

By: Senator(s) King, Morgan, Harvey

To: Finance

SENATE BILL NO. 2172

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING  
3 ASSISTANCE TO LAMAR COUNTY FOR CONSTRUCTION AND IMPROVEMENT OF  
4 SEGMENTS OF ROADWAY THAT ARE INCLUDED IN SUCH COUNTY'S REGIONAL  
5 THOROUGHFARE PROGRAM TO IMPROVE ACCESS TO U.S. HIGHWAY 98; AND FOR  
6 RELATED PURPOSES.

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

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

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

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

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

20 **SECTION 2.** (1) (a) A special fund, to be designated as the  
21 "Highway 98 Access Improvement Program Fund," is created within  
22 the State Treasury. The fund shall be maintained by the State  
23 Treasurer as a separate and special fund, separate and apart from  
24 the General Fund of the state. Unexpended amounts remaining in  
25 the fund at the end of a fiscal year shall not lapse into the  
26 State General Fund, and any interest earned or investment earnings  
27 on amounts in the fund shall be deposited to the credit of the  
28 fund. Monies in the fund may not be used or expended for any  
29 purpose except as authorized under this act.

30           (b) Money deposited into the fund shall be disbursed,  
31 in the discretion of the Department of Finance and Administration,  
32 to assist Lamar County, Mississippi, in paying the costs  
33 associated with construction and improvement of the following  
34 segments of roadway in Lamar County that are included in such  
35 county's Regional Thoroughfare Program:

36                   (i) Sandy Run Road from Lincoln Road Extension at  
37 Oak Grove Road west to U.S. Highway 98;

38                   (ii) Sandy Run Road from Highway 98 north to the  
39 Forrest county line;

40                   (iii) West Fourth Street from Sam Rayburn Drive  
41 west to the new Sandy Run Road;

42                   (iv) Weathersby Road from just south of U.S.  
43 Highway 98 to Lincoln Road Extension;

44                   (v) A new road from Old Highway 11 east to Sandy  
45 Run/Hegwood Road.

46           (2) Amounts deposited into such special fund shall be  
47 disbursed to pay the costs of the project described in subsection  
48 (1) of this section. Promptly after the commission has certified,  
49 by resolution duly adopted, that the projects described in  
50 subsection (1) shall have been completed, abandoned or cannot be  
51 completed in a timely fashion, any amounts remaining in such  
52 special fund shall be applied to pay debt service on the bonds  
53 issued under this act, in accordance with the proceedings  
54 authorizing the issuance of such bonds and as directed by the  
55 commission.

56           (3) The expenditure of monies deposited into the special  
57 fund shall be under the direction of the Department of Finance and  
58 Administration, and such funds shall be paid by the State  
59 Treasurer upon warrants issued by such department, which warrants  
60 shall be issued upon requisitions signed by the Executive Director  
61 of the Department of Finance and Administration, or his designee.

62           **SECTION 3.** (1) Upon receipt of matching funds or  
63 verification that the matching funds described in this subsection  
64 are forthcoming, the commission, at one time, or from time to  
65 time, may declare by resolution the necessity for issuance of  
66 general obligation bonds of the State of Mississippi to provide  
67 funds for all costs incurred or to be incurred for the purposes  
68 described in Section 2 of this act. Upon the adoption of a  
69 resolution by the Department of Finance and Administration,  
70 declaring the necessity for the issuance of any part or all of the  
71 general obligation bonds authorized by this section, the  
72 Department of Finance and Administration shall deliver a certified  
73 copy of its resolution or resolutions to the commission. Upon  
74 receipt of such resolution, the commission, in its discretion, may  
75 act as the issuing agent, prescribe the form of the bonds,  
76 advertise for and accept bids, issue and sell the bonds so  
77 authorized to be sold and do any and all other things necessary  
78 and advisable in connection with the issuance and sale of such  
79 bonds. The total amount of bonds issued under this act shall not  
80 exceed Five Million Dollars (\$5,000,000.00); provided, however,  
81 that not more than One Million Dollars (\$1,000,000.00) may be  
82 issued in any fiscal year. The issuance of the bonds described in  
83 this subsection and the allocation of such funds are conditioned  
84 upon the private sector or local or federal government providing  
85 money to match the amount of bonds that are issued under this  
86 section. The matching funds required pursuant to this subsection  
87 may be provided in the form of cash or in-kind contributions or  
88 any combination of cash or in-kind contributions.

89           (2) Any investment earnings on amounts deposited into the  
90 special fund created in Section 2 of this act shall be used to pay  
91 debt service on bonds issued under this act in accordance with the  
92 proceedings authorizing issuance of such bonds.

93           **SECTION 4.** The principal of and interest on the bonds  
94 authorized under Section 3 of this act shall be payable in the

95 manner provided in this section. Such bonds shall bear such date  
96 or dates, be in such denomination or denominations, bear interest  
97 at such rate or rates (not to exceed the limits set forth in  
98 Section 75-17-101, Mississippi Code of 1972), be payable at such  
99 place or places within or without the State of Mississippi, shall  
100 mature absolutely at such time or times not to exceed twenty-five  
101 (25) years from date of issue, be redeemable before maturity at  
102 such time or times and upon such terms, with or without premium,  
103 shall bear such registration privileges, and shall be  
104 substantially in such form, all as shall be determined by  
105 resolution of the commission.

106       **SECTION 5.** The bonds authorized by Section 3 of this act  
107 shall be signed by the chairman of the commission, or by his  
108 facsimile signature, and the official seal of the commission shall  
109 be affixed thereto and attested by the secretary of the  
110 commission. The interest coupons, if any, to be attached to such  
111 bonds may be executed by the facsimile signatures of such  
112 officers. Whenever any such bonds shall have been signed by the  
113 officials designated to sign the bonds who were in office at the  
114 time of such signing but who may have ceased to be such officers  
115 before the sale and delivery of such bonds, or who may not have  
116 been in office on the date such bonds may bear, the signatures of  
117 such officers upon such bonds and coupons shall nevertheless be  
118 valid and sufficient for all purposes and have the same effect as  
119 if the person so officially signing such bonds had remained in  
120 office until their delivery to the purchaser, or had been in  
121 office on the date such bonds may bear. However, notwithstanding  
122 anything herein to the contrary, such bonds may be issued as  
123 provided in the Registered Bond Act of the State of Mississippi.

124       **SECTION 6.** All bonds and interest coupons issued under the  
125 provisions of this act have all the qualities and incidents of  
126 negotiable instruments under the provisions of the Uniform  
127 Commercial Code, and in exercising the powers granted by this act,

128 the commission shall not be required to and need not comply with  
129 the provisions of the Uniform Commercial Code.

130       **SECTION 7.** The commission shall act as the issuing agent for  
131 the bonds authorized under Section 3 of this act, prescribe the  
132 form of the bonds, advertise for and accept bids, issue and sell  
133 the bonds so authorized to be sold, pay all fees and costs  
134 incurred in such issuance and sale, and do any and all other  
135 things necessary and advisable in connection with the issuance and  
136 sale of such bonds. The commission is authorized and empowered to  
137 pay the costs that are incident to the sale, issuance and delivery  
138 of the bonds authorized under this act from the proceeds derived  
139 from the sale of such bonds. The commission shall sell such bonds  
140 on sealed bids at public sale, and for such price as it may  
141 determine to be for the best interest of the State of Mississippi,  
142 but no such sale shall be made at a price less than par plus  
143 accrued interest to the date of delivery of the bonds to the  
144 purchaser. All interest accruing on such bonds so issued shall be  
145 payable semiannually or annually; however, the first interest  
146 payment may be for any period of not more than one (1) year.

147       Notice of the sale of any such bond shall be published at  
148 least one time, not less than ten (10) days before the date of  
149 sale, and shall be so published in one or more newspapers  
150 published or having a general circulation in the City of Jackson,  
151 Mississippi, and in one or more other newspapers or financial  
152 journals with a national circulation, to be selected by the  
153 commission.

154       The commission, when issuing any bonds under the authority of  
155 this act, may provide that bonds, at the option of the State of  
156 Mississippi, may be called in for payment and redemption at the  
157 call price named therein and accrued interest on such date or  
158 dates named therein.

159       **SECTION 8.** The bonds issued under the provisions of this act  
160 are general obligations of the State of Mississippi, and for the

161 payment thereof the full faith and credit of the State of  
162 Mississippi is irrevocably pledged. If the funds appropriated by  
163 the Legislature are insufficient to pay the principal of and the  
164 interest on such bonds as they become due, then the deficiency  
165 shall be paid by the State Treasurer from any funds in the State  
166 Treasury not otherwise appropriated. All such bonds shall contain  
167 recitals on their faces substantially covering the provisions of  
168 this section.

169       **SECTION 9.** Upon the issuance and sale of bonds under the  
170 provisions of this act, the commission shall transfer the proceeds  
171 of any such sale or sales to the special fund created in Section 2  
172 of this act. The proceeds of such bonds shall be disbursed solely  
173 upon the order of the Department of Finance and Administration  
174 under such restrictions, if any, as may be contained in the  
175 resolution providing for the issuance of the bonds.

176       **SECTION 10.** The bonds authorized under this act may be  
177 issued without any other proceedings or the happening of any other  
178 conditions or things other than those proceedings, conditions and  
179 things which are specified or required by this act. Any  
180 resolution providing for the issuance of bonds under the  
181 provisions of this act shall become effective immediately upon its  
182 adoption by the commission, and any such resolution may be adopted  
183 at any regular or special meeting of the commission by a majority  
184 of its members.

185       **SECTION 11.** The bonds authorized under the authority of this  
186 act may be validated in the Chancery Court of the First Judicial  
187 District of Hinds County, Mississippi, in the manner and with the  
188 force and effect provided by Chapter 13, Title 31, Mississippi  
189 Code of 1972, for the validation of county, municipal, school  
190 district and other bonds. The notice to taxpayers required by  
191 such statutes shall be published in a newspaper published or  
192 having a general circulation in the City of Jackson, Mississippi.

193           **SECTION 12.** Any holder of bonds issued under the provisions  
194 of this act or of any of the interest coupons pertaining thereto  
195 may, either at law or in equity, by suit, action, mandamus or  
196 other proceeding, protect and enforce any and all rights granted  
197 under this act, or under such resolution, and may enforce and  
198 compel performance of all duties required by this act to be  
199 performed, in order to provide for the payment of bonds and  
200 interest thereon.

201           **SECTION 13.** All bonds issued under the provisions of this  
202 act shall be legal investments for trustees and other fiduciaries,  
203 and for savings banks, trust companies and insurance companies  
204 organized under the laws of the State of Mississippi, and such  
205 bonds shall be legal securities which may be deposited with and  
206 shall be received by all public officers and bodies of this state  
207 and all municipalities and political subdivisions for the purpose  
208 of securing the deposit of public funds.

209           **SECTION 14.** Bonds issued under the provisions of this act  
210 and income therefrom shall be exempt from all taxation in the  
211 State of Mississippi.

212           **SECTION 15.** The proceeds of the bonds issued under this act  
213 shall be used solely for the purposes therein provided, including  
214 the costs incident to the issuance and sale of such bonds.

215           **SECTION 16.** The State Treasurer is authorized, without  
216 further process of law, to certify to the Department of Finance  
217 and Administration the necessity for warrants, and the Department  
218 of Finance and Administration is authorized and directed to issue  
219 such warrants, in such amounts as may be necessary to pay when due  
220 the principal of, premium, if any, and interest on, or the  
221 accreted value of, all bonds issued under this act; and the State  
222 Treasurer shall forward the necessary amount to the designated  
223 place or places of payment of such bonds in ample time to  
224 discharge such bonds, or the interest thereon, on the due dates  
225 thereof.

226           **SECTION 17.** This act shall be deemed to be full and complete  
227 authority for the exercise of the powers therein granted, but this  
228 act shall not be deemed to repeal or to be in derogation of any  
229 existing law of this state.

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