

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3061

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

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

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

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

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

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

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

26 Section 2. (1) The Commission on Environmental Quality, at
 27 one time, or from time to time, may declare by resolution the
 28 necessity for issuance of general obligation bonds of the State of
 29 Mississippi to provide funds for the Water Pollution Control
 30 Revolving Fund established in Section 49-17-85. Upon the adoption
 31 of a resolution by the Commission on Environmental Quality,

32 declaring the necessity for the issuance of any part or all of the
33 general obligation bonds authorized by this section, the
34 Commission on Environmental Quality shall deliver a certified copy
35 of its resolution or resolutions to the commission. Upon receipt
36 of such resolution, the commission, in its discretion, may act as
37 the issuing agent, prescribe the form of the bonds, advertise for
38 and accept bids, issue and sell the bonds so authorized to be sold
39 and do any and all other things necessary and advisable in
40 connection with the issuance and sale of such bonds. The total
41 amount of bonds issued under Sections 1 through 16 of this act
42 shall not exceed Six Million Seventy Thousand Dollars
43 (\$6,070,000.00).

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

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

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

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

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

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

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

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

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

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

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

131 earnings or interest earned on the proceeds of such bonds shall be
132 deposited to the credit of the Water Pollution Control Revolving
133 Fund and shall be used only for the purposes provided in Section
134 49-17-85. The proceeds of such bonds shall be disbursed solely
135 upon the order of the Commission on Environmental Quality under
136 such restrictions, if any, as may be contained in the resolution
137 providing for the issuance of the bonds.

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

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

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

164 this act to be performed, in order to provide for the payment of
165 bonds and interest thereon.

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

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

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

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

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

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

198 **SECTION 2.** Sections 6 through 20, Chapter 521, Laws of 1995,
199 as amended by Chapter 503, Laws of 2003, are amended as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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