

By: Senator(s) Nunnelee, Dearing, Williamson To: Finance

SENATE BILL NO. 2742

1 AN ACT TO AMEND SECTIONS 1 THROUGH 16, CHAPTER 503, LAWS OF
2 2003, TO INCREASE FROM \$4,200,000.00 TO \$6,070,000.00 THE AMOUNT
3 OF STATE GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR
4 FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO
5 AMEND SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995, TO
6 INCREASE FROM \$15,130,000.00 TO \$16,743,000.00 THE AMOUNT OF STATE
7 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL
8 GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN
9 FUND; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Sections 1 through 16, Chapter 503, Laws of 2003,
12 are amended as follows:

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 Commission on Environmental Quality, 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 Water Pollution Control
29 Revolving Fund established in Section 49-17-85. Upon the adoption
30 of a resolution by the Commission on Environmental Quality,

31 declaring the necessity for the issuance of any part or all of the
32 general obligation bonds authorized by this section, the
33 Commission on Environmental Quality shall deliver a certified copy
34 of its resolution or resolutions to the commission. Upon receipt
35 of such resolution, the commission, in its discretion, may act as
36 the issuing agent, prescribe the form of the bonds, advertise for
37 and accept bids, issue and sell the bonds so authorized to be sold
38 and do any and all other things necessary and advisable in
39 connection with the issuance and sale of such bonds. The total
40 amount of bonds issued under Sections 1 through 16 of this act
41 shall not exceed Six Million Seventy Thousand Dollars
42 (\$6,070,000.00).

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

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

59 Section 4. The bonds authorized by Sections 1 through 16 of
60 this act shall be signed by the chairman of the commission, or by
61 his facsimile signature, and the official seal of the commission
62 shall be affixed thereto, attested by the secretary of the
63 commission. The interest coupons, if any, to be attached to such

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

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

84 Section 6. The commission shall act as the issuing agent for
85 the bonds authorized under Sections 1 through 16 of this act,
86 prescribe the form of the bonds, advertise for and accept bids,
87 issue and sell the bonds so authorized to be sold, pay all fees
88 and costs incurred in such issuance and sale, and do any and all
89 other things necessary and advisable in connection with the
90 issuance and sale of such bonds. The commission is authorized and
91 empowered to pay the costs that are incident to the sale, issuance
92 and delivery of the bonds authorized under Sections 1 through 16
93 of this act from the proceeds derived from the sale of such bonds.
94 The commission shall sell such bonds on sealed bids at public
95 sale, and for such price as it may determine to be for the best
96 interest of the State of Mississippi, but no such sale shall be

97 made at a price less than par plus accrued interest to the date of
98 delivery of the bonds to the purchaser. All interest accruing on
99 such bonds so issued shall be payable semiannually or annually;
100 however, the first interest payment may be for any period of not
101 more than one (1) year.

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

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

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

124 Section 8. Upon the issuance and sale of bonds under the
125 provisions of Sections 1 through 16 of this act, the commission
126 shall transfer the proceeds of any such sale or sales to the Water
127 Pollution Control Revolving Fund created in Section 49-17-85.
128 After the transfer of the proceeds of any such sale or sales to
129 the Water Pollution Control Revolving Fund, any investment

130 earnings or interest earned on the proceeds of such bonds shall be
131 deposited to the credit of the Water Pollution Control Revolving
132 Fund and shall be used only for the purposes provided in Section
133 49-17-85. The proceeds of such bonds shall be disbursed solely
134 upon the order of the Commission on Environmental Quality under
135 such restrictions, if any, as may be contained in the resolution
136 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 2.** Sections 6 through 20, Chapter 521, Laws of 1995,
198 as amended by Chapter 503, Laws of 2003, are amended as follows:

199 Section 6. The board created in Section 41-3-16, at one
200 time, or from time to time, may declare by resolution the
201 necessity for issuance of general obligation bonds of the State of
202 Mississippi to provide funds for all costs incurred or to be
203 incurred by the board in constructing new water systems or
204 repairing existing water systems described in Section 41-3-16.
205 Upon the adoption of a resolution by the board, declaring the
206 necessity for the issuance of any part or all of the general
207 obligation bonds authorized by this section, the board shall
208 deliver a certified copy of its resolution or resolutions to the
209 State Bond Commission. Upon receipt of such resolution, the State
210 Bond Commission, in its discretion, may act as the issuing agent,
211 prescribe the form of the bonds, advertise for and accept bids,
212 issue and sell the tax exempt or taxable bonds so authorized to be
213 sold, and do any and all other things necessary and advisable in
214 connection with the issuance and sale of such bonds. The amount
215 of bonds issued under Sections 6 through 20 of this act shall not
216 exceed Sixteen Million Seven Hundred Forty-three Thousand Dollars
217 (\$16,743,000.00), the proceeds of which shall be deposited in the
218 revolving fund and Five Million Dollars (\$5,000,000.00), the
219 proceeds of which shall be deposited in the emergency fund.

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

228 issue, be redeemable before maturity at such time or times and
229 upon such terms, with or without premium, shall bear such
230 registration privileges, and shall be substantially in such form,
231 all as shall be determined by resolution of the State Bond
232 Commission.

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

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

259 Section 10. The State Bond Commission shall act as the
260 issuing agent for the bonds authorized under Sections 6 through 20

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

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

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

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

294 the principal of and interest on such bonds as they become due,
295 then the deficiency shall be paid by the State Treasurer from any
296 funds in the State Treasury not otherwise appropriated. All such
297 bonds shall contain recitals on their faces substantially covering
298 the provisions of this section.

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

310 Section 13. Upon the issuance and sale of bonds under the
311 provisions of Sections 6 through 20 of this act, the State Bond
312 Commission shall transfer the proceeds of any sale or sales of
313 bonds to the revolving fund and the emergency fund in the amounts
314 specified in Section 6 of this act. After such transfer, all
315 investment earnings or interest earned on the proceeds of such
316 bonds shall be deposited to the credit of the revolving fund and
317 the emergency fund, and shall be used only for the purposes
318 established in Section 41-3-16. The proceeds of such bonds shall
319 be disbursed solely upon the order of the board created in Section
320 1 of this act under such restrictions, if any, as may be contained
321 in the resolution providing for the issuance of the bonds.

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

327 for the issuance of bonds under the provisions of Sections 6
328 through 20 of this act shall become effective immediately upon its
329 adoption by the State Bond Commission, and any such resolution may
330 be adopted at any regular or special meeting of the State Bond
331 Commission by a majority of its members.

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

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

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

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

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

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

371 **SECTION 3.** This act shall take effect and be in force from
372 and after its passage.