

By: Representatives McCoy, Morris, Smith
(39th)

To: Ways and Means

HOUSE BILL NO. 1592

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$1,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR FEDERAL
3 FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** As used in this act, the following words shall
7 have the meanings ascribed herein unless the context clearly
8 requires otherwise:

9 (a) "Accreted value" of any bonds means, as of any date
10 of computation, an amount equal to the sum of (i) the stated
11 initial value of such bond, plus (ii) the interest accrued thereon
12 from the issue date to the date of computation at the rate,
13 compounded semiannually, that is necessary to produce the
14 approximate yield to maturity shown for bonds of the same
15 maturity.

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

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

18 **SECTION 2.** (1) The Commission on Environmental Quality, at
19 one time, or from time to time, may declare by resolution the
20 necessity for issuance of general obligation bonds of the State of
21 Mississippi to provide funds for the Water Pollution Control
22 Revolving Fund established in Section 49-17-85. Upon the adoption
23 of a resolution by the Commission on Environmental Quality,
24 declaring the necessity for the issuance of any part or all of the
25 general obligation bonds authorized by this section, the
26 Commission on Environmental Quality shall deliver a certified copy
27 of its resolution or resolutions to the commission. Upon receipt
28 of such resolution, the commission, in its discretion, may act as



29 the issuing agent, prescribe the form of the bonds, advertise for
30 and accept bids, issue and sell the bonds so authorized to be sold
31 and do any and all other things necessary and advisable in
32 connection with the issuance and sale of such bonds. The total
33 amount of bonds issued under this act shall not exceed One Million
34 Dollars (\$1,000,000.00).

35 (2) The proceeds of bonds issued pursuant to this act shall
36 be deposited into the Water Pollution Control Revolving Fund
37 created pursuant to Section 49-17-85.

38 **SECTION 3.** The principal of and interest on the bonds
39 authorized under this act shall be payable in the manner provided
40 in this section. Such bonds shall bear such date or dates, be in
41 such denomination or denominations, bear interest at such rate or
42 rates (not to exceed the limits set forth in Section 75-17-101,
43 Mississippi Code of 1972), be payable at such place or places
44 within or without the State of Mississippi, shall mature
45 absolutely at such time or times not to exceed twenty-five (25)
46 years from date of issue, be redeemable before maturity at such
47 time or times and upon such terms, with or without premium, shall
48 bear such registration privileges, and shall be substantially in
49 such form, all as shall be determined by resolution of the
50 commission.

51 **SECTION 4.** The bonds authorized by this act shall be signed
52 by the chairman of the commission, or by his facsimile signature,
53 and the official seal of the commission shall be affixed thereto,
54 attested by the secretary of the commission. The interest
55 coupons, if any, to be attached to such bonds may be executed by
56 the facsimile signatures of such officers. Whenever any such
57 bonds shall have been signed by the officials designated to sign
58 the bonds who were in office at the time of such signing but who
59 may have ceased to be such officers before the sale and delivery
60 of such bonds, or who may not have been in office on the date such
61 bonds may bear, the signatures of such officers upon such bonds



62 and coupons shall nevertheless be valid and sufficient for all
63 purposes and have the same effect as if the person so officially
64 signing such bonds had remained in office until their delivery to
65 the purchaser, or had been in office on the date such bonds may
66 bear. However, notwithstanding anything herein to the contrary,
67 such bonds may be issued as provided in the Registered Bond Act of
68 the State of Mississippi.

69 **SECTION 5.** All bonds and interest coupons issued under the
70 provisions of this act have all the qualities and incidents of
71 negotiable instruments under the provisions of the Uniform
72 Commercial Code, and in exercising the powers granted by this act,
73 the commission shall not be required to and need not comply with
74 the provisions of the Uniform Commercial Code.

75 **SECTION 6.** The commission shall act as the issuing agent for
76 the bonds authorized under this act, prescribe the form of the
77 bonds, advertise for and accept bids, issue and sell the bonds so
78 authorized to be sold, pay all fees and costs incurred in such
79 issuance and sale, and do any and all other things necessary and
80 advisable in connection with the issuance and sale of such bonds.
81 The commission is authorized and empowered to pay the costs that
82 are incident to the sale, issuance and delivery of the bonds
83 authorized under this act from the proceeds derived from the sale
84 of such bonds. The commission shall sell such bonds on sealed
85 bids at public sale, and for such price as it may determine to be
86 for the best interest of the State of Mississippi, but no such
87 sale shall be made at a price less than par plus accrued interest
88 to the date of delivery of the bonds to the purchaser. All
89 interest accruing on such bonds so issued shall be payable
90 semiannually or annually; however, the first interest payment may
91 be for any period of not more than one (1) year.

92 Notice of the sale of any such bonds shall be published at
93 least one time, not less than ten (10) days before the date of
94 sale, and shall be so published in one or more newspapers



95 published or having a general circulation in the City of Jackson,
96 Mississippi, and in one or more other newspapers or financial
97 journals with a national circulation, to be selected by the
98 commission.

99 The commission, when issuing any bonds under the authority of
100 this act, may provide that bonds, at the option of the State of
101 Mississippi, may be called in for payment and redemption at the
102 call price named therein and accrued interest on such date or
103 dates named therein.

104 **SECTION 7.** The bonds issued under the provisions of this act
105 are general obligations of the State of Mississippi, and for the
106 payment thereof the full faith and credit of the State of
107 Mississippi is irrevocably pledged. If the funds appropriated by
108 the Legislature are insufficient to pay the principal of and the
109 interest on such bonds as they become due, then the deficiency
110 shall be paid by the State Treasurer from any funds in the State
111 Treasury not otherwise appropriated. All such bonds shall contain
112 recitals on their faces substantially covering the provisions of
113 this section.

114 **SECTION 8.** Upon the issuance and sale of bonds under the
115 provisions of this act, the commission shall transfer the proceeds
116 of any such sale or sales to the Water Pollution Control Revolving
117 Fund created in Section 49-17-85. After the transfer of the
118 proceeds of any such sale or sales to the Water Pollution Control
119 Revolving Fund, any investment earnings or interest earned on the
120 proceeds of such bonds shall be deposited to the credit of the
121 Water Pollution Control Revolving Fund and shall be used only for
122 the purposes provided in Section 49-17-85. The proceeds of such
123 bonds shall be disbursed solely upon the order of the Commission
124 on Environmental Quality under such restrictions, if any, as may
125 be contained in the resolution providing for the issuance of the
126 bonds.



127 **SECTION 9.** The bonds authorized under this act may be issued
128 without any other proceedings or the happening of any other
129 conditions or things other than those proceedings, conditions and
130 things which are specified or required by this act. Any
131 resolution providing for the issuance of bonds under the
132 provisions of this act shall become effective immediately upon its
133 adoption by the commission, and any such resolution may be adopted
134 at any regular or special meeting of the commission by a majority
135 of its members.

136 **SECTION 10.** The bonds authorized under the authority of this
137 act may be validated in the Chancery Court of the First Judicial
138 District of Hinds County, Mississippi, in the manner and with the
139 force and effect provided by Chapter 13, Title 31, Mississippi
140 Code of 1972, for the validation of county, municipal, school
141 district and other bonds. The notice to taxpayers required by
142 such statutes shall be published in a newspaper published or
143 having a general circulation in the City of Jackson, Mississippi.

144 **SECTION 11.** Any holder of bonds issued under the provisions
145 of this act or of any of the interest coupons pertaining thereto
146 may, either at law or in equity, by suit, action, mandamus or
147 other proceeding, protect and enforce any and all rights granted
148 under this act, or under such resolution, and may enforce and
149 compel performance of all duties required by this act to be
150 performed, in order to provide for the payment of bonds and
151 interest thereon.

152 **SECTION 12.** All bonds issued under the provisions of this
153 act shall be legal investments for trustees and other fiduciaries,
154 and for savings banks, trust companies and insurance companies
155 organized under the laws of the State of Mississippi, and such
156 bonds shall be legal securities which may be deposited with and
157 shall be received by all public officers and bodies of this state
158 and all municipalities and political subdivisions for the purpose
159 of securing the deposit of public funds.



160 **SECTION 13.** Bonds issued under the provisions of this act
161 and income therefrom shall be exempt from all taxation in the
162 State of Mississippi.

163 **SECTION 14.** The proceeds of the bonds issued under this act
164 shall be used solely for the purposes therein provided, including
165 the costs incident to the issuance and sale of such bonds.

166 **SECTION 15.** The State Treasurer is authorized, without
167 further process of law, to certify to the Department of Finance
168 and Administration the necessity for warrants, and the Department
169 of Finance and Administration is authorized and directed to issue
170 such warrants, in such amounts as may be necessary to pay when due
171 the principal of, premium, if any, and interest on, or the
172 accreted value of, all bonds issued under this act; and the State
173 Treasurer shall forward the necessary amount to the designated
174 place or places of payment of such bonds in ample time to
175 discharge such bonds, or the interest thereon, on the due dates
176 thereof.

177 **SECTION 16.** This act shall be deemed to be full and complete
178 authority for the exercise of the powers therein granted, but this
179 act shall not be deemed to repeal or to be in derogation of any
180 existing law of this state.

181 **SECTION 17.** This act shall take effect and be in force from
182 and after its passage.

