

By: Senator(s) Nunnelee

To: Finance

SENATE BILL NO. 2418

1 AN ACT TO AMEND SECTIONS 1 THROUGH 16, CHAPTER 503, LAWS OF  
 2 2003, TO INCREASE FROM \$6,070,000.00 TO \$8,070,000.00 THE AMOUNT  
 3 OF STATE GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR  
 4 FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO  
 5 AMEND SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995, TO  
 6 INCREASE FROM \$16,743,000.00 TO \$18,743,000.00 THE AMOUNT OF STATE  
 7 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL  
 8 GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN  
 9 FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

31 declaring the necessity for the issuance of any part or all of the  
32 general obligation bonds authorized by this section, the  
33 Commission on Environmental Quality shall deliver a certified copy  
34 of its resolution or resolutions to the commission. Upon receipt  
35 of such resolution, the commission, in its discretion, may act as  
36 the issuing agent, prescribe the form of the bonds, advertise for  
37 and accept bids, issue and sell the bonds so authorized to be sold  
38 and do any and all other things necessary and advisable in  
39 connection with the issuance and sale of such bonds. The total  
40 amount of bonds issued under Sections 1 through 16 of this act  
41 shall not exceed Eight Million Seventy Thousand Dollars  
42 (\$8,070,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

199         Section 6. The board created in Section 41-3-16, at one  
200 time, or from time to time, may declare by resolution the  
201 necessity for issuance of general obligation bonds of the State of  
202 Mississippi to provide funds for all costs incurred or to be  
203 incurred by the board in constructing new water systems or  
204 repairing existing water systems described in Section 41-3-16.  
205 Upon the adoption of a resolution by the board, declaring the  
206 necessity for the issuance of any part or all of the general  
207 obligation bonds authorized by this section, the board shall  
208 deliver a certified copy of its resolution or resolutions to the  
209 State Bond Commission. Upon receipt of such resolution, the State  
210 Bond Commission, in its discretion, may act as the issuing agent,  
211 prescribe the form of the bonds, advertise for and accept bids,  
212 issue and sell the tax exempt or taxable bonds so authorized to be  
213 sold, and do any and all other things necessary and advisable in  
214 connection with the issuance and sale of such bonds. The amount  
215 of bonds issued under Sections 6 through 20 of this act shall not  
216 exceed Eighteen Million Seven Hundred Forty-three Thousand Dollars  
217 (\$18,743,000.00), the proceeds of which shall be deposited in the  
218 revolving fund and Five Million Dollars (\$5,000,000.00), the  
219 proceeds of which shall be deposited in the emergency fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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