

By: Representative Fillingane

To: Ways and Means

HOUSE BILL NO. 1586

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING
3 ASSISTANCE TO LAMAR COUNTY FOR CONSTRUCTION AND IMPROVEMENT OF
4 SEGMENTS OF ROADWAY THAT ARE INCLUDED IN SUCH COUNTY'S REGIONAL
5 THOROUGHFARE PROGRAM TO IMPROVE ACCESS TO U.S. HIGHWAY 98; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** As used in this act, the following words shall
9 have the meanings ascribed herein unless the context clearly
10 requires otherwise:

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

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

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

20 **SECTION 2.** (1) (a) A special fund, to be designated as the
21 "Highway 98 Access Improvement Program Fund," is created within
22 the State Treasury. The fund shall be maintained by the State
23 Treasurer as a separate and special fund, separate and apart from
24 the General Fund of the state. Unexpended amounts remaining in
25 the fund at the end of a fiscal year shall not lapse into the
26 State General Fund, and any interest earned or investment earnings
27 on amounts in the fund shall be deposited to the credit of the
28 fund. Monies in the fund may not be used or expended for any
29 purpose except as authorized under this act.

30 (b) Money deposited into the fund shall be disbursed,
31 in the discretion of the Department of Finance and Administration,
32 to assist Lamar County, Mississippi, in paying the costs
33 associated with construction and improvement of the following
34 segments of roadway in Lamar County that are included in such
35 county's Regional Thoroughfare Program:

36 (i) Sandy Run Road from Lincoln Road Extension at
37 Oak Grove Road west to U.S. Highway 98;

38 (ii) Sandy Run Road from Highway 98 north to the
39 Forrest County line;

40 (iii) West Fourth Street from Sam Rayburn Drive
41 west to the new Sandy Run Road;

42 (iv) Weathersby Road from just south of U.S.
43 Highway 98 to Lincoln Road Extension;

44 (v) A new road from Old Highway 11 east to Sandy
45 Run/Hegwood Road.

46 (2) Amounts deposited into such special fund shall be
47 disbursed to pay the costs of the project described in subsection
48 (1) of this section. Promptly after the commission has certified,
49 by resolution duly adopted, that the projects described in
50 subsection (1) shall have been completed, abandoned, or cannot be
51 completed in a timely fashion, any amounts remaining in such
52 special fund shall be applied to pay debt service on the bonds
53 issued under this act, in accordance with the proceedings
54 authorizing the issuance of such bonds and as directed by the
55 commission.

56 (3) The expenditure of monies deposited into the special
57 fund shall be under the direction of the Department of Finance and
58 Administration, and such funds shall be paid by the State
59 Treasurer upon warrants issued by such department, which warrants
60 shall be issued upon requisitions signed by the Executive Director
61 of the Department of Finance and Administration, or his designee.

62 **SECTION 3.** (1) Upon receipt of matching funds or
63 verification that the matching funds described in this subsection
64 are forthcoming, the commission, at one time, or from time to
65 time, may declare by resolution the necessity for issuance of
66 general obligation bonds of the State of Mississippi to provide
67 funds for all costs incurred or to be incurred for the purposes
68 described in Section 2 of this act. Upon the adoption of a
69 resolution by the Department of Finance and Administration,
70 declaring the necessity for the issuance of any part or all of the
71 general obligation bonds authorized by this section, the
72 Department of Finance and Administration shall deliver a certified
73 copy of its resolution or resolutions to the commission. Upon
74 receipt of such resolution, the commission, in its discretion, may
75 act as the issuing agent, prescribe the form of the bonds,
76 advertise for and accept bids, issue and sell the bonds so
77 authorized to be sold and do any and all other things necessary
78 and advisable in connection with the issuance and sale of such
79 bonds. The total amount of bonds issued under this act shall not
80 exceed Five Million Dollars (\$5,000,000.00); provided, however,
81 that not more than One Million Dollars (\$1,000,000.00) may be
82 issued in any fiscal year. The issuance of the bonds described in
83 this subsection and the allocation of such funds are conditioned
84 upon the private sector or local or federal government providing
85 money to match the amount of bonds that are issued under this
86 section. The matching funds required pursuant to this subsection
87 may be provided in the form of cash or in-kind contributions or
88 any combination of cash or in-kind contributions.

89 (2) Any investment earnings on amounts deposited into the
90 special fund created in Section 2 of this act shall be used to pay
91 debt service on bonds issued under this act in accordance with the
92 proceedings authorizing issuance of such bonds.

93 **SECTION 4.** The principal of and interest on the bonds
94 authorized under this act shall be payable in the manner provided

95 in this section. Such bonds shall bear such date or dates, be in
96 such denomination or denominations, bear interest at such rate or
97 rates (not to exceed the limits set forth in Section 75-17-101,
98 Mississippi Code of 1972), be payable at such place or places
99 within or without the State of Mississippi, shall mature
100 absolutely at such time or times not to exceed twenty-five (25)
101 years from date of issue, be redeemable before maturity at such
102 time or times and upon such terms, with or without premium, shall
103 bear such registration privileges, and shall be substantially in
104 such form, all as shall be determined by resolution of the
105 commission.

106 **SECTION 5.** The bonds authorized by this act shall be signed
107 by the chairman of the commission, or by his facsimile signature,
108 and the official seal of the commission shall be affixed thereto
109 and attested by the secretary of the commission. The interest
110 coupons, if any, to be attached to such bonds may be executed by
111 the facsimile signatures of such officers. Whenever any such
112 bonds shall have been signed by the officials designated to sign
113 the bonds who were in office at the time of such signing but who
114 may have ceased to be such officers before the sale and delivery
115 of such bonds, or who may not have been in office on the date such
116 bonds may bear, the signatures of such officers upon such bonds
117 and coupons shall nevertheless be valid and sufficient for all
118 purposes and have the same effect as if the person so officially
119 signing such bonds had remained in office until their delivery to
120 the purchaser, or had been in office on the date such bonds may
121 bear. However, notwithstanding anything herein to the contrary,
122 such bonds may be issued as provided in the Registered Bond Act of
123 the State of Mississippi.

124 **SECTION 6.** All bonds and interest coupons issued under the
125 provisions of this act have all the qualities and incidents of
126 negotiable instruments under the provisions of the Uniform
127 Commercial Code, and in exercising the powers granted by this act,

128 the commission shall not be required to and need not comply with
129 the provisions of the Uniform Commercial Code.

130 **SECTION 7.** The commission shall act as the issuing agent for
131 the bonds authorized under this act, prescribe the form of the
132 bonds, advertise for and accept bids, issue and sell the bonds so
133 authorized to be sold, pay all fees and costs incurred in such
134 issuance and sale, and do any and all other things necessary and
135 advisable in connection with the issuance and sale of such bonds.
136 The commission is authorized and empowered to pay the costs that
137 are incident to the sale, issuance and delivery of the bonds
138 authorized under this act from the proceeds derived from the sale
139 of such bonds. The commission shall sell such bonds on sealed
140 bids at public sale, and for such price as it may determine to be
141 for the best interest of the State of Mississippi, but no such
142 sale shall be made at a price less than par plus accrued interest
143 to the date of delivery of the bonds to the purchaser. All
144 interest accruing on such bonds so issued shall be payable
145 semiannually or annually; however, the first interest payment may
146 be for any period of not more than one (1) year.

147 Notice of the sale of any such bond shall be published at
148 least one time, not less than ten (10) days before the date of
149 sale, and shall be so published in one or more newspapers
150 published or having a general circulation in the City of Jackson,
151 Mississippi, and in one or more other newspapers or financial
152 journals with a national circulation, to be selected by the
153 commission.

154 The commission, when issuing any bonds under the authority of
155 this act, may provide that bonds, at the option of the State of
156 Mississippi, may be called in for payment and redemption at the
157 call price named therein and accrued interest on such date or
158 dates named therein.

159 **SECTION 8.** The bonds issued under the provisions of this act
160 are general obligations of the State of Mississippi, and for the

161 payment thereof the full faith and credit of the State of
162 Mississippi is irrevocably pledged. If the funds appropriated by
163 the Legislature are insufficient to pay the principal of and the
164 interest on such bonds as they become due, then the deficiency
165 shall be paid by the State Treasurer from any funds in the State
166 Treasury not otherwise appropriated. All such bonds shall contain
167 recitals on their faces substantially covering the provisions of
168 this section.

169 **SECTION 9.** Upon the issuance and sale of bonds under the
170 provisions of this act, the commission shall transfer the proceeds
171 of any such sale or sales to the special fund created in Section 2
172 of this act. The proceeds of such bonds shall be disbursed solely
173 upon the order of the Department of Finance and Administration
174 under such restrictions, if any, as may be contained in the
175 resolution providing for the issuance of the bonds.

176 **SECTION 10.** The bonds authorized under this act may be
177 issued without any other proceedings or the happening of any other
178 conditions or things other than those proceedings, conditions and
179 things which are specified or required by this act. Any
180 resolution providing for the issuance of bonds under the
181 provisions of this act shall become effective immediately upon its
182 adoption by the commission, and any such resolution may be adopted
183 at any regular or special meeting of the commission by a majority
184 of its members.

185 **SECTION 11.** The bonds authorized under the authority of this
186 act may be validated in the Chancery Court of the First Judicial
187 District of Hinds County, Mississippi, in the manner and with the
188 force and effect provided by Chapter 13, Title 31, Mississippi
189 Code of 1972, for the validation of county, municipal, school
190 district and other bonds. The notice to taxpayers required by
191 such statutes shall be published in a newspaper published or
192 having a general circulation in the City of Jackson, Mississippi.

193 **SECTION 12.** Any holder of bonds issued under the provisions
194 of this act or of any of the interest coupons pertaining thereto
195 may, either at law or in equity, by suit, action, mandamus or
196 other proceeding, protect and enforce any and all rights granted
197 under this act, or under such resolution, and may enforce and
198 compel performance of all duties required by this act to be
199 performed, in order to provide for the payment of bonds and
200 interest thereon.

201 **SECTION 13.** All bonds issued under the provisions of this
202 act shall be legal investments for trustees and other fiduciaries,
203 and for savings banks, trust companies and insurance companies
204 organized under the laws of the State of Mississippi, and such
205 bonds shall be legal securities which may be deposited with and
206 shall be received by all public officers and bodies of this state
207 and all municipalities and political subdivisions for the purpose
208 of securing the deposit of public funds.

209 **SECTION 14.** Bonds issued under the provisions of this act
210 and income therefrom shall be exempt from all taxation in the
211 State of Mississippi.

212 **SECTION 15.** The proceeds of the bonds issued under this act
213 shall be used solely for the purposes therein provided, including
214 the costs incident to the issuance and sale of such bonds.

215 **SECTION 16.** The State Treasurer is authorized, without
216 further process of law, to certify to the Department of Finance
217 and Administration the necessity for warrants, and the Department
218 of Finance and Administration is authorized and directed to issue
219 such warrants, in such amounts as may be necessary to pay when due
220 the principal of, premium, if any, and interest on, or the
221 accreted value of, all bonds issued under this act; and the State
222 Treasurer shall forward the necessary amount to the designated
223 place or places of payment of such bonds in ample time to
224 discharge such bonds, or the interest thereon, on the due dates
225 thereof.

226 **SECTION 17.** This act shall be deemed to be full and complete
227 authority for the exercise of the powers therein granted, but this
228 act shall not be deemed to repeal or to be in derogation of any
229 existing law of this state.

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