

By: Senator(s) Robertson, Albritton, Browning, Butler, Clarke, Dearing, Gordon, Harden, Hyde-Smith, Jackson (32nd), Jordan, Lee (47th), Little, Morgan, Thomas, Williamson

To: Finance

SENATE BILL NO. 3051

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 A
5 PORTION OF THE PROCEEDS OF CERTAIN BONDS MAY BE UTILIZED BY THE
6 MISSISSIPPI DEVELOPMENT AUTHORITY TO REIMBURSE CERTAIN COSTS
7 RELATED TO THE ADMINISTRATION OF THE FUND AND TO LIMIT THE AMOUNT
8 OF GRANTS ISSUED TO A MUNICIPALITY OR COUNTY DURING ANY GRANT
9 PERIOD TO \$250,000.00; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

31 shall deliver a certified copy of its resolution or resolutions to
32 the commission. Upon receipt of such resolution, the commission,
33 in its discretion, may act as the issuing agent, prescribe the
34 form of the bonds, advertise for and accept bids, issue and sell
35 the bonds so authorized to be sold and do any and all other things
36 necessary and advisable in connection with the issuance and sale
37 of such bonds. The total amount of bonds issued under Sections 1
38 through 16 of this act shall not exceed Ten Million Dollars
39 (\$10,000,000.00). No bonds authorized under Sections 1 through 16
40 of this act shall be issued after July 1, 2008.

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

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

62 **SECTION 4.** The bonds authorized by Sections 1 through 16 of
63 this act shall be signed by the chairman of the commission, or by

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

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

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

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

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

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

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

127 **SECTION 8.** Upon the issuance and sale of bonds under the
128 provisions of Sections 1 through 16 of this act, the commission
129 shall transfer the proceeds of any such sale or sales to the Small

130 Municipalities and Limited Population Counties Fund created in
131 Section 57-1-18. The proceeds of such bonds shall be disbursed
132 solely upon the order of the Mississippi Development Authority
133 under such restrictions, if any, as may be contained in the
134 resolution providing for the issuance of the bonds.

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

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

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

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

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

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

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

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

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

197 57-1-18. (1) For the purposes of this section, the
198 following terms shall have the meanings ascribed in this section
199 unless the context clearly indicates otherwise:

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

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

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

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

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

227 contained therein to assist in completing projects under this
228 section.

229 (b) Monies in the fund which are derived from proceeds
230 of bonds issued under Sections 1 through 16, Laws of 2002, Chapter
231 538, * * * Sections 1 through 16, Laws, 2003, Chapter 508, or
232 Sections 1 through 16 of Senate Bill No. 3051, 2004 Regular
233 Session, may be used to reimburse reasonable actual and necessary
234 costs incurred by the MDA in providing assistance related to a
235 project for which funding is provided under this section from the
236 use of proceeds of such bonds. An accounting of actual costs
237 incurred for which reimbursement is sought shall be maintained for
238 each project by the MDA. Reimbursement of reasonable actual and
239 necessary costs for a project shall not exceed three percent (3%)
240 of the proceeds of bonds issued for such project. Monies
241 authorized for a particular project may not be used to reimburse
242 administrative costs for unrelated projects. Reimbursements under
243 this subsection shall satisfy any applicable federal tax law
244 requirements.

245 (3) The MDA shall establish a grant program to make grants
246 to small municipalities and limited population counties from the
247 Small Municipalities and Limited Population Counties Fund. Grants
248 made under this section to a municipality or a county shall not
249 exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) during any
250 grant period established by the MDA. A small municipality or
251 limited population county may apply to the MDA for a grant under
252 this section in the manner provided for in this section.

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

259 (5) The MDA shall have all powers necessary to implement and
260 administer the program established under this section, and the
261 department shall promulgate rules and regulations, in accordance
262 with the Mississippi Administrative Procedures Law, necessary for
263 the implementation of this section.

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

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