

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

To: Ways and Means

HOUSE BILL NO. 1592
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$4,200,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR FEDERAL
3 FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO AMEND
4 SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995, TO INCREASE FROM
5 \$15,000,000.00 TO \$15,130,000.00 THE AMOUNT OF STATE GENERAL
6 OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL GOVERNMENTS AND
7 RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND; AND FOR
8 RELATED PURPOSES.

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

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

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

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

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

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



31 of its resolution or resolutions to the commission. Upon receipt
32 of such resolution, the commission, in its discretion, may act as
33 the issuing agent, prescribe the form of the bonds, advertise for
34 and accept bids, issue and sell the bonds so authorized to be sold
35 and do any and all other things necessary and advisable in
36 connection with the issuance and sale of such bonds. The total
37 amount of bonds issued under Sections 1 through 16 of this act
38 shall not exceed Four Million Two Hundred Thousand Dollars
39 (\$4,200,000.00).

40 (2) The proceeds of bonds issued pursuant to Sections 1
41 through 16 of this act shall be deposited into the Water Pollution
42 Control Revolving Fund created pursuant to Section 49-17-85.

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

56 **SECTION 4.** The bonds authorized by Sections 1 through 16 of
57 this act shall be signed by the chairman of the commission, or by
58 his facsimile signature, and the official seal of the commission
59 shall be affixed thereto, attested by the secretary of the
60 commission. The interest coupons, if any, to be attached to such
61 bonds may be executed by the facsimile signatures of such
62 officers. Whenever any such bonds shall have been signed by the
63 officials designated to sign the bonds who were in office at the



64 time of such signing but who may have ceased to be such officers
65 before the sale and delivery of such bonds, or who may not have
66 been in office on the date such bonds may bear, the signatures of
67 such officers upon such bonds and coupons shall nevertheless be
68 valid and sufficient for all purposes and have the same effect as
69 if the person so officially signing such bonds had remained in
70 office until their delivery to the purchaser, or had been in
71 office on the date such bonds may bear. However, notwithstanding
72 anything herein to the contrary, such bonds may be issued as
73 provided in the Registered Bond Act of the State of Mississippi.

74 **SECTION 5.** All bonds and interest coupons issued under the
75 provisions of Sections 1 through 16 of this act have all the
76 qualities and incidents of negotiable instruments under the
77 provisions of the Uniform Commercial Code, and in exercising the
78 powers granted by Sections 1 through 16 of this act, the
79 commission shall not be required to and need not comply with the
80 provisions of the Uniform Commercial Code.

81 **SECTION 6.** The commission shall act as the issuing agent for
82 the bonds authorized under Sections 1 through 16 of this act,
83 prescribe the form of the bonds, advertise for and accept bids,
84 issue and sell the bonds so authorized to be sold, pay all fees
85 and costs incurred in such issuance and sale, and do any and all
86 other things necessary and advisable in connection with the
87 issuance and sale of such bonds. The commission is authorized and
88 empowered to pay the costs that are incident to the sale, issuance
89 and delivery of the bonds authorized under Sections 1 through 16
90 of this act from the proceeds derived from the sale of such bonds.
91 The commission shall sell such bonds on sealed bids at public
92 sale, and for such price as it may determine to be for the best
93 interest of the State of Mississippi, but no such sale shall be
94 made at a price less than par plus accrued interest to the date of
95 delivery of the bonds to the purchaser. All interest accruing on
96 such bonds so issued shall be payable semiannually or annually;



97 however, the first interest payment may be for any period of not
98 more than one (1) year.

99 Notice of the sale of any such bonds shall be published at
100 least one time, not less than ten (10) days before the date of
101 sale, and shall be so published in one or more newspapers
102 published or having a general circulation in the City of Jackson,
103 Mississippi, and in one or more other newspapers or financial
104 journals with a national circulation, to be selected by the
105 commission.

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

111 **SECTION 7.** The bonds issued under the provisions of Sections
112 1 through 16 of this act are general obligations of the State of
113 Mississippi, and for the payment thereof the full faith and credit
114 of the State of Mississippi is irrevocably pledged. If the funds
115 appropriated by the Legislature are insufficient to pay the
116 principal of and the interest on such bonds as they become due,
117 then the deficiency shall be paid by the State Treasurer from any
118 funds in the State Treasury not otherwise appropriated. All such
119 bonds shall contain recitals on their faces substantially covering
120 the provisions of this section.

121 **SECTION 8.** Upon the issuance and sale of bonds under the
122 provisions of Sections 1 through 16 of this act, the commission
123 shall transfer the proceeds of any such sale or sales to the Water
124 Pollution Control Revolving Fund created in Section 49-17-85.
125 After the transfer of the proceeds of any such sale or sales to
126 the Water Pollution Control Revolving Fund, any investment
127 earnings or interest earned on the proceeds of such bonds shall be
128 deposited to the credit of the Water Pollution Control Revolving
129 Fund and shall be used only for the purposes provided in Section



130 49-17-85. The proceeds of such bonds shall be disbursed solely
131 upon the order of the Commission on Environmental Quality under
132 such restrictions, if any, as may be contained in the resolution
133 providing for the issuance of the bonds.

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

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

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



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

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

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

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

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



194 **SECTION 17.** Sections 6 through 20, Chapter 521, Laws of
195 1995, are amended as follows:

196 Section 6. The board created in Section 41-3-16, at one
197 time, or from time to time, may declare by resolution the
198 necessity for issuance of general obligation bonds of the State of
199 Mississippi to provide funds for all costs incurred or to be
200 incurred by the board in constructing new water systems or
201 repairing existing water systems described in Section 41-3-16.
202 Upon the adoption of a resolution by the board, declaring the
203 necessity for the issuance of any part or all of the general
204 obligation bonds authorized by this section, the board shall
205 deliver a certified copy of its resolution or resolutions to the
206 State Bond Commission. Upon receipt of such resolution, the State
207 Bond Commission, in its discretion, may act as the issuing agent,
208 prescribe the form of the bonds, advertise for and accept bids,
209 issue and sell the tax exempt or taxable bonds so authorized to be
210 sold, and do any and all other things necessary and advisable in
211 connection with the issuance and sale of such bonds. The amount
212 of bonds issued under Sections 6 through 20 of this act shall not
213 exceed Fifteen Million One Hundred Thirty Thousand Dollars
214 (\$15,130,000.00), the proceeds of which shall be deposited in the
215 revolving fund and Five Million Dollars (\$5,000,000.00), the
216 proceeds of which shall be deposited in the emergency fund.

217 Section 7. The principal of and interest on the bonds
218 authorized under Section 6 of this act shall be payable in the
219 manner provided in this section. Such bonds shall bear such date
220 or dates, be in such denomination or denominations, bear interest
221 at such rate or rates (not to exceed the limits set forth in
222 Section 75-17-101), be payable at such place or places within or
223 without the State of Mississippi, shall mature absolutely at such
224 time or times not to exceed twenty-five (25) years from date of
225 issue, be redeemable before maturity at such time or times and
226 upon such terms, with or without premium, shall bear such



227 registration privileges, and shall be substantially in such form,
228 all as shall be determined by resolution of the State Bond
229 Commission.

230 Section 8. The bonds authorized by Section 6 of this act
231 shall be signed by the Chairman of the State Bond Commission, or
232 by his facsimile signature, and the official seal of the State
233 Bond Commission shall be affixed thereto, attested by the
234 Secretary of the State Bond Commission. The interest coupons, if
235 any, to be attached to such bonds may be executed by the facsimile
236 signatures of such officers. Whenever any such bonds shall have
237 been signed by the officials designated to sign the bonds who were
238 in office at the time of such signing but who may have ceased to
239 be such officers before the sale and delivery of such bonds, or
240 who may not have been in office on the date such bonds may bear,
241 the signatures of such officers upon such bonds and coupons shall
242 nevertheless be valid and sufficient for all purposes and have the
243 same effect as if the person so officially signing such bonds had
244 remained in office until their delivery to the purchaser, or had
245 been in office on the date such bonds may bear. However,
246 notwithstanding anything herein to the contrary, such bonds may be
247 issued as provided in the Registered Bond Act of the State of
248 Mississippi.

249 Section 9. All bonds and interest coupons issued under the
250 provisions of Sections 6 through 20 of this act have all the
251 qualities and incidents of negotiable instruments under the
252 provisions of the Mississippi Uniform Commercial Code, and in
253 exercising the powers granted by Sections 6 through 20 of this
254 act, the State Bond Commission shall not be required to and need
255 not comply with the provisions of the Mississippi Uniform
256 Commercial Code.

257 Section 10. The State Bond Commission shall act as the
258 issuing agent for the bonds authorized under Sections 6 through 20
259 of this act, prescribe the form of the bonds, advertise for and



260 accept bids, issue and sell the bonds so authorized to be sold,
261 pay all fees and costs incurred in such issuance and sale, and do
262 all other things necessary and advisable in connection with the
263 issuance and sale of the bonds. The State Bond Commission may pay
264 the costs that are incident to the sale, issuance and delivery of
265 the bonds authorized under Sections 6 through 20 of this act from
266 the proceeds derived from the sale of the bonds. The State Bond
267 Commission shall sell such bonds on sealed bids at public sale,
268 and for such price as it may determine to be for the best interest
269 of the State of Mississippi, but no such sale may be made at a
270 price less than par plus accrued interest to the date of delivery
271 of the bonds to the purchaser. All interest accruing on such
272 bonds so issued shall be payable semiannually or annually;
273 however, the first interest payment may be for any period of not
274 more than one (1) year.

275 Notice of the sale of any such bond shall be published at
276 least one time, not less than ten (10) days before the date of
277 sale, and shall be so published in one or more newspapers
278 published or having a general circulation in the City of Jackson,
279 Mississippi, and in one or more other newspapers or financial
280 journals with a national circulation, to be selected by the State
281 Bond Commission.

282 The State Bond Commission, when issuing any bonds under the
283 authority of Sections 6 through 20 of this act, may provide that
284 bonds, at the option of the State of Mississippi, may be called in
285 for payment and redemption at the call price named therein and
286 accrued interest on such date or dates named therein.

287 Section 11. The bonds issued under the provisions of
288 Sections 6 through 20 of this act are general obligations of the
289 State of Mississippi, and for the payment thereof the full faith
290 and credit of the State of Mississippi is irrevocably pledged. If
291 the funds appropriated by the Legislature are insufficient to pay
292 the principal of and interest on such bonds as they become due,



293 then the deficiency shall be paid by the State Treasurer from any
294 funds in the State Treasury not otherwise appropriated. All such
295 bonds shall contain recitals on their faces substantially covering
296 the provisions of this section.

297 Section 12. The State Treasurer is authorized, without
298 further process of law, to certify to the Department of Finance
299 and Administration the necessity for warrants, and the Department
300 of Finance and Administration is authorized and directed to issue
301 such warrants, in such amounts as may be necessary to pay when due
302 the principal of, premium, if any, and interest on, or the
303 accreted value of, all bonds issued under Sections 6 through 20 of
304 this act; and the State Treasurer shall forward the necessary
305 amount to the designated place or places of payment of such bonds
306 in ample time to discharge such bonds, or the interest on the
307 bonds, on their due dates.

308 Section 13. Upon the issuance and sale of bonds under the
309 provisions of Sections 6 through 20 of this act, the State Bond
310 Commission shall transfer the proceeds of any sale or sales of
311 bonds to the revolving fund and the emergency fund in the amounts
312 specified in Section 6 of this act. After such transfer, all
313 investment earnings or interest earned on the proceeds of such
314 bonds shall be deposited to the credit of the revolving fund and
315 the emergency fund, and shall be used only for the purposes
316 established in Section 41-3-16. The proceeds of such bonds shall
317 be disbursed solely upon the order of the board created in Section
318 1 of this act under such restrictions, if any, as may be contained
319 in the resolution providing for the issuance of the bonds.

320 Section 14. The bonds authorized under Sections 6 through 20
321 of this act may be issued without any other proceedings or the
322 happening of any other conditions or things other than those
323 proceedings, conditions and things which are specified or required
324 by Sections 6 through 20 of this act. Any resolution providing
325 for the issuance of bonds under the provisions of Sections 6



326 through 20 of this act shall become effective immediately upon its
327 adoption by the State Bond Commission, and any such resolution may
328 be adopted at any regular or special meeting of the State Bond
329 Commission by a majority of its members.

330 Section 15. The bonds authorized under the authority of
331 Sections 6 through 20 of this act may be validated in the Chancery
332 Court of the First Judicial District of Hinds County, Mississippi,
333 in the manner and with the force and effect provided by Chapter
334 13, Title 31, Mississippi Code of 1972, for the validation of
335 county, municipal, school district and other bonds. The notice to
336 taxpayers required by such statutes shall be published in a
337 newspaper published or having a general circulation in the City of
338 Jackson, Mississippi.

339 Section 16. Any holder of bonds issued under the provisions
340 of Sections 6 through 20 of this act or of any of the interest
341 coupons pertaining thereto may, either at law or in equity, by
342 suit, action, mandamus or other proceeding, protect and enforce
343 all rights granted under Sections 6 through 20 of this act, or
344 under such resolution, and may enforce and compel performance of
345 all duties required by Sections 6 through 20 of this act to be
346 performed, in order to provide for the payment of bonds and
347 interest thereon.

348 Section 17. All bonds issued under the provisions of
349 Sections 6 through 20 of this act shall be legal investments for
350 trustees and other fiduciaries, and for savings banks, trust
351 companies and insurance companies organized under the laws of the
352 State of Mississippi, and such bonds shall be legal securities
353 which may be deposited with and shall be received by all public
354 officers and bodies of this state and all municipalities and
355 political subdivisions for the purpose of securing the deposit of
356 public funds.



357 Section 18. Bonds issued under the provisions of Sections 6
358 through 20 of this act and income therefrom shall be exempt from
359 all taxation in the State of Mississippi.

360 Section 19. The proceeds of the bonds issued under the
361 provisions of Sections 6 through 20 of this act shall be used
362 solely for the purposes herein provided, including the costs
363 incident to the issuance and sale of such bonds.

364 Section 20. Sections 6 through 20 of this act shall be
365 deemed to be full and complete authority for the exercise of the
366 powers granted, but Sections 6 through 20 of this act shall not be
367 deemed to repeal or to be in derogation of any existing law of
368 this state.

369 **SECTION 18.** This act shall take effect and be in force from
370 and after its passage.

