

By: Representatives McCoy, Reynolds, Moss,  
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To: Ways and Means

HOUSE BILL NO. 635  
(As Passed the House)

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) Four Million Two Hundred Sixty Thousand Dollars  
50 (\$4,260,000.00) 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. Five  
54 Million Seven Hundred Forty Thousand Dollars (\$5,740,000.00) of  
55 the 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 152 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  
269 the county, must have exhausted all rounds of applications for  
270 fire 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.