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To: Ways and Means

HOUSE BILL NO. 635

1 AN ACT TO AMEND SECTIONS 136 THROUGH 151, CHAPTER 1, LAWS OF
2 2004, THIRD EXTRAORDINARY SESSION, TO PROVIDE THAT A CERTAIN
3 PORTION OF THE PROCEEDS OF THE BONDS ISSUED TO PROVIDE FUNDS FOR
4 THE SUPPLEMENTARY RURAL FIRE TRUCK FUND CREATED IN SECTION 152,
5 CHAPTER 1, LAWS OF 2004, THIRD EXTRAORDINARY SESSION, SHALL BE
6 DEPOSITED INTO THE RURAL FIRE TRUCK FUND CREATED IN SECTION
7 17-23-1 TO FUND APPLICATIONS FOR THE SEVENTH ROUND OF FIRE TRUCKS
8 THAT ARE FILED WITH THE DEPARTMENT OF INSURANCE; TO AMEND SECTION
9 152, CHAPTER 1, LAWS OF 2004, THIRD EXTRAORDINARY SESSION, TO
10 REVISE ELIGIBILITY REQUIREMENTS FOR COUNTIES AND MUNICIPALITIES TO
11 PARTICIPATE IN THE SUPPLEMENTARY RURAL FIRE TRUCK ACQUISITION
12 ASSISTANCE PROGRAM; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** Sections 136 through 151, Chapter 1, Laws of
15 2004, Third Extraordinary Session, are amended as follows:

16 Section 136. As used in Sections 136 through 151 of this
17 act, the following words shall have the meanings ascribed herein
18 unless the context clearly requires otherwise:

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

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

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

28 Section 137. (1) The Department of Finance and
29 Administration, at one time, or from time to time, may declare by
30 resolution the necessity for issuance of general obligation bonds
31 of the State of Mississippi to provide funds for the Supplementary
32 Rural Fire Truck Fund created in Section 152 of Senate Bill No.

33 2010, 2004 Third Extraordinary Session and the Rural Fire Truck
34 Fund created in Section 17-23-1. Upon the adoption of a
35 resolution by the Department of Finance and Administration,
36 declaring the necessity for the issuance of any part or all of the
37 general obligation bonds authorized by this section, the
38 Department of Finance and Administration shall deliver a certified
39 copy of its resolution or resolutions to the commission. Upon
40 receipt of such resolution, the commission, in its discretion, may
41 act as the issuing agent, prescribe the form of the bonds,
42 advertise for and accept bids, issue and sell the bonds so
43 authorized to be sold and do any and all other things necessary
44 and advisable in connection with the issuance and sale of such
45 bonds. The total amount of bonds issued under Sections 136
46 through 151 of this act shall not exceed Ten Million Dollars
47 (\$10,000,000.00). No bonds authorized under Sections 136 through
48 151 of this act shall be issued after July 1, 2008.

49 (2) Seven Million Six Hundred Ninety Thousand Dollars
50 (\$7,690,000.00) of the proceeds of bonds issued pursuant to
51 Sections 136 through 151 of this act shall be deposited into the
52 Supplementary Rural Fire Truck Fund created in Section 152 of
53 Senate Bill No. 2010, 2004 Third Extraordinary Session. Two
54 Million Three Hundred Ten Thousand Dollars (\$2,310,000.00) of the
55 proceeds of bonds issued pursuant to Sections 136 through 151,
56 Laws of Chapter 1, 2004 Third Extraordinary Session, shall be
57 deposited into the Rural Fire Truck Fund created in Section
58 17-23-1 to fund applications for the seventh round of fire trucks
59 that are filed with the Department of Insurance. Any investment
60 earnings on bonds issued pursuant to Sections 136 through 151 of
61 this act shall be used to pay debt service on bonds issued under
62 Sections 136 through 151 of this act, in accordance with the
63 proceedings authorizing issuance of such bonds.

64 Section 138. The principal of and interest on the bonds
65 authorized under Sections 136 through 151 of this act shall be

66 payable in the manner provided in this section. Such bonds shall
67 bear such date or dates, be in such denomination or denominations,
68 bear interest at such rate or rates (not to exceed the limits set
69 forth in Section 75-17-101, Mississippi Code of 1972), be payable
70 at such place or places within or without the State of
71 Mississippi, shall mature absolutely at such time or times not to
72 exceed twenty-five (25) years from date of issue, be redeemable
73 before maturity at such time or times and upon such terms, with or
74 without premium, shall bear such registration privileges, and
75 shall be substantially in such form, all as shall be determined by
76 resolution of the commission.

77 Section 139. The bonds authorized by Sections 136 through
78 151 of this act shall be signed by the chairman of the commission,
79 or by his facsimile signature, and the official seal of the
80 commission shall be affixed thereto, attested by the secretary of
81 the commission. The interest coupons, if any, to be attached to
82 such bonds may be executed by the facsimile signatures of such
83 officers. Whenever any such bonds shall have been signed by the
84 officials designated to sign the bonds who were in office at the
85 time of such signing but who may have ceased to be such officers
86 before the sale and delivery of such bonds, or who may not have
87 been in office on the date such bonds may bear, the signatures of
88 such officers upon such bonds and coupons shall nevertheless be
89 valid and sufficient for all purposes and have the same effect as
90 if the person so officially signing such bonds had remained in
91 office until their delivery to the purchaser, or had been in
92 office on the date such bonds may bear. However, notwithstanding
93 anything herein to the contrary, such bonds may be issued as
94 provided in the Registered Bond Act of the State of Mississippi.

95 Section 140. All bonds and interest coupons issued under the
96 provisions of Sections 136 through 151 of this act have all the
97 qualities and incidents of negotiable instruments under the
98 provisions of the Uniform Commercial Code, and in exercising the

99 powers granted by Sections 136 through 151 of this act, the
100 commission shall not be required to and need not comply with the
101 provisions of the Uniform Commercial Code.

102 Section 141. The commission shall act as the issuing agent
103 for the bonds authorized under Sections 136 through 151 of this
104 act, prescribe the form of the bonds, advertise for and accept
105 bids, issue and sell the bonds so authorized to be sold, pay all
106 fees and costs incurred in such issuance and sale, and do any and
107 all other things necessary and advisable in connection with the
108 issuance and sale of such bonds. The commission is authorized and
109 empowered to pay the costs that are incident to the sale, issuance
110 and delivery of the bonds authorized under Sections 136 through
111 151 of this act from the proceeds derived from the sale of such
112 bonds. The commission shall sell such bonds on sealed bids at
113 public sale, and for such price as it may determine to be for the
114 best interest of the State of Mississippi, but no such sale shall
115 be made at a price less than par plus accrued interest to the date
116 of delivery of the bonds to the purchaser. All interest accruing
117 on such bonds so issued shall be payable semiannually or annually;
118 however, the first interest payment may be for any period of not
119 more than one (1) year.

120 Notice of the sale of any such bonds shall be published at
121 least one time, not less than ten (10) days before the date of
122 sale, and shall be so published in one or more newspapers
123 published or having a general circulation in the City of Jackson,
124 Mississippi, and in one or more other newspapers or financial
125 journals with a national circulation, to be selected by the
126 commission.

127 The commission, when issuing any bonds under the authority of
128 Sections 136 through 151 of this act, may provide that bonds, at
129 the option of the State of Mississippi, may be called in for
130 payment and redemption at the call price named therein and accrued
131 interest on such date or dates named therein.

132 Section 142. The bonds issued under the provisions of
133 Sections 136 through 151 of this act are general obligations of
134 the State of Mississippi, and for the payment thereof the full
135 faith and credit of the State of Mississippi is irrevocably
136 pledged. If the funds appropriated by the Legislature are
137 insufficient to pay the principal of and the interest on such
138 bonds as they become due, then the deficiency shall be paid by the
139 State Treasurer from any funds in the State Treasury not otherwise
140 appropriated. All such bonds shall contain recitals on their
141 faces substantially covering the provisions of this section.

142 Section 143. Upon the issuance and sale of bonds under the
143 provisions of Sections 136 through 151 of this act, the commission
144 shall transfer the proceeds of any such sale or sales to the
145 Supplementary Rural Fire Truck Fund created in Section 151 of
146 Senate Bill No. 2010, 2004 Third Extraordinary Session and the
147 Rural Fire Truck Fund created in Section 17-23-1 in the amounts
148 provided for in Section 137 of this act. The proceeds of such
149 bonds shall be disbursed solely upon the order of the Department
150 of Finance and Administration under such restrictions, if any, as
151 may be contained in the resolution providing for the issuance of
152 the bonds.

153 Section 144. The bonds authorized under Sections 136 through
154 151 of this act may be issued without any other proceedings or the
155 happening of any other conditions or things other than those
156 proceedings, conditions and things which are specified or required
157 by Sections 136 through 151 of this act. Any resolution providing
158 for the issuance of bonds under the provisions of Sections 136
159 through 151 of this act shall become effective immediately upon
160 its adoption by the commission, and any such resolution may be
161 adopted at any regular or special meeting of the commission by a
162 majority of its members.

163 Section 145. The bonds authorized under the authority of
164 Sections 136 through 151 of this act may be validated in the

165 Chancery Court of the First Judicial District of Hinds County,
166 Mississippi, in the manner and with the force and effect provided
167 by Chapter 13, Title 31, Mississippi Code of 1972, for the
168 validation of county, municipal, school district and other bonds.
169 The notice to taxpayers required by such statutes shall be
170 published in a newspaper published or having a general circulation
171 in the City of Jackson, Mississippi.

172 Section 146. Any holder of bonds issued under the provisions
173 of Sections 136 through 151 of this act or of any of the interest
174 coupons pertaining thereto may, either at law or in equity, by
175 suit, action, mandamus or other proceeding, protect and enforce
176 any and all rights granted under Sections 136 through 151 of this
177 act, or under such resolution, and may enforce and compel
178 performance of all duties required by Sections 136 through 151 of
179 this act to be performed, in order to provide for the payment of
180 bonds and interest thereon.

181 Section 147. All bonds issued under the provisions of
182 Sections 136 through 151 of this act shall be legal investments
183 for trustees and other fiduciaries, and for savings banks, trust
184 companies and insurance companies organized under the laws of the
185 State of Mississippi, and such bonds shall be legal securities
186 which may be deposited with and shall be received by all public
187 officers and bodies of this state and all municipalities and
188 political subdivisions for the purpose of securing the deposit of
189 public funds.

190 Section 148. Bonds issued under the provisions of Sections
191 136 through 151 of this act and income therefrom shall be exempt
192 from all taxation in the State of Mississippi.

193 Section 149. The proceeds of the bonds issued under Sections
194 136 through 151 of this act shall be used solely for the purposes
195 therein provided, including the costs incident to the issuance and
196 sale of such bonds.

197 Section 150. The State Treasurer is authorized, without
198 further process of law, to certify to the Department of Finance
199 and Administration the necessity for warrants, and the Department
200 of Finance and Administration is authorized and directed to issue
201 such warrants, in such amounts as may be necessary to pay when due
202 the principal of, premium, if any, and interest on, or the
203 accreted value of, all bonds issued under Sections 136 through 151
204 of this act; and the State Treasurer shall forward the necessary
205 amount to the designated place or places of payment of such bonds
206 in ample time to discharge such bonds, or the interest thereon, on
207 the due dates thereof.

208 Section 151. Sections 136 through 151 of this act shall be
209 deemed to be full and complete authority for the exercise of the
210 powers therein granted, but Sections 136 through 151 of this act
211 shall not be deemed to repeal or to be in derogation of any
212 existing law of this state.

213 **SECTION 2.** Section 152, Chapter 1, Laws of 2004, Third
214 Extraordinary Session, is amended as follows:

215 Section 152. (1) There is established a supplementary rural
216 fire truck acquisition assistance program to be administered by
217 the Department of Insurance for the purpose of assisting counties
218 and municipalities in the acquisition of fire trucks. The
219 supplementary rural fire truck acquisition assistance program is
220 in addition to the rural fire truck acquisition assistance program
221 established in Section 17-23-1 or any other program by which
222 counties and municipalities acquire fire trucks.

223 (2) There is created in the State Treasury a special fund to
224 be designated as the "Supplementary Rural Fire Truck Fund" which
225 shall consist of funds appropriated or otherwise made available by
226 the Legislature in any manner and funds from any other source
227 designated for deposit into such fund. Monies in the fund shall
228 be used for the purpose of assisting counties and municipalities
229 in the acquisition of fire trucks. Unexpended amounts remaining

230 in the fund at the end of a fiscal year shall not lapse into the
231 State General Fund, and any interest earned on amounts in the fund
232 shall be deposited to the credit of the fund.

233 (3) (a) A county that meets the requirements provided
234 herein may receive an amount of not more than Fifty Thousand
235 Dollars (\$50,000.00) per fire truck. Monies distributed under
236 this section shall be expended only for the purchase of new fire
237 trucks and such trucks must meet the National Fire Protection
238 Association (NFPA) standards in the 1900 series.

239 (b) The board of supervisors of the county shall submit
240 its request for the receipt of monies to the Department of
241 Insurance. A committee composed of the Commissioner of Insurance,
242 the State Fire Coordinator, the Director of the Rating Bureau and
243 the Director of the State Fire Academy shall review the requests
244 by the boards of supervisors and shall determine whether the
245 county or municipality for which the board of supervisors has
246 requested a truck meets the requirements of eligibility under this
247 section.

248 (c) To be eligible to receive monies under this
249 section:

250 (i) A county or municipality must pledge to set
251 aside or dedicate each year as matching funds, for a period not to
252 extend over ten (10) years, local funds in an amount equal to or
253 not less than one-tenth (1/10) of the amount of monies for which
254 it is requesting distribution from the Supplementary Rural Fire
255 Truck Fund, which pledged monies may be derived from local ad
256 valorem tax authorized by law or from any other funds available to
257 the county or municipality, except for those funds received by
258 municipalities or counties from the Municipal Fire Protection Fund
259 or the County Volunteer Fire Department Fund, as defined in
260 Sections 83-1-37 and 83-1-39.

261 (ii) A municipality must provide adequate
262 documentation of its contract with the county that requires the

263 municipality to provide fire protection in rural areas. The term
264 "rural areas" means any area within the county located outside the
265 boundaries of an incorporated municipality or any incorporated
266 municipality with a population of two thousand five hundred
267 (2,500) or less.

268 (iii) A county or a municipality, designated by the
269 county, must have exhausted all rounds of applications for fire
270 trucks available to it under Section 17-23-1.

271 (d) The Department of Insurance shall maintain an
272 accurate record of all monies distributed to counties and
273 municipalities and the number of fire trucks purchased and the
274 cost for each fire truck, such records to be kept separate from
275 other records of the Department of Insurance; notify counties and
276 municipalities of the supplementary rural fire truck acquisition
277 assistance program and the requirements for them to become
278 eligible to participate; adopt and promulgate such rules and
279 regulations as may be necessary and desirable to implement the
280 provisions of this act; and file with the Legislature a report
281 detailing how monies made available under this chapter were
282 distributed and spent during the preceding portion of the fiscal
283 year in each county and municipality, the number of fire trucks
284 purchased, the counties and municipalities making such purchases
285 and the cost of each fire truck purchased.

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