

By: Representatives McCoy, Morris, Smith
(39th), Scott (80th)

To: Ways and Means

HOUSE BILL NO. 1595

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE SMALL
3 MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND; TO AMEND
4 SECTION 57-1-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MONIES
5 IN THE SMALL MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND
6 WHICH ARE DERIVED FROM PROCEEDS OF BONDS ISSUED UNDER THIS ACT MAY
7 BE USED TO REIMBURSE THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR
8 REASONABLE ACTUAL AND NECESSARY COSTS INCURRED BY THE MISSISSIPPI
9 DEVELOPMENT AUTHORITY IN PROVIDING ASSISTANCE RELATED TO PROJECTS
10 FOR WHICH FUNDING IS PROVIDED FROM THE USE PROCEEDS OF BONDS
11 AUTHORIZED BY THIS ACT; AND FOR RELATED PURPOSES.

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

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

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

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

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

25 **SECTION 2.** (1) The Mississippi Development Authority, at
26 one time, or from time to time, may declare by resolution the
27 necessity for issuance of general obligation bonds of the State of
28 Mississippi to provide funds for the grant program authorized in
29 Section 57-1-18. Upon the adoption of a resolution by the
30 Mississippi Development Authority, declaring the necessity for the
31 issuance of any part or all of the general obligation bonds



32 authorized by this section, the Mississippi Development Authority
33 shall deliver a certified copy of its resolution or resolutions to
34 the commission. Upon receipt of such resolution, the commission,
35 in its discretion, may act as the issuing agent, prescribe the
36 form of the bonds, advertise for and accept bids, issue and sell
37 the bonds so authorized to be sold and do any and all other things
38 necessary and advisable in connection with the issuance and sale
39 of such bonds. The total amount of bonds issued under Sections 1
40 through 16 of this act shall not exceed Ten Million Dollars
41 (\$10,000,000.00). No bonds authorized under Sections 1 through 16
42 of this act shall be issued after July 1, 2007.

43 (2) The proceeds of bonds issued pursuant to Sections 1
44 through 16 of this act shall be deposited into the Small
45 Municipalities and Limited Population Counties Fund created
46 pursuant to Section 57-1-18. Any investment earnings on bonds
47 issued pursuant to Sections 1 through 16 of this act shall be used
48 to pay debt service on bonds issued under Sections 1 through 16 of
49 this act, in accordance with the proceedings authorizing issuance
50 of such bonds.

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



64 **SECTION 4.** The bonds authorized by Sections 1 through 16 of
65 this act shall be signed by the chairman of the commission, or by
66 his facsimile signature, and the official seal of the commission
67 shall be affixed thereto, attested by the secretary of the
68 commission. The interest coupons, if any, to be attached to such
69 bonds may be executed by the facsimile signatures of such
70 officers. Whenever any such bonds shall have been signed by the
71 officials designated to sign the bonds who were in office at the
72 time of such signing but who may have ceased to be such officers
73 before the sale and delivery of such bonds, or who may not have
74 been in office on the date such bonds may bear, the signatures of
75 such officers upon such bonds and coupons shall nevertheless be
76 valid and sufficient for all purposes and have the same effect as
77 if the person so officially signing such bonds had remained in
78 office until their delivery to the purchaser, or had been in
79 office on the date such bonds may bear. However, notwithstanding
80 anything herein to the contrary, such bonds may be issued as
81 provided in the Registered Bond Act of the State of Mississippi.

82 **SECTION 5.** All bonds and interest coupons issued under the
83 provisions of Sections 1 through 16 of this act have all the
84 qualities and incidents of negotiable instruments under the
85 provisions of the Uniform Commercial Code, and in exercising the
86 powers granted by Sections 1 through 16 of this act, the
87 commission shall not be required to and need not comply with the
88 provisions of the Uniform Commercial Code.

89 **SECTION 6.** The commission shall act as the issuing agent for
90 the bonds authorized under Sections 1 through 16 of this act,
91 prescribe the form of the bonds, advertise for and accept bids,
92 issue and sell the bonds so authorized to be sold, pay all fees
93 and costs incurred in such issuance and sale, and do any and all
94 other things necessary and advisable in connection with the
95 issuance and sale of such bonds. The commission is authorized and
96 empowered to pay the costs that are incident to the sale, issuance



97 and delivery of the bonds authorized under Sections 1 through 16
98 of this act from the proceeds derived from the sale of such bonds.
99 The commission shall sell such bonds on sealed bids at public
100 sale, and for such price as it may determine to be for the best
101 interest of the State of Mississippi, but no such sale shall be
102 made at a price less than par plus accrued interest to the date of
103 delivery of the bonds to the purchaser. All interest accruing on
104 such bonds so issued shall be payable semiannually or annually;
105 however, the first interest payment may be for any period of not
106 more than one (1) year.

107 Notice of the sale of any such bonds shall be published at
108 least one (1) time, not less than ten (10) days before the date of
109 sale, and shall be so published in one or more newspapers
110 published or having a general circulation in the City of Jackson,
111 Mississippi, and in one or more other newspapers or financial
112 journals with a national circulation, to be selected by the
113 commission.

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

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



129 **SECTION 8.** Upon the issuance and sale of bonds under the
130 provisions of Sections 1 through 16 of this act, the commission
131 shall transfer the proceeds of any such sale or sales to the Small
132 Municipalities and Limited Population Counties Fund created in
133 Section 57-1-18. The proceeds of such bonds shall be disbursed
134 solely upon the order of the Mississippi Development Authority
135 under such restrictions, if any, as may be contained in the
136 resolution providing for the issuance of the bonds.

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

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

156 **SECTION 11.** Any holder of bonds issued under the provisions
157 of Sections 1 through 16 of this act or of any of the interest
158 coupons pertaining thereto may, either at law or in equity, by
159 suit, action, mandamus or other proceeding, protect and enforce
160 any and all rights granted under Sections 1 through 16 of this
161 act, or under such resolution, and may enforce and compel



162 performance of all duties required by Sections 1 through 16 of
163 this act to be performed, in order to provide for the payment of
164 bonds and interest thereon.

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

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

177 **SECTION 14.** The proceeds of the bonds issued under Sections
178 1 through 16 of this act shall be used solely for the purposes
179 therein provided, including the costs incident to the issuance and
180 sale of such bonds.

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

192 **SECTION 16.** Sections 1 through 16 of this act shall be
193 deemed to be full and complete authority for the exercise of the
194 powers therein granted, but Sections 1 through 16 of this act



195 shall not be deemed to repeal or to be in derogation of any
196 existing law of this state.

197 **SECTION 17.** Section 57-1-18, Mississippi Code of 1972, is
198 amended as follows:

199 57-1-18. (1) For the purposes of this section the following
200 terms shall have the meanings ascribed in this section unless the
201 context clearly indicates otherwise:

202 (a) "Limited population county" means a county in the
203 State of Mississippi with a population of thirty thousand (30,000)
204 or less according to the most recent federal decennial census at
205 the time the county submits its application to the MDA under this
206 section.

207 (b) "MDA" means the Mississippi Development Authority.

208 (c) "Project" means highways, streets and other
209 roadways, bridges, sidewalks, utilities, airfields, airports,
210 acquisition of equipment, acquisition of real property,
211 development of real property, improvements to real property, and
212 any other project approved by the MDA.

213 (d) "Small municipality" means a municipality in the
214 State of Mississippi with a population of ten thousand (10,000) or
215 less according to the most recent federal decennial census at the
216 time the municipality submits its application to the MDA under
217 this section.

218 (2) (a) There is hereby created in the State Treasury a
219 special fund to be designated as the "Small Municipalities and
220 Limited Population Counties Fund," which shall consist of funds
221 appropriated or otherwise made available by the Legislature in any
222 manner and funds from any other source designated for deposit into
223 such fund. Unexpended amounts remaining in the fund at the end of
224 a fiscal year shall not lapse into the State General Fund, and any
225 investment earnings or interest earned on amounts in the fund
226 shall be deposited to the credit of the fund. Monies in the fund
227 shall be used to make grants to small municipalities and limited



228 population counties or natural gas districts created by law and
229 contained therein to assist in completing projects under this
230 section.

231 (b) Monies in the fund which are derived from proceeds
232 of bonds issued under Sections 1 through 16, Laws of 2002, Chapter
233 538, or Sections 1 through 16 of House Bill No. 1595, 2003 Regular
234 Session, or both, may be used to reimburse reasonable actual and
235 necessary costs incurred by the MDA in providing assistance
236 related to a project for which funding is provided under this
237 section from the use of proceeds of such bonds. An accounting of
238 actual costs incurred for which reimbursement is sought shall be
239 maintained for each project by the MDA. Reimbursement of
240 reasonable actual and necessary costs for a project shall not
241 exceed three percent (3%) of the proceeds of bonds issued for such
242 project. Monies authorized for a particular project may not be
243 used to reimburse administrative costs for unrelated projects.
244 Reimbursements under this subsection shall satisfy any applicable
245 federal tax law requirements.

246 (3) The MDA shall establish a grant program to make grants
247 to small municipalities and limited population counties from the
248 Small Municipalities and Limited Population Counties Fund. A
249 small municipality or limited population county may apply to the
250 MDA for a grant under this section in the manner provided for in
251 this section.

252 (4) A small municipality or limited population county
253 desiring assistance under this section must submit an application
254 to the MDA. The application must include a description of the
255 project for which assistance is requested, the cost of the project
256 for which assistance is requested, the amount of assistance
257 requested and any other information required by the MDA.

258 (5) The MDA shall have all powers necessary to implement and
259 administer the program established under this section, and the
260 department shall promulgate rules and regulations, in accordance



261 with the Mississippi Administrative Procedures Law, necessary for
262 the implementation of this section.

263 (6) The MDA shall file an annual report with the Governor,
264 Secretary of the Senate and the Clerk of the House of
265 Representatives not than December 1 of each year, describing all
266 assistance provided under this section.

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

