

By: Representative Reynolds

To: Ways and Means

HOUSE BILL NO. 1103

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, MISSISSIPPI CODE OF 1972, TO FUND APPLICATIONS FOR THE
8 SEVENTH ROUND OF FIRE TRUCKS THAT ARE FILED WITH THE DEPARTMENT OF
9 INSURANCE; TO AMEND SECTION 152, CHAPTER 1, LAWS OF 2004, THIRD
10 EXTRAORDINARY SESSION, TO REVISE ELIGIBILITY REQUIREMENTS FOR
11 COUNTIES AND MUNICIPALITIES TO PARTICIPATE IN THE SUPPLEMENTARY
12 RURAL FIRE TRUCK ACQUISITION ASSISTANCE PROGRAM; AND FOR RELATED
13 PURPOSES.

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

15 **SECTION 1.** Sections 136 through 151, Chapter 1, Laws of
16 2004, Third Extraordinary Session, are amended as follows:

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

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

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

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

29 Section 137. (1) The Department of Finance and
30 Administration, at one time, or from time to time, may declare by
31 resolution the necessity for issuance of general obligation bonds
32 of the State of Mississippi to provide funds for the Supplementary

33 Rural Fire Truck Fund created in Section 152, Chapter 1, Laws of
34 2004, Third Extraordinary Session, and the Rural Fire Truck Fund
35 created in Section 17-23-1. Upon the adoption of a resolution by
36 the Department of Finance and Administration, declaring the
37 necessity for the issuance of any part or all of the general
38 obligation bonds authorized by this section, the Department of
39 Finance and Administration shall deliver a certified copy of its
40 resolution or resolutions to the commission. Upon receipt of such
41 resolution, the commission, in its discretion, may act as the
42 issuing agent, prescribe the form of the bonds, advertise for and
43 accept bids, issue and sell the bonds so authorized to be sold and
44 do any and all other things necessary and advisable in connection
45 with the issuance and sale of such bonds. The total amount of
46 bonds issued under Sections 136 through 151 of this act shall not
47 exceed Ten Million Dollars (\$10,000,000.00). No bonds authorized
48 under Sections 136 through 151 of this act shall be issued after
49 July 1, 2008.

50 (2) Seven Million Six Hundred Ninety Thousand Dollars
51 (\$7,690,000.00) of the proceeds of bonds issued pursuant to
52 Sections 136 through 151 of this act shall be deposited into the
53 Supplementary Rural Fire Truck Fund created in Section 152,
54 Chapter 1, Laws of 2004, Third Extraordinary Session. Two Million
55 Three Hundred Ten Thousand Dollars (\$2,310,000.00) of the proceeds
56 of bonds issued pursuant to Sections 136 through 151, Chapter 1,
57 Laws of 2004, Third Extraordinary Session, shall be deposited into
58 the Rural Fire Truck Fund created in Section 17-23-1 to fund
59 applications for the seventh round of fire trucks that are filed
60 with the Department of Insurance. Any investment earnings on
61 bonds issued pursuant to Sections 136 through 151 of this act
62 shall be used to pay debt service on bonds issued under Sections
63 136 through 151 of this act, in accordance with the proceedings
64 authorizing issuance of such bonds.

65 Section 138. The principal of and interest on the bonds
66 authorized under Sections 136 through 151 of this act shall be
67 payable in the manner provided in this section. Such bonds shall
68 bear such date or dates, be in such denomination or denominations,
69 bear interest at such rate or rates (not to exceed the limits set
70 forth in Section 75-17-101, Mississippi Code of 1972), be payable
71 at such place or places within or without the State of
72 Mississippi, shall mature absolutely at such time or times not to
73 exceed twenty-five (25) years from date of issue, be redeemable
74 before maturity at such time or times and upon such terms, with or
75 without premium, shall bear such registration privileges, and
76 shall be substantially in such form, all as shall be determined by
77 resolution of the commission.

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

96 Section 140. All bonds and interest coupons issued under the
97 provisions of Sections 136 through 151 of this act have all the

98 qualities and incidents of negotiable instruments under the
99 provisions of the Uniform Commercial Code, and in exercising the
100 powers granted by Sections 136 through 151 of this act, the
101 commission shall not be required to and need not comply with the
102 provisions of the Uniform Commercial Code.

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

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

128 The commission, when issuing any bonds under the authority of
129 Sections 136 through 151 of this act, may provide that bonds, at
130 the option of the State of Mississippi, may be called in for

131 payment and redemption at the call price named therein and accrued
132 interest on such date or dates named therein.

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

143 Section 143. Upon the issuance and sale of bonds under the
144 provisions of Sections 136 through 151 of this act, the commission
145 shall transfer the proceeds of any such sale or sales to the
146 Supplementary Rural Fire Truck Fund created in Section 152,
147 Chapter 1, Laws of 2004, Third Extraordinary Session, and the
148 Rural Fire Truck Fund created in Section 17-23-1 in the amounts
149 provided for in Section 137 of this act. The proceeds of such
150 bonds shall be disbursed solely upon the order of the Department
151 of Finance and Administration under such restrictions, if any, as
152 may be contained in the resolution providing for the issuance of
153 the bonds.

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

164 Section 145. The bonds authorized under the authority of
165 Sections 136 through 151 of this act may be validated in the
166 Chancery Court of the First Judicial District of Hinds County,
167 Mississippi, in the manner and with the force and effect provided
168 by Chapter 13, Title 31, Mississippi Code of 1972, for the
169 validation of county, municipal, school district and other bonds.
170 The notice to taxpayers required by such statutes shall be
171 published in a newspaper published or having a general circulation
172 in the City of Jackson, Mississippi.

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

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

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

194 Section 149. The proceeds of the bonds issued under Sections
195 136 through 151 of this act shall be used solely for the purposes

196 therein provided, including the costs incident to the issuance and
197 sale of such bonds.

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

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

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

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

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

229 be used for the purpose of assisting counties and municipalities
230 in the acquisition of fire trucks. Unexpended amounts remaining
231 in the fund at the end of a fiscal year shall not lapse into the
232 State General Fund, and any interest earned on amounts in the fund
233 shall be deposited to the credit of the fund.

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

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

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

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

262 (ii) A municipality must provide adequate
263 documentation of its contract with the county that requires the
264 municipality to provide fire protection in rural areas. The term
265 "rural areas" means any area within the county located outside the
266 boundaries of an incorporated municipality or any incorporated
267 municipality with a population of two thousand five hundred
268 (2,500) or less.

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

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

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