, as
239 the case may be, unless otherwise specifically provided in this
240 act; provided, however, the securities of any local governmental
241 unit may be issued with such terms and provisions as may be
242 necessary and appropriate in order to comply with the provisions
243 of any loan agreement described in Section 49-17-87. Whenever
244 securities shall be issued under this subsection, the governing
245 authority may also pledge to the payment of principal of, premium,
246 if any, and interest on such securities the revenues of any
247 project to be constructed, improved or purchased with the proceeds
248 thereof. Whenever any project is a part of a system or combined
249 system, then all or any portion of the revenues of such system or
250 combined system may be pledged to secure repayment of such
251 securities as determined by the bank.

252 (3) Each local governmental unit is hereby authorized to
253 issue securities to the bank to raise money for any purpose or
254 purposes set forth in Sections 19-9-1, 19-9-27 or 19-9-28 and for
255 the purpose of refunding any securities issued under the
256 provisions of this act or under the provisions of Section 19-9-1
257 et seq. Such securities may be issued in accordance with Sections
258 19-9-1, 19-9-3, 19-9-5, 19-9-7, 19-9-9, 19-9-11, 19-9-13, 19-9-15,
259 19-9-17, 19-9-27 and 19-9-28, or Sections 17-5-3 through 17-5-11,
260 or Sections 49-17-101 through 49-17-123, as the case may be,
261 unless otherwise specifically provided in this act; provided,
262 however, the securities of any local governmental unit may be
263 issued with such terms and provisions as may be necessary and
264 appropriate in order to comply with the provisions of any loan
265 agreement described in Section 49-17-87. Whenever securities
266 shall be issued under this subsection, the board of supervisors of
267 the county may also pledge to the payment of principal of,



268 premium, if any, and interest on such securities the revenues of
269 any project to be constructed, improved, repaired or purchased
270 with the proceeds thereof. Whenever any project is a part of a
271 system or combined system, then all or any portion of the revenues
272 of such system or combined system may be pledged to secure
273 repayment of such securities as determined by the bank.

274 (4) In addition, any local governmental unit is hereby
275 authorized to issue securities to the bank to raise money for any
276 purpose or purposes otherwise authorized by state law and for the
277 purpose of refunding any securities issued under the provisions of
278 this act or as otherwise authorized by state law including Section
279 49-17-83 et seq. Such securities may be issued in accordance with
280 any other applicable provision of state law related to the
281 issuance of securities including Section 49-17-83 et seq.

282 Whenever securities shall be issued under this subsection, the
283 governing body of such local governmental unit may also pledge to
284 the payment of principal of, premium, if any, and interest on such
285 securities the revenues of any project to be constructed, improved
286 or purchased with the proceeds thereof. Whenever any project is a
287 part of a system or combined system, then all or any portion of
288 the revenues of such system or combined system may be pledged to
289 secure repayment of such securities as determined by the bank.

290 (5) Securities issued by a local governmental unit under the
291 provisions of this act:

292 (a) May be sold only to the bank at private sale and
293 may be sold at such price or prices, in such manner and at such
294 times as may be agreed to by the bank and the local governmental
295 unit, and the governing body of the local governmental unit may
296 pay all expenses, premiums, fees and commissions which it may deem
297 necessary and advantageous in connection with the issuance and
298 sale thereof;

299 (b) Shall be secured as provided by Chapter 27, Title
300 21, Mississippi Code of 1972; Chapter 33, Title 21, Mississippi



301 Code of 1972; or Chapter 9, Title 19, Mississippi Code of 1972, or
302 other provisions of state law, and as provided in this act; and it
303 is the intention of the Legislature that any pledge of earnings,
304 revenues or other monies made by the local governmental unit shall
305 be valid and binding from the time the pledge is made; that the
306 earnings, revenues or other monies so pledged and thereafter
307 received by the local governmental unit shall immediately be
308 subject to the lien of such pledge without any physical delivery
309 thereof or further act, and that the lien of any such pledge shall
310 be valid and binding as against all parties having claims of any
311 kind in tort, contract or otherwise against the local governmental
312 unit irrespective of whether such parties have notice thereof; and
313 neither the resolution nor any other instrument by which a pledge
314 is created need be recorded;

315 (c) Neither the officers or members of the governing
316 body of the local governmental unit nor any person executing the
317 bonds shall be personally liable on the bonds or be subject to any
318 personal liability or accountability by reason of the issuance
319 thereof;

320 (d) Shall be issued for the purposes set forth in this
321 act and shall include terms and conditions which meet the state
322 law authorizing the issuance of such local governmental unit debt
323 and/or such terms and conditions consistent with the requirements
324 for issuance of Mississippi Development Bank Bonds under Section
325 31-25-37.

326 (6) Each local governmental unit issuing securities under
327 the provisions of this act is hereby authorized and empowered in
328 connection with the issuance of such securities to enter into any
329 covenants, agreements as to defaults and agreements as to remedies
330 of the bank for defaults with respect to such local governmental
331 unit's operation, revenues, assets, monies, funds or property as
332 may be prescribed by the bank.



333 (7) The proceeds of securities shall be deposited in one or
334 more special funds established by resolution of the local
335 governmental unit issuing the same and shall be applied to the
336 following: (a) the purpose for which the securities were issued;
337 (b) the payment of all costs of issuance of the securities; (c)
338 the payments of any fees and charges established by the bank; (d)
339 the payment of interest on the securities for a period of time not
340 greater than the period of time estimated to be required to
341 complete the purpose for which the securities were issued; all to
342 the extent provided by resolution of the governing body of the
343 local governmental unit and approved by the bank. Such special
344 fund shall be held by commercial banks qualified to act as
345 depositories therefor.

346 (8) In the event the bank determines to issue bonds and in
347 connection therewith to exercise the powers provided in subsection
348 (7) of Section 31-25-37, and if the requirements of subsection
349 (2), (3) or (4) as the case may be, of this section have been
350 satisfied, a local governmental unit is authorized to issue its
351 securities as provided in this section.

352 (9) Securities issued under this act may be validated in the
353 manner and with the force and effect provided in Section 31-13-1
354 et seq.

355 (10) This act shall be deemed to provide an additional,
356 alternative and complete method for the doing of the things
357 authorized hereby and shall be deemed and construed to be
358 supplemental to any power conferred by other laws on local
359 governmental units and not in derogation of any such powers.

360 (11) Any person who attempts to or obtains financial aid for
361 a local governmental unit hereunder or who attempts to or sells
362 securities of a governmental unit to the bank by false or
363 misleading information or who shall by fraud attempt to obtain
364 monies from the bank or its approval for the payment of monies or
365 shall fraudulently attempt to or does prevent the collection of



366 any monies due to the bank shall, upon conviction, be guilty of a
367 felony for each offense.

368 (12) Upon the sale and issuance of any securities to the
369 bank by any governmental unit, such governmental unit shall be
370 held and be deemed to have agreed that in the event of the failure
371 of such governmental unit to pay the interest on or the principal
372 of any of such securities owned or held by the bank as and when
373 due and payable, such governmental unit shall have waived any and
374 all defenses to such nonpayment, and the bank upon such nonpayment
375 shall thereupon constitute a holder or owner of such securities as
376 being in default, and the bank may then and thereupon avail itself
377 of all remedies, rights and provisions of law applicable in such
378 circumstance, including without limitation any remedies or rights
379 theretofore agreed to by the local governmental unit, and that all
380 of the securities of the issue of securities of such governmental
381 unit as to which there has been such nonpayment, shall for all of
382 the purposes of this section be held and be deemed to have become
383 due and payable and to be unpaid. The bank is hereby authorized
384 and empowered to carry out the provisions of this section and to
385 exercise all of the rights and remedies and provisions of law
386 herein provided or referred to.

387 (13) Any local governmental unit which borrows from the bank
388 is hereby authorized and empowered to agree in writing with the
389 bank that, as provided in this subsection, the State Tax
390 Commission or any state agency, department or commission created
391 pursuant to state law shall (a) withhold all or any part (as
392 agreed by the local governmental unit) of any monies which such
393 local governmental unit is entitled to receive from time to time
394 pursuant to any law and which is in the possession of the State
395 Tax Commission, or any state agency, department or commission
396 created pursuant to state law and (b) pay the same over to the
397 bank to satisfy any delinquent payments on any securities issued
398 by such local governmental unit under the provisions of this act



399 and any other delinquent payments due and owing the bank by such
400 local governmental unit, all as the same shall occur. In the
401 event the bank shall file a copy of such written agreement,
402 together with a statement of delinquency, with the State Tax
403 Commission, or any state agency, department or commission created
404 pursuant to state law then the State Tax Commission or any state
405 agency, department or commission created pursuant to state law
406 shall immediately make the withholdings provided in such agreement
407 from the amounts due the local governmental unit and shall
408 continue to pay the same over to the bank until all such
409 delinquencies are satisfied.

410 (14) (a) If the state or any agency thereof, the
411 institutions of higher learning of the state or any education
412 building corporation established for institutions of higher
413 learning, borrows funds from the bank under Section 31-25-28 or
414 sells its securities to the bank pursuant to this act, then such
415 local governmental unit shall certify the following to the bank
416 prior to the issuance of bonds:

417 (i) The legal authority for such local
418 governmental unit to borrow funds; and

419 (ii) That such local governmental unit does not
420 intend to request an additional appropriation from the Legislature
421 to pay debt service on the loan or for such security.

422 (b) If the state or any agency thereof, the
423 institutions of higher learning of the state or any education
424 building corporation established for institutions of higher
425 learning, does not make the certification required under paragraph
426 (a)(ii) of this subsection, then such local governmental unit
427 shall not borrow funds from the bank under Section 31-25-28 or
428 sell its securities to the bank pursuant to this act unless an
429 appropriation by the Legislature authorizes the payment of debt
430 service for the first year of the loan or for such security.



431 (15) Any local governmental unit may borrow money from the
432 bank loaned under any loan guaranty program of any department or
433 agency of the United States, including the United States
434 Department of Agriculture Rural Utility Services Water and Waste
435 Disposal Guaranteed Loan Program and Community Programs Guaranteed
436 Loan Program or any such successor guaranty programs.

437 (16) Notwithstanding any law to the contrary, each local
438 governmental unit is authorized and empowered to contract with the
439 bank for the exercise by the bank of any and all of the bank's
440 powers as set out in the act with respect to the proceeds of such
441 local governmental unit's securities or certificates of
442 participation issued by such local governmental unit pursuant to
443 any state law authorizing the issuance of local governmental unit
444 debt.

445 Subsections (15) and (16) of this section shall be deemed to
446 provide all necessary authority for the doing of the things
447 authorized thereby and shall be liberally construed to accomplish
448 the purposes and authorizations therein stated.

449 **SECTION 4.** Section 31-25-51, Mississippi Code of 1972, is
450 amended as follows:

451 31-25-51. (1) The bonds of the bank shall be legal
452 investments in which all public officers and public bodies of this
453 state, its political subdivisions, all municipalities and
454 municipal subdivisions, all insurance companies and associations,
455 trust companies, savings banks and savings associations, including
456 savings and loan associations, building and loan associations,
457 investment companies and other persons carrying on a banking
458 business, all administrators, guardians, executors, trustees and
459 other fiduciaries, and all other persons whatsoever who are now or
460 may hereafter be authorized to invest funds, including capital, in
461 their control or belonging to them. The notes and bonds are also
462 hereby made securities which may properly and legally be deposited
463 with and received by all public officers and bodies of the state



464 or any agency or political subdivisions of the state and all
465 municipalities and public corporations for any purpose for which
466 the deposit of bonds or other obligations of the state is now or
467 may hereafter be authorized by law.

468 (2) Notwithstanding the provisions of any law to the
469 contrary, * * * to invest money of the bank * * *, including
470 proceeds from the sale of any bonds, notes, any securities or
471 certificates of participation:

472 (a) In obligations of any municipality or the state or
473 the United States of America;

474 (b) In obligations the principal and interest of which
475 are guaranteed by the state or the United States of America;

476 (c) In obligations of any corporation wholly owned by
477 the United States of America;

478 (d) In obligations of any corporation sponsored by the
479 United States of America which is, or may become, eligible as
480 collateral for advances to member banks as determined by the Board
481 of Governors of the Federal Reserve System;

482 (e) In obligations of insurance firms or other
483 corporations whose investments are rated "AA" or better by
484 recognized rating companies;

485 (f) In certificates of deposit or time deposits of
486 qualified depositories of the state as approved by the State
487 Depository Commission, secured in such manner, if any, as the
488 corporation shall determine;

489 (g) In contracts for the purchase and sale of
490 obligations of the type specified in items (a) through (e) above;

491 (h) In repurchase agreements secured by obligations
492 specified in items (a) through (e) above; and

493 (i) In money market funds, the assets of which are
494 required to be invested in obligations specified in items (a)
495 through (f) above.



496 **SECTION 5.** Section 31-25-1, Mississippi Code of 1972, is
497 brought forward as follows:

498 31-25-1. This act may be referred to and cited as the
499 "Mississippi Development Bank Act."

500 **SECTION 6.** Section 31-25-3, Mississippi Code of 1972, is
501 brought forward as follows:

502 31-25-3. It is hereby determined and declared to be the
503 policy of the state that, for the benefit of the people of the
504 State of Mississippi, it is essential to foster and promote by all
505 reasonable means the provision of adequate access to capital
506 markets and facilities for borrowing money to finance
507 infrastructure improvements and other public purposes from the
508 proceeds of bonds and to the extent possible to reduce costs of
509 indebtedness to taxpayers and residents of the state through the
510 encouragement of investor interest in the purchase of such bonds
511 as sound and preferred securities for investment. It is further
512 found and declared that the state should exercise its powers to
513 further and implement these policies by authorizing an independent
514 public body to be created and to have full power to borrow money
515 and to issue its bonds and notes to make funds available at
516 reduced rates and on more favorable terms for borrowing as
517 provided in this act. This act shall be liberally construed to
518 accomplish the intentions, purposes and objects expressed herein.

519 **SECTION 7.** Section 31-25-7, Mississippi Code of 1972, is
520 brought forward as follows:

521 31-25-7. There is hereby created an independent public body
522 corporate and politic to be known as the Mississippi Development
523 Bank. Such bank is created solely to accomplish the purposes of
524 the state under this chapter and the exercise by the bank of the
525 powers conferred by this act shall be deemed and held to be the
526 performance of an essential public function.

527 The bank and its corporate existence shall continue until
528 terminated by law; provided, however, that no such law shall take



529 effect so long as the bank shall have bonds or other obligations
530 outstanding, unless provision has been made for the full and
531 complete payment thereof. Upon termination of the existence of
532 the bank, all its rights and properties shall pass to and be
533 vested in the state. No net earnings of the bank may inure to the
534 benefit of any person, entity or bank other than the state.

535 **SECTION 8.** Section 31-25-9, Mississippi Code of 1972, is
536 brought forward as follows:

537 31-25-9. The powers conferred upon the bank hereby are to be
538 vested in the board.

539 **SECTION 9.** Section 31-25-11, Mississippi Code of 1972, is
540 brought forward as follows:

541 31-25-11. A majority of the voting members of the board then
542 in office shall constitute a quorum for the purpose of conducting
543 business and exercising its powers. Action may be taken and
544 motions and resolutions adopted by the board upon the affirmative
545 vote of a majority of its members present at any meeting at which
546 a quorum was present. No vacancy in the membership of the board
547 shall impair the right of a quorum to exercise all the rights and
548 perform all the duties of the bank. Notice of meetings shall be
549 given in the manner provided in the bylaws of the bank.

550 Resolutions need not be published or posted. Members of the board
551 shall receive per diem compensation for services in an amount as
552 provided under Section 25-3-69 and shall be entitled to expenses
553 necessarily incurred in the discharge of their duties in
554 accordance with Section 25-3-41. Any payments for compensation
555 and expenses shall be paid from funds of the bank.

556 **SECTION 10.** Section 31-25-15, Mississippi Code of 1972, is
557 brought forward as follows:

558 31-25-15. Any member, officer or employee of the bank who is
559 interested either directly or indirectly, or who is an officer or
560 employee of, or has an ownership interest in any firm or agency
561 interested, directly or indirectly, in any contract with the bank,



562 shall disclose this interest to the board. This interest shall be
563 set forth in the minutes of the board, and the member, officer or
564 employee having the interest shall not participate on behalf of
565 the bank in the authorization of any such contract.

566 **SECTION 11.** Section 31-25-17, Mississippi Code of 1972, is
567 brought forward as follows:

568 31-25-17. Notwithstanding the provisions of any other law,
569 no officer or employee of this state shall be deemed to have
570 forfeited or shall forfeit his office or employment by reason of
571 his acceptance of membership on the bank or his services as such
572 member.

573 **SECTION 12.** Section 31-25-20, Mississippi Code of 1972, is
574 brought forward as follows:

575 31-25-20. In addition to the other powers granted to the
576 bank under this section, the bank shall have the powers:

577 (a) To make, enter into and enforce all contracts or
578 agreements necessary, convenient or pertaining to any loan to a
579 local governmental unit under this section;

580 (b) To loan money to local governmental units for any
581 of the purposes set forth in this section;

582 (c) To charge for its costs and services in reviewing
583 or considering any proposed loan to a local governmental unit and
584 such costs may be established in such manner as the bank shall
585 determine;

586 (d) To fix and prescribe any form of application or
587 procedure to be required of a local governmental unit for the
588 purpose of any loan to be made to such governmental unit and to
589 fix the terms and conditions of any such loan;

590 (e) To issue revenue bonds to fund loans to local
591 governmental units for the acquisition, construction and
592 installation of energy related improvements, and other related or
593 similar infrastructure improvements consistent with the
594 intentions, purposes and objects of this section. Before any



595 bonds may be issued for this purpose, the requirements of Section
596 31-25-28(6) must be satisfied; and

597 (f) To issue revenue bonds to fund or assist in funding
598 retirement systems established pursuant to Sections 21-29-201
599 through 21-29-261. Before any revenue bonds may be issued for
600 this purpose, the municipality whose retirement system is being
601 funded by such bonds shall have an actuary perform a study through
602 the Public Employees Retirement System to determine the effect of
603 such revenue bonds on such retirement system.

604 (g) To issue bonds in the amount of Five Million
605 Dollars (\$5,000,000.00) to provide additional funding for the
606 grant program authorized under Section 18 of Chapter 530, Laws of
607 1995, which provided funds to counties and municipalities for the
608 construction, renovation and expansion of livestock facilities.

609 **SECTION 13.** Section 31-25-23, Mississippi Code of 1972, is
610 brought forward as follows:

611 31-25-23. The bank is hereby granted, has and may exercise,
612 the following powers:

613 (a) To make loans to local governmental units by the
614 purchase and holding of municipal securities in such form
615 (including fully remarketable form), at such prices, in such
616 manner, on such terms and conditions and with such security
617 features as the bank shall deem advisable subject to the
618 provisions of Section 31-25-27;

619 (b) Subject to the terms of contracts with the holders
620 of bonds of the bank, to sell municipal securities acquired or
621 held by it at such prices without relation to costs and in such
622 manner as the bank shall deem desirable;

623 (c) To charge for its costs and services in reviewing
624 or considering any proposed loan to a local governmental unit by
625 the purchase of municipal securities of such local governmental
626 unit, and to charge therefor, whether or not such municipal
627 securities are purchased, and such costs may be established in



628 such manner as the bank shall determine, including but not limited
629 to an allocation to each local governmental unit using the
630 services of the bank of an equitable portion of the total
631 administrative expenses of the bank, which expenses shall include
632 the fees and expenses of trustees and paying agents for bonds of
633 the bank, as it shall deem appropriate;

634 (d) In connection with any loan to a local governmental
635 unit, to consider the need, desirability or eligibility of the
636 loan, the ability of the local governmental unit to secure
637 borrowed money from other sources and the costs thereof, the
638 particular local improvements or purposes to be financed by the
639 municipal securities to be purchased by the bank, the ability of
640 the municipality to supply other essential public improvements and
641 services and to pay punctually the principal and interest on its
642 debts, the reasonableness of the amounts to be expended for each
643 of the purposes or improvements to be financed pursuant to such
644 bonds, and such other factors as the bank may deem necessary;

645 (e) To establish any terms and provisions with respect
646 to any purchase of municipal securities by the bank, including
647 date and maturities of the bonds, provisions as to redemption or
648 payment prior to maturity, and any other matters which are
649 necessary, desirable or advisable in the judgment of the bank,
650 subject to the provisions of Section 31-25-27;

651 (f) To fix and prescribe any form of application or
652 procedure to be required of a local governmental unit for the
653 purpose of any loan to be made to such governmental unit by the
654 purchase of its municipal securities, and to fix the terms and
655 conditions of any such loan and to enter into agreements with
656 local governmental units with respect to any such loan;

657 (g) In order to assure the continued creditworthiness
658 and fiscal stability of the local governmental units to which the
659 bank shall make loans by the purchase of municipal securities
660 thereof, the board may adopt, modify or amend rules and



661 regulations of the bank which shall provide for all or certain of
662 the following:

663 (i) Accounting systems and financial reporting
664 standards for such local governmental units which will provide a
665 uniform basis from which financial data may be obtained by the
666 bank and furnished to investors;

667 (ii) Standards for debt management and budget
668 procedures and practices;

669 (iii) Procedures relating to internal controls
670 over the receipt, deposit, investment, transfer and disbursement
671 of funds of such local governmental units so as to assure the
672 proper application thereof;

673 (iv) Requirements for financial and economic
674 feasibility studies or other studies or surveys with respect to
675 revenue-producing enterprises or systems of such local
676 governmental units or the management thereof or the rates,
677 charges, rents or tolls for the use or service thereof; and

678 (v) Other matters relating to the fiscal stability
679 and creditworthiness of such local governmental units.

680 Compliance with such rules and regulations of the bank may be
681 required for local governmental units receiving financing from the
682 bank, subject to such terms, conditions and exceptions as the
683 board may from time to time determine to be practicable and to be
684 necessary or appropriate to accomplish the purposes of this act.

685 **SECTION 14.** Section 31-25-25, Mississippi Code of 1972, is
686 brought forward as follows:

687 31-25-25. Under this act the bank may not:

688 (a) Make loans of money to any person, firm or
689 corporation or purchase securities issued by any person, firm or
690 corporation other than a local governmental unit for investment;

691 (b) Emit bills of credit, or accept deposits of money
692 for time or demand deposit, or administer trusts, or engage in any
693 form or manner in, or in the conduct of, any private or commercial



694 banking business, or act as a savings bank or savings and loan
695 association;

696 (c) Be or constitute a bank or trust company within the
697 jurisdiction or under the control of any official of the state or
698 the United States regulating such institutions; or

699 (d) Be or constitute a banker, broker or dealer in
700 securities within the meaning of or subject to the provisions of
701 any securities, securities exchange, or securities dealers law, of
702 the United States of America or of the state or of any other
703 state.

704 **SECTION 15.** Section 31-25-28, Mississippi Code of 1972, is
705 brought forward as follows:

706 31-25-28. (1) Local governmental units may borrow money or
707 receive grants from the bank for any of the purposes set forth in
708 this section or Section 31-25-20(g) and pay to the bank such fees
709 and charges for services as the bank may prescribe. Whenever any
710 such loan is made to a local governmental unit, such local
711 governmental unit may use available revenues for the repayment of
712 the principal of, premium, if any, and interest on such loan, and
713 pledge such available revenues or moneys for the repayment of the
714 principal of, premium, if any, and interest on such loan. It is
715 the intention of the Legislature that any such pledge of revenues
716 or other moneys shall be valid and binding from the date the
717 pledge is made; that such revenues or other moneys so pledged and
718 thereafter received by the local governmental unit shall
719 immediately be subject to the lien of such pledge without any
720 physical delivery thereof or further act, and that the lien of any
721 such pledge shall be valid and binding as against all parties
722 having claims of any kind in tort, contract or otherwise against
723 the local governmental unit irrespective of whether such parties
724 have notice thereof; and neither the resolutions, contracts or any
725 other instrument by which a pledge is created need be recorded.



726 (2) Local governmental units may contract with the bank with
727 respect to any such loan and such contract shall contain such
728 terms and conditions as may be prescribed by the bank.

729 (3) Local governmental units may in connection with any such
730 loan enter into any covenants and agreements with respect to such
731 local governmental unit's operations, revenues, assets, moneys,
732 funds or property, or such loan, as may be prescribed by the bank.

733 (4) Upon the making of any such loan by the bank to any
734 local governmental unit, such local governmental unit shall be
735 held and be deemed to have agreed that if such governmental unit
736 fails to pay the principal of, premium, if any, and interest on
737 any such loan as when due and payable, such governmental unit
738 shall have waived any and all defenses to such nonpayment, and the
739 bank, upon such nonpayment, shall thereupon avail itself of all
740 remedies, rights and provisions of law applicable in such
741 circumstance, including without limitation, any remedies or rights
742 theretofore agreed to by the local governmental unit, and that
743 such loan shall for all of the purposes of this section, be held
744 and be deemed to have become due and payable and to be unpaid.
745 The bank may carry out the provisions of this section and exercise
746 all of the rights and remedies and provisions of law provided or
747 referred to in this section and of all other applicable laws of
748 the state.

749 (5) Any local governmental unit that borrows from the bank
750 under this section may agree in writing with the bank that, as
751 provided in this subsection, the State Tax Commission or any state
752 agency, department or commission created pursuant to state law
753 shall (a) withhold all or any part (as agreed by the local
754 governmental unit) of any moneys that such local governmental unit
755 is entitled to receive from time to time pursuant to any law and
756 that is in the possession of the State Tax Commission or any state
757 agency, department or commission created pursuant to state law and
758 (b) pay the same over to the bank to satisfy any delinquent



759 payments on any such loan made to such local governmental unit
760 under the provisions of this section and any other delinquent
761 payments due and owing the bank by such local governmental unit,
762 all as the same shall occur. If the bank files a copy of such
763 written agreement, together with a statement of delinquency, with
764 the State Tax Commission or any state agency, department or
765 commission created pursuant to state law, then the State Tax
766 Commission or any state agency, department or commission created
767 pursuant to state law shall immediately make the withholdings
768 provided in such agreement from the amounts due the local
769 governmental unit and shall continue to pay the same over to the
770 bank until all such delinquencies are satisfied.

771 (6) Before authorizing any loan for any of the purposes
772 enumerated in Section 31-25-20(e), the governing authority of the
773 local governmental unit shall adopt a resolution declaring its
774 intention so to do, stating the amount of the loan proposed to be
775 authorized and the purpose for which the loan is to be authorized,
776 and the date upon which the loan will be authorized. Such
777 resolution shall be published once a week for at least three (3)
778 consecutive weeks in at least one (1) newspaper published in such
779 local governmental unit. The first publication of such resolution
780 shall be made not less than twenty-one (21) days before the date
781 fixed in such resolution for the authorization of the loan and the
782 last publication shall be made not more than seven (7) days before
783 such date. If no newspaper is published in such local
784 governmental unit, then such notice shall be given by publishing
785 the resolution for the required time in some newspaper having a
786 general circulation in such local governmental unit and, in
787 addition, by posting a copy of such resolution for at least
788 twenty-one (21) days next preceding the date fixed therein at
789 three (3) public places in such local governmental unit. If
790 fifteen percent (15%) of the qualified electors of the local
791 governmental unit or fifteen hundred (1500), whichever is the



792 lesser, file a written protest against the authorization of such
793 loan on or before the date specified in such resolution, then an
794 election on the question of the authorization of such loan shall
795 be called and held as otherwise provided for in connection with
796 the issuance of general obligation indebtedness of such local
797 governmental unit. Notice of such election shall be given as
798 otherwise required in connection with the issuance of general
799 obligation indebtedness of such local governmental unit. If
800 three-fifths (3/5) of the qualified electors voting in the
801 election vote in favor of authorizing the loan, then the governing
802 authority of the local governmental unit shall proceed with the
803 loan; however, if less than three-fifths (3/5) of the qualified
804 electors voting in the election vote in favor of authorizing the
805 loan, then the loan shall not be incurred. If no protest be
806 filed, then such loan may be entered into by the local
807 governmental unit without an election on the question of the
808 authorization of such loan, at any time within a period of two (2)
809 years after the date specified in the resolution. However, the
810 governing authority of any local governmental unit in its
811 discretion may nevertheless call an election on such question, in
812 which event it shall not be necessary to publish the resolution
813 declaring its intention to authorize such loan as provided in this
814 subsection.

815 (7) This section shall be deemed to provide an additional,
816 alternative and complete method for the doing of the things
817 authorized by this section and shall be deemed and construed to be
818 supplemental to any power conferred by other laws on local
819 governmental units and not in derogation of any such powers. Any
820 loan made pursuant to the provisions of this section shall not
821 constitute an indebtedness of the local governmental unit within
822 the meaning of any constitutional or statutory limitation or
823 restriction. In connection with a loan under this chapter, a



824 local governmental unit shall not be required to comply with the
825 provisions of any other law except as provided in this section.

826 **SECTION 16.** Section 31-25-29, Mississippi Code of 1972, is
827 brought forward as follows:

828 31-25-29. (1) The bank may obtain the aid and cooperation
829 of the local governmental units, including those not being
830 assisted by the bank through the purchase of the municipal
831 securities thereof, and the bank and such local governmental units
832 shall have the power to enter into such agreements and
833 arrangements as they deem necessary or advisable to obtain for the
834 bank such aid and cooperation.

835 (2) In addition to other powers of intergovernmental
836 cooperation granted herein, all officers, departments, boards,
837 agencies, divisions and commissions of the state are authorized
838 and empowered to render any and all of such services to the bank
839 as may be within the area of their respective governmental
840 functions as fixed or established by law and as may be requested
841 by the bank. All of such officers, departments, boards, agencies,
842 divisions and commissions are authorized and directed to comply
843 promptly with any such reasonable request by the bank as to the
844 making of any study or review as to the desirability, need, cost
845 or expense with respect to any local facility, or the financial
846 feasibility thereof or the financial or fiscal responsibility or
847 ability in connection therewith of any local governmental unit
848 making application for financing by the bank. The cost and
849 expense of any services requested by the bank shall, at the
850 request of the officer, department, board, agency, division or
851 commission rendering such services, be met and provided for by the
852 bank.

853 (3) The bank is authorized to accept such monies as may be
854 appropriated by the state at any time or from time to time.

855 **SECTION 17.** Section 31-25-31, Mississippi Code of 1972, is
856 brought forward as follows:



857 31-25-31. (1) Except as otherwise provided in subsection
858 (2) of this section, bonds issued by the bank under this chapter
859 shall be general obligations of the bank or, if the resolution of
860 the board authorizing their issuance shall so provide, shall be
861 special obligations thereof payable solely from payments of
862 principal, interest and redemption payments on the municipal
863 securities being purchased with their proceeds or from such
864 payments on any or all municipal securities held or to be held by
865 the bank or from other funds available to the bank as provided in
866 such resolution or by any provision of law. Bonds issued by the
867 bank shall not constitute or become an indebtedness, or a debt or
868 liability of the state or of any local governmental unit nor shall
869 any such entity other than the bank (in the case of its general
870 obligations) be liable thereon, nor shall bonds or any powers
871 granted herein to the state or agency thereof or local
872 governmental unit constitute the giving, pledging or loaning of
873 the faith and credit of the state or such agency thereof or of
874 such local governmental unit. The issuance of bonds hereunder
875 shall not directly, indirectly or contingently obligate the state
876 to levy or collect any form of taxes or assessments therefor or to
877 create any indebtedness payable out of taxes or assessments or
878 make any appropriation for their payment nor to pledge the taxing
879 power of the state and such levy or pledge is prohibited; however,
880 notwithstanding the foregoing, nothing in this section shall be
881 construed to prohibit any local governmental unit (including the
882 state or any agency thereof) from assuming obligations in
883 accordance with and subject to the limitations of this act or from
884 issuing and selling municipal securities to the bank in accordance
885 herewith. Nothing in this act shall be construed to authorize the
886 bank to create a debt of the state within the meaning of the
887 Constitution or statutes of the state or authorize the bank to
888 levy or collect taxes or assessments and bonds issued by the bank
889 pursuant to the provisions of this act are payable and shall state



890 plainly on their face that they are payable solely as general
891 obligations of the bank, or solely from the funds pledged for
892 their payment in accordance with the resolution authorizing their
893 issuance or in any trust indenture or mortgage or deed of trust
894 executed as security therefor, as the case may be, and are not a
895 debt or liability of the state. The state shall not in any event
896 be liable for the payment of the principal or interest on any
897 bonds of the bank or for the performance of any pledge, mortgage,
898 obligations or agreement of any kind whatsoever which may be
899 undertaken by the bank. No breach of any such pledge, mortgage,
900 obligation or agreement shall impose any pecuniary liability upon
901 the state or any charge upon its general credit or against its
902 taxing power. Nothing in this subsection shall be construed to
903 prohibit any local governmental unit (including the state or any
904 agency thereof) from assuming obligations in accordance with and
905 subject to the limitations of this act or from issuing and selling
906 any security to the bank in accordance with this act.

907 (2) Bonds issued by the bank under Section 31-25-21(k) for
908 the purposes provided in Section 31-25-20(g) shall be general
909 obligations of the State of Mississippi, and for the payment
910 thereof the full faith and credit of the State of Mississippi is
911 irrevocably pledged. If the funds appropriated by the Legislature
912 are insufficient to pay the principal of and the interest on such
913 bonds as they become due, then the deficiency shall be paid by the
914 State Treasurer from any funds in the State Treasury not otherwise
915 appropriated. All such bonds shall contain recitals on their
916 faces substantially covering the provisions of this subsection
917 (2).

918 **SECTION 18.** Section 31-25-33, Mississippi Code of 1972, is
919 brought forward as follows:

920 31-25-33. As set forth in the declaration of finding and
921 purpose herein, the bank will be performing an essential
922 governmental function in the exercise of the powers conferred upon



923 it by this act, and the bonds of the bank issued pursuant to this
924 act, and the income therefrom including any profit made on the
925 sale thereof and all its fees, charges, gifts, grants, revenues,
926 receipts, and other moneys received, pledged to pay or secure the
927 payment of such bonds shall at all times be free from taxation of
928 every kind by the state and by the municipalities and all other
929 political subdivisions of the state.

930 The property of the bank and its income and operation shall
931 be exempt from taxation or assessments upon any property acquired
932 or used by the bank under the provisions of this act.

933 **SECTION 19.** Section 31-25-35, Mississippi Code of 1972, is
934 brought forward as follows:

935 31-25-35. The bank shall submit to the Governor within
936 ninety (90) days after the end of its fiscal year a complete and
937 detailed report setting forth:

938 (a) Its operations and accomplishments;

939 (b) Its receipts and expenditures during such fiscal
940 year;

941 (c) Its assets, including an itemized list of municipal
942 securities held by it, and liabilities at the end of its fiscal
943 year, including the status of reserve or other special funds
944 together with a statement of changes in its assets, liabilities
945 and funds during such fiscal year; and

946 (d) A schedule of its bonds outstanding at the end of
947 its fiscal year, together with a statement of the amounts redeemed
948 and incurred during such fiscal year.

949 The bank shall cause an audit of its books and accounts to be
950 made at least once a year by certified public accountants and the
951 cost thereof shall be considered an expense of the bank and a copy
952 thereof shall be filed with the State Treasurer.

953 **SECTION 20.** Section 31-25-37, Mississippi Code of 1972, is
954 brought forward as follows:



955 31-25-37. (1) The bank shall have the power, from time to
956 time, to issue bonds for any of its corporate purposes, including
957 without limitation to pay bonds, including the interest thereon,
958 and whenever it deems refunding expedient, to refund any bonds by
959 the issuance of new bonds, whether the bonds to be refunded have
960 or have not matured, and to issue bonds partly to refund bonds
961 then outstanding and partly for any of its corporate purposes.
962 The refunding bonds may be exchanged for bonds to be refunded or
963 sold and the proceeds applied to the purchase, redemption or
964 payment of such bonds.

965 (2) The bank shall have power to make contracts for the
966 future sale from time to time of bonds, pursuant to which the
967 purchaser shall be committed to purchase and the bank shall have
968 the power to pay such consideration as it shall deem proper for
969 such commitments.

970 (3) Except as otherwise provided in this subsection (3),
971 every issue of bonds of the bank shall be general obligations of
972 the bank payable out of any revenues or funds of the bank, subject
973 only to the provisions of the resolution of the bank authorizing
974 the issuance of, or to any agreements with the holders of,
975 particular bonds pledging any particular revenues or funds. Any
976 such bonds may be additionally secured by a pledge of any grants,
977 subsidies, contributions, funds or moneys from the United States
978 of America or the state or any agency or instrumentality thereof,
979 or any other governmental unit. However, bonds issued by the bank
980 under Section 31-25-21(k) for the purposes provided in Section
981 31-25-20(g) shall be general obligations of the State of
982 Mississippi, and for the payment thereof the full faith and credit
983 of the State of Mississippi is irrevocably pledged. If the funds
984 appropriated by the Legislature are insufficient to pay the
985 principal of and the interest on such bonds as they become due,
986 then the deficiency shall be paid by the State Treasurer from any
987 funds in the State Treasury not otherwise appropriated. All such



988 state general obligation bonds shall contain recitals on their
989 faces substantially covering these provisions.

990 (4) Any law to the contrary notwithstanding, a bond issued
991 under this chapter is fully negotiable and each holder or owner of
992 a bond, or of any coupon appurtenant thereto, by accepting the
993 bond or coupon shall be conclusively deemed to have agreed that
994 the bond or coupon is fully negotiable for those purposes subject
995 only to any provisions of bonds for registration.

996 (5) Bonds of the bank shall be authorized by resolution of
997 the board of the bank, may be issued as serial bonds payable in
998 annual installments or as term bonds or as a combination thereof,
999 and shall bear such date or dates, mature at such time or times,
1000 be in such denomination or denominations, be in such form, either
1001 coupon or registered, carry such conversion or registration
1002 privileges, have such rank or priority, be payable from such
1003 sources in such medium of payment at such place or places within
1004 or without the state, and be subject to such terms of redemption,
1005 with or without premiums, as such resolution or resolutions may
1006 provide, except that no bond shall mature more than forty (40)
1007 years from the date of its issue. The bonds may bear interest at
1008 such rate or rates as the bank may by resolution determine, and
1009 such rate or rates shall not be limited by any other law relating
1010 to the issuance of bonds except that the interest rate on any
1011 bonds issued as general obligation bonds of the State of
1012 Mississippi shall not exceed the limits set forth in Section
1013 75-17-101. The bonds and coupons appertaining thereto may be
1014 executed in such manner as shall be determined by the bank. In
1015 case any of the members or officers of the bank whose signatures
1016 appear on any bonds or coupons shall cease to be such members or
1017 officers before the delivery of such bonds, such signatures shall,
1018 nevertheless, be valid and sufficient for all purposes, the same
1019 as if such members or officers had remained in office until such
1020 delivery.



1021 (6) Bonds of the bank may be sold at public or private sale
1022 at such time or times and at such price or prices as the bank
1023 shall determine.

1024 (7) In connection with the issuance of bonds, the board of
1025 the bank may delegate to the executive director of the bank the
1026 power to determine the time or times of sale of such bonds, the
1027 amounts of such bonds, the maturities of such bonds, the rate or
1028 rates of interest of such bonds, and such other terms and details
1029 of the bonds, as may be determined by the board of the bank;
1030 provided, however, the board of the bank shall have adopted a
1031 resolution making such delegation and such resolution shall
1032 specify the maximum amount of the bonds which may be outstanding
1033 at any one time, the maximum rate of interest or interest rate
1034 formula (to be determined in the manner specified in such
1035 resolution) to be incurred through the issuance of such bonds and
1036 the maximum maturity date of such bonds. The board of the bank
1037 may also provide in the resolution authorizing the issuance of
1038 such bonds, in its discretion, (a) for the employment of one or
1039 more persons or firms to assist the bank in the sale of the bonds,
1040 (b) for the appointment of one or more banks or trust companies,
1041 either within or without the State of Mississippi, as depository
1042 for safekeeping, and as agent for the delivery and payment, of the
1043 bonds, (c) for the refunding of such bonds, from time to time,
1044 without further action by the board of the bank, unless and until
1045 the board of the bank revokes such authority to refund, and (d)
1046 other terms and conditions as the board of the bank may deem
1047 appropriate. In connection with the issuance and sale of such
1048 bonds, the board of the bank may arrange for lines of credit with
1049 any bank, firm or person for the purpose of providing an
1050 additional source of repayment for bonds issued pursuant to this
1051 section. Amounts drawn on such lines of credit may be evidenced
1052 by negotiable or nonnegotiable bonds or other evidences of
1053 indebtedness, containing such terms and conditions as the board of



1054 the bank may authorize in the resolution approving the same, and
1055 such notes or other evidences of indebtedness shall constitute
1056 bonds issued under their act. The board of the bank is authorized
1057 to pay all costs of issuance of the bonds.

1058 (8) Neither the members of the bank nor any other person
1059 executing the bank's bonds issued pursuant to this chapter shall
1060 be liable personally on such bonds by reason of the issuance
1061 thereof.

1062 (9) Bonds of the bank may be issued under this chapter
1063 without obtaining the consent of any department, division,
1064 commission, board, body, bureau or agency of the state, and
1065 without any other proceeding or the happening of any other
1066 conditions or things other than those proceedings, conditions or
1067 things which are specifically required by this chapter and by
1068 provisions of the resolution authorizing such bonds.

1069 (10) Bonds of the bank may be validated in accordance with
1070 the provision of Sections 31-13-1 to 31-13-11 in the same manner
1071 as provided therein for bonds issued by a municipality. Any such
1072 validation proceedings shall be held in the First Judicial
1073 District of Hinds County. Notice thereof shall be given by
1074 publication in any newspaper published in the City of Jackson and
1075 of general circulation through the state.

1076 **SECTION 21.** Section 31-25-39, Mississippi Code of 1972, is
1077 brought forward as follows:

1078 31-25-39. In any resolution of the board of the bank
1079 authorizing, or relating to the issuance of any bonds, the board,
1080 in order to secure the payment of the bonds and in addition to its
1081 other powers, may covenant and contract with the holders of the
1082 bonds:

1083 (a) To pledge to any payment or purpose all or any part
1084 of its revenues to which its right then exists or may thereafter
1085 come into existence, and the moneys derived therefrom, and the
1086 proceeds of any bonds including, but not limited to, any or all



1087 municipal securities held by the bank. Any such bonds may be
1088 additionally secured by a pledge of any grants, subsidies,
1089 contributions, or other funds or moneys from the United States or
1090 the state or any agency or instrumentality thereof, or any other
1091 governmental unit;

1092 (b) To covenant against pledging all or any part of its
1093 revenues, or against permitting or suffering any lien on those
1094 revenues or its property;

1095 (c) To pledge all or any part of the assets of the bank
1096 to secure the payment of the notes or bonds or of any issue of
1097 notes or bonds, subject to such agreements with holders of bonds
1098 as may then exist;

1099 (d) To covenant as to the use and disposition of any
1100 payments of principal or interest received by the bank on
1101 municipal securities or other investments held by the bank;

1102 (e) To covenant as to establishment of reserves or
1103 sinking funds, the making of provision for them and the regulation
1104 and disposition thereof;

1105 (f) To covenant with respect to or against limitations
1106 on any right to sell or otherwise dispose of any property of any
1107 kind;

1108 (g) To covenant as to any bonds to be issued by the
1109 bank, or by the local governmental unit the municipal securities
1110 of which are being purchased with the proceeds of an issue of
1111 bonds or notes of the bank, and their limitations and their terms
1112 and conditions and as to the custody, application and disposition
1113 of their proceeds, and pledging such proceeds to secure payment of
1114 bonds or any issue thereof;

1115 (h) To contract with bond or note holders respecting
1116 the terms and conditions of agreements with the state or local
1117 governmental units made pursuant to the provisions of this
1118 chapter;



1119 (i) To covenant as to the issuance of additional bonds
1120 or as to limitations on the issuance of additional bonds and on
1121 the incurring of other debts;

1122 (j) To covenant as to the payment of the principal of
1123 or interest on the bonds, as to the sources and methods of
1124 payment, as to the rank or priority of any bonds with respect to
1125 any lien of security or as to the acceleration of the maturity of
1126 any bonds;

1127 (k) To provide for the replacement of lost, stolen,
1128 destroyed or mutilated bonds;

1129 (l) To covenant against extending the time for the
1130 payment of bonds or interest thereon;

1131 (m) To covenant as to the redemption of bonds and
1132 privileges of exchange thereof for the other bonds of the bank;

1133 (n) To covenant as to any charges to be established and
1134 charged, the amount to be raised each year or other period of time
1135 by charges or other revenues and as to the use and disposition to
1136 be made thereof;

1137 (o) To limit the amount of money to be expended by the
1138 bank for operating expenses of the bank;

1139 (p) To covenant to create or authorize the creation of
1140 special funds or moneys to be held in pledge or otherwise for
1141 operating expenses, payment or redemption of bonds, reserves or
1142 other purposes and as to the use and disposition of the moneys
1143 held in those funds;

1144 (q) To establish the procedures, if any, by which the
1145 terms of any contract or covenant with or for the benefit of the
1146 holders of bonds may be amended or abrogated, the amount of bonds
1147 the holders of which must consent thereto, and the manner in which
1148 the consent may be given;

1149 (r) To covenant as to the custody of any of its
1150 properties or investments, the safekeeping thereof, the insurance



1151 to be carried thereon, and the use and disposition of insurance
1152 monies;

1153 (s) To covenant as to the time and manner of
1154 enforcement or restraint from enforcement of any rights of the
1155 bank arising by reason of or with respect to nonpayment of
1156 principal or interest of any municipal securities;

1157 (t) To provide for the rights and liabilities, powers
1158 and duties arising upon the breach of any covenant, condition or
1159 obligation and to prescribe the events of default and the terms
1160 and conditions upon which any or all of the bonds or other
1161 obligations of the bank shall become or may be declared due and
1162 payable before maturity and the terms and conditions upon which
1163 the declaration and its consequences may be waived or rescinded;

1164 (u) To vest in a trustee or trustees within or without
1165 the state such property, rights, powers and duties of any trustee
1166 as the bank may determine, which may include any of the rights,
1167 powers and duties of any trustee appointed by the holders of any
1168 bonds and to limit or abrogate the right of the holders of any
1169 bonds of the bank to appoint a trustee under this chapter or
1170 limiting the rights, powers and duties of the trustee;

1171 (v) To pay the costs or expenses incident to the
1172 enforcement of the bonds or of the resolution or of any covenant
1173 or agreement of the bank with the holders of its bonds;

1174 (w) To agree with any corporate trustee which may be
1175 any trust company or bank having the powers of a trust company
1176 within or without the state, as to the pledging or assigning of
1177 any revenues or funds to which the bank has any rights or
1178 interest, and may further provide for such other rights and
1179 remedies exercisable by the trustee as may be proper for the
1180 protection of the holders of any bonds of the bank and not
1181 otherwise in violation of law, and which agreement may provide for
1182 the restriction of the rights of any individual holder of bonds of
1183 the bank;



1184 (x) To appoint and to provide for the duties and
1185 obligations of a paying agent or paying agents, or such other
1186 fiduciaries as the resolution may provide within or without the
1187 state;

1188 (y) To limit the rights of the holders of any bonds to
1189 enforce any pledge or covenant securing bonds;

1190 (z) To fix, or agree to fix such asset coverage or
1191 other ratios with respect to the security of its bonds and notes
1192 as the bank may deem prudent or otherwise advisable; and

1193 (aa) To make covenants other than and in addition to
1194 the covenants herein expressly authorized, of like or different
1195 character, and to make covenants to do or refrain from doing such
1196 things as may be necessary, or covenant and desirable, in order
1197 better to secure bonds or which, in the absolute discretion of the
1198 bank, will tend to make bonds more marketable, notwithstanding
1199 that the covenants or things may not be enumerated herein.

1200 In the discretion of the bank, the bonds may be secured by a
1201 trust indenture by and between the bank and a corporate trustee.
1202 Such trust indenture may contain such provisions for protecting
1203 and enforcing the rights and remedies of the bondholders as may be
1204 reasonable and proper and not in violation of law, including
1205 covenants setting forth the duties of the bank in relation to the
1206 exercise of its corporate powers and the custody, safeguarding and
1207 application of all moneys. The bank may provide by such trust
1208 indenture for the payment of the proceeds of the bonds and
1209 revenues to the trustee under such trust indenture or other
1210 depository, and for the method of disbursement thereof with such
1211 safeguards and restrictions as it may determine. All expenses
1212 incurred in carrying out such trust indenture may be treated as a
1213 part of the operating expenses of the bank. If the bonds shall be
1214 secured by a trust indenture, the bondholders shall not have the
1215 right to appoint a separate trustee to represent them.



1216 Bonds issued by the bank under Section 31-25-21(k) for the
1217 purposes provided in Section 31-25-20(g) shall be general
1218 obligations of the State of Mississippi, and for the payment
1219 thereof the full faith and credit of the State of Mississippi is
1220 irrevocably pledged. If the funds appropriated by the Legislature
1221 are insufficient to pay the principal of and the interest on such
1222 bonds as they become due, then the deficiency shall be paid by the
1223 State Treasurer from any funds in the State Treasury not otherwise
1224 appropriated. All such bonds shall contain recitals on their
1225 faces substantially covering the provisions of this paragraph.

1226 **SECTION 22.** Section 31-25-41, Mississippi Code of 1972, is
1227 brought forward as follows:

1228 31-25-41. Any pledge of revenues or other moneys made by the
1229 bank shall be valid and binding from the time when the pledge is
1230 made. The revenues or other moneys so pledged and thereafter
1231 received by the bank shall immediately be subject thereof or
1232 further act, and the lien of any such pledge shall be valid and
1233 binding as against all parties having notice thereof. Neither the
1234 resolution nor any other instrument by which a pledge is created
1235 or any statement with respect thereto need be filed or recorded,
1236 except in the records of the bank.

1237 **SECTION 23.** Section 31-25-43, Mississippi Code of 1972, is
1238 brought forward as follows:

1239 31-25-43. The bank may establish such funds or accounts as
1240 may be, in its discretion, necessary or desirable to further the
1241 accomplishment of the purposes of the bank or to comply with the
1242 provisions of any agreement made by or any resolution of the bank.

1243 **SECTION 24.** Section 31-25-45, Mississippi Code of 1972, is
1244 brought forward as follows:

1245 31-25-45. The bank, subject to such agreements with
1246 bondholders as may then exist, shall have power out of any funds
1247 available therefor to purchase bonds of the bank, which shall



1248 thereupon be cancelled, at a price or prices as shall be
1249 determined by the bank.

1250 **SECTION 25.** Section 31-25-47, Mississippi Code of 1972, is
1251 brought forward as follows:

1252 31-25-47. The bank may enter into agreements or contracts
1253 with any bank, trust companies, banking or financial institutions
1254 within or without the state as may be necessary, desirable or
1255 convenient in the opinion of the bank for rendering services to
1256 the bank in connection with the care, custody or safekeeping of
1257 municipal bonds or other investments held or owned by the bank and
1258 services in connection with the payment or collection of amounts
1259 payable as to principal or interest, and for services in
1260 connection with the delivery to the bank of municipal bonds or
1261 other investments purchased by it or sold by it, and to pay the
1262 cost of those services. The bank may also, in connection with any
1263 of the services to be rendered by any banks, trust companies or
1264 banking or financial institutions as to the custody and
1265 safekeeping of any of its municipal bonds or investments, require
1266 security in the form of collateral bonds, surety agreements or
1267 security agreements in such form and amount as, in the opinion of
1268 the bank, is necessary or desirable for the purpose of the bank.

1269 **SECTION 26.** Section 31-25-49, Mississippi Code of 1972, is
1270 brought forward as follows:

1271 31-25-49. The state does hereby pledge to and agree with the
1272 holders of any bonds issued by the bank under this act that the
1273 state will not limit or alter the rights hereby vested in the bank
1274 to fulfill the terms of any agreements made with the said holders
1275 thereof or in any way impair the rights and remedies of such
1276 holders until such bonds, together with the interest thereon, with
1277 interest on any unpaid installments of interest, and all costs and
1278 expenses in connection with any action or proceeding by or on
1279 behalf of such holders, are fully met with any action or
1280 proceeding by or on behalf of such holders, are fully met and



1281 discharged. The bank is authorized to include this pledge and
1282 agreement of the state in any agreement with the holders of such
1283 bonds.

1284 **SECTION 27.** Section 31-25-53, Mississippi Code of 1972, is
1285 brought forward as follows:

1286 31-25-53. Neither this act nor anything herein contained is
1287 or shall be construed as a restriction or limitation upon any
1288 powers which the bank might otherwise have under any laws of this
1289 state, and this act is cumulative to any such powers. This act
1290 does and shall be construed to provide complete additional and
1291 alternative method for the doing of the things authorized thereby
1292 and shall be regarded as supplemental and additional to powers
1293 conferred by other laws. No proceedings, notice or approval shall
1294 be required for the issuance of any bonds, notes and other
1295 obligations or any instrument as security therefor, except as in
1296 this act.

1297 **SECTION 28.** Section 31-25-55, Mississippi Code of 1972, is
1298 brought forward as follows:

1299 31-25-55. If any section, subsection, paragraph, sentence,
1300 clause or provision of this act shall be unconstitutional or
1301 ineffective, in whole or in part, to the extent that it is not
1302 unconstitutional or ineffective, it shall be valid and effective
1303 and no other section, subdivision, paragraph, sentence, clause or
1304 provision shall on account thereof be deemed invalid or
1305 ineffective.

1306 **SECTION 29.** This act shall take effect and be in force from
1307 and after its passage.

