

Senate Amendments to House Bill No. 29

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

30 **SECTION 1.** Section 17-21-51, Mississippi Code of 1972, is
31 amended as follows:

32 17-21-51. (1) The board of supervisors of any county and
33 the governing authorities of any municipality (both referred to in
34 this article as "governing authority") are hereby authorized and
35 empowered, in their discretion, to borrow money, pursuant to the
36 provisions of this article, for the following purposes:

37 (a) To accomplish any purpose for which such governing
38 authorities are otherwise authorized by law to issue bonds, notes
39 or certificates of indebtedness; and

40 (b) To provide working capital, fund debt service
41 payments and other expenditures required by law and pay costs
42 incurred by governing authorities as a result of a natural
43 disaster. Such costs shall include, but not be limited to, debris
44 removal and disposal, overtime wages paid to public employees, and
45 the repair or replacement of public streets, roads and bridges,
46 storm drains, water and sewer facilities and other public
47 buildings, facilities and equipment. Money borrowed pursuant to
48 this paragraph (b) may also be utilized as matching funds for
49 federal or state disaster relief assistance.

50 (2) Except as otherwise provided in subsection (3) of this
51 section, the total outstanding indebtedness incurred by a
52 governing authority under this article at any one (1) time shall
53 not exceed the greater of one percent (1%) of the assessed value
54 of all taxable property located within the governing authority
55 according to the last completed assessment for taxation or Two

56 Hundred Fifty Thousand Dollars (\$250,000.00) or, in the case of
57 the governing authorities located in any of the six (6) most
58 southern counties of the state covered by the Presidential
59 Declaration of Major Disaster for the State of Mississippi
60 (FEMA-1604-DR) dated August 29, 2005, the greater of two percent
61 (2%) of the assessed value of all the taxable property located
62 within the governing authority according to the last completed
63 assessment for taxation or Two Hundred Fifty Thousand Dollars
64 (\$250,000.00). The total outstanding indebtedness incurred by a
65 governing authority as authorized under this subsection shall be
66 included in computing the statutory limitation upon indebtedness
67 which may be incurred by such governing authority.

68 (3) However, from and after August 29, 2005, through
69 December 31, 2007, any borrowing pursuant to the provisions of
70 this article by governing authorities located in any of the six
71 (6) most southern counties of the state covered by the
72 Presidential Declaration of Major Disaster for the State of
73 Mississippi (FEMA-1604-DR) dated August 29, 2005, shall not
74 constitute an indebtedness of the governing authority within the
75 meaning of this subsection or any other constitutional, statutory
76 or municipal charter limitation or restriction.

77 **SECTION 2.** Section 17-21-53, Mississippi Code of 1972, is
78 amended as follows:

79 17-21-53. (1) Before any money is borrowed under the
80 provisions of this article, the governing authority shall adopt a
81 resolution declaring the necessity for such borrowing and
82 specifying the purpose for which the money borrowed is to be
83 expended, the amount to be borrowed, the date or dates of the
84 maturity thereof, and how such indebtedness is to be evidenced.
85 The resolution shall be certified over the signature of the head
86 of the governing authority.

87 (2) The borrowing shall be evidenced by negotiable notes or
88 certificates of indebtedness of the governing authority which
89 shall be signed by the head and clerk of such governing authority.
90 All such notes or certificates of indebtedness shall be offered at

91 public sale by the governing authority after not less than ten
92 (10) days' advertising in a newspaper having general circulation
93 within the governing authority. Each sale shall be made to the
94 bidder offering the lowest rate of interest or whose bid
95 represents the lowest net cost to the governing authority;
96 however, the rate of interest shall not exceed that now or
97 hereafter authorized in Section 75-17-101, Mississippi Code of
98 1972. No such notes or certificates of indebtedness shall be
99 issued and sold for less than par and accrued interest. All notes
100 or certificates of indebtedness shall mature in approximately
101 equal installments of principal and interest over a period not to
102 exceed five (5) years from the dates of the issuance thereof.
103 Principal shall be payable annually, and interest shall be payable
104 annually or semiannually; provided, however, that the first
105 payment of principal or interest may be for any period not
106 exceeding one (1) year. Provided, however, if negotiable notes
107 are outstanding from not more than one (1) previous issue
108 authorized under the provisions of this article, then the schedule
109 of payments for a new or supplementary issue may be so adjusted
110 that the schedule of maturities of all notes or series of notes
111 hereunder shall, when combined, mature in approximately equal
112 installments of principal and interest over a period of five (5)
113 years from the date of the new or supplementary issue, or if a
114 lower interest rate will thereby be secured on notes previously
115 issued and outstanding, a portion of the proceeds of any issue
116 authorized hereunder may be used to refund the balance of the
117 indebtedness previously issued under the authority of this
118 article. Such notes or certificates of indebtedness shall be
119 issued in such form and in such denominations as may be determined
120 by the governing authority and may be made payable at the office
121 of any bank or trust company selected by the governing authority.
122 In such case, funds for the payment of principal and interest due
123 thereon shall be provided in the same manner provided by law for
124 the payment of the principal and interest due on bonds issued by
125 the governing authority.

126 (3) For the prompt payment of notes or certificates of
127 indebtedness at maturity, both principal and interest, the full
128 faith, credit and resources of the issuing entity are pledged. If
129 the issuing entity does not have available funds in an amount
130 sufficient to provide for the payment of principal and interest
131 according to the terms of such notes or certificates of
132 indebtedness, then the governing authority shall annually levy a
133 special tax upon all of its taxable property at a rate the avails
134 of which will be sufficient to provide such payment. Funds
135 derived from any such tax shall be paid into a sinking fund and
136 used exclusively for the payment of principal of and interest on
137 the notes or certificates of indebtedness. Until needed for
138 expenditure, monies in the sinking fund may be invested in the
139 same manner as the governing authority is elsewhere authorized by
140 law to invest surplus funds.

141 (4) Notwithstanding the provisions of subsection (2) of this
142 section, from and after August 29, 2005, through December 31,
143 2007, any governing authority located in any of the six (6) most
144 southern counties of the state covered by the Presidential
145 Declaration of Major Disaster for the State of Mississippi
146 (FEMA-1604-DR) dated August 29, 2005, may offer such notes or
147 certificates of indebtedness at private or public sale at such
148 price or prices, at such interest rate or rates, in such manner
149 and at such times as may be agreed to by the governing authority
150 and purchaser of the notes or certificates. Such notes or
151 certificates of indebtedness shall mature over a period of not to
152 exceed ten (10) years from the dates of issuance and may be
153 structured to defer payment of principal and interest for a period
154 not to exceed five (5) years.

155 **SECTION 3.** Section 31-15-7, Mississippi Code of 1972, is
156 amended as follows:

157 31-15-7. Such refunding bonds shall bear such rate or rates
158 of interest as may be determined by the governing body * * *;
159 shall be in such denomination or denominations and form as may be
160 determined by resolution or order of the governing authority; and

161 shall be executed in behalf of the subdivision by such officer or
162 officers thereof as may be determined in such resolution or order.
163 The interest to accrue on such refunding bonds shall be
164 represented by coupons to be attached thereto, which may be
165 executed by the facsimile signature of such officer or officers.
166 All such bonds shall be made to mature serially, beginning not
167 more than five (5) years and running not longer than thirty (30)
168 years after their date, with not less than one percent (1%) of the
169 total issue to mature each year during the first six (6) years,
170 beginning in the fifth year, after the date of such bonds; not
171 less than three percent (3%) of the said total issue to mature
172 annually during the next succeeding ten-year period of the life of
173 such bonds; and not less than five percent (5%) of said total
174 issue to mature annually during the next succeeding ten-year
175 period of the life of the bonds. However, from and after August
176 29, 2005, through December 31, 2007, any political subdivision
177 located in one (1) of the six (6) most southern counties of the
178 state covered by the Presidential Declaration of Major Disaster
179 for the State of Mississippi (FEMA-1604-DR) dated August 29, 2005,
180 may issue such refunding bonds as term or serial bonds at such
181 price or prices, at such interest rate or rates, in such manner,
182 at such times, and in accordance with such terms and provisions as
183 may be agreed to by the governing authority of the political
184 subdivision and the purchasers of the refunding bonds, and such
185 issue of refunding bonds may provide that no principal or interest
186 may be due for a period not to exceed five (5) years after the
187 issue date.

188 **SECTION 4.** Section 31-15-9, Mississippi Code of 1972, is
189 amended as follows:

190 31-15-9. The resolution or order providing for the issuance
191 of such bonds may reserve unto the governing authority the right
192 to call in, pay, and redeem such bonds in the inverse order of
193 their numbers and maturities, prior to the maturity date or dates
194 thereof on any interest payment date. Whenever it is desired to
195 exercise the aforesaid right, if reserved in such resolution or

196 order, the governing authority shall cause written notice thereof
197 to be delivered to the bank or office at which such bonds are
198 payable. Such notice shall be so delivered not less than thirty
199 (30) days prior to the interest payment date designated for the
200 redemption of such bonds, after which date so designated, no
201 further interest shall accrue on the bonds so called for
202 redemption. Such refunding bonds may be sold for not less than
203 par and accrued interest, or may be exchanged at par for bonds and
204 interest coupons to be refunded thereby.

205 The board of supervisors may accept county bonds,
206 consolidated school district bonds, rural separate school district
207 bonds or separate road district bonds, as the case may be, at not
208 more than par and interest accruing thereon at the rate fixed in
209 the bonds to be refunded in exchange for said refunding county
210 bonds, consolidated school district bonds, rural separate school
211 district bonds or separate road district bonds, as the case may
212 be. In accepting any bond in exchange for, or in payment of, any
213 such refunding bond, no bond shall be accepted in such exchange or
214 payment that is secured by the property of a smaller or different
215 district, or other subdivision, than that securing the refunding
216 bonds so issued. However, from and after August 29, 2005, through
217 December 31, 2007, refunding bonds issued, sold or exchanged by
218 any political subdivision located in one (1) of the six (6) most
219 southern counties of the state covered by the Presidential
220 Declaration of Major Disaster for the State of Mississippi
221 (FEMA-1604-DR) dated August 29, 2005, may be issued, sold or
222 exchanged for any price or prices and accrued interest as
223 determined by any such political subdivision.

224 **SECTION 5.** Section 31-15-17, Mississippi Code of 1972, is
225 amended as follows:

226 31-15-17. (1) Sections 31-15-1 through 31-15-27, without
227 reference to any other statute, shall be deemed full and complete
228 authority for the issuance of refunding bonds by political
229 subdivisions of the state, and shall be construed as an additional
230 and alternative method therefor. None of the present

231 restrictions, requirements, conditions, or limitations of law
232 applicable to the issuance of bonds by political subdivisions of
233 this state shall apply to the issuance and sale or exchange of
234 bonds under the aforesaid sections, and no proceedings shall be
235 required for the issuance of such bonds other than those provided
236 for and required herein. All powers necessary to be exercised by
237 the governing authority of any such political subdivision in order
238 to carry out the provisions of said sections are hereby conferred.

239 (2) From and after August 29, 2005, through December 31,
240 2007, any political subdivision located in any of the six (6) most
241 southern counties of the state covered by the Presidential
242 Declaration of Major Disaster for the State of Mississippi
243 (FEMA-1604-DR) dated August 29, 2005, which has issued (and there
244 remain outstanding) any tax increment, special assessment or other
245 special or limited obligation bonds prior to August 29, 2005, may,
246 as an alternative to issuance of refunding bonds pursuant to
247 Sections 31-15-1 through 31-15-27, make principal and interest
248 payments as same accrue and mature on any outstanding tax
249 increment, special assessment or other special or limited
250 obligation bonds issued by such political subdivisions prior to
251 August 29, 2005, from any available funds of the political
252 subdivision, without regard to any limitations and restrictions as
253 to the security and source of payment otherwise imposed by statute
254 or law or that may be provided in the issuing documents of such
255 tax increment, special assessment or other special or limited
256 obligation bonds.

257 **SECTION 6.** Section 31-15-21, Mississippi Code of 1972, is
258 amended as follows:

259 31-15-21. Any bonds heretofore or hereafter issued under
260 authority of Sections 21-27-11, 21-27-23, 21-27-41 through
261 21-27-43, or revenue bonds payable from funds other than the
262 proceeds of ad valorem taxes heretofore or hereafter issued under
263 authority of any other law of the State of Mississippi may be
264 refunded upon surrender, whether such bonds are due, optional, or
265 not yet matured. Such refunding bonds shall be negotiable, shall

266 be authorized by resolution adopted by the board or governing body
267 which shall have authorized the bonds that are being refunded, and
268 may either be delivered in exchange for the bonds to be refunded
269 or sold at not less than par and the proceeds applied to the
270 retirement of such bonds. However, from and after August 29, 2005
271 through December 31, 2007, such refunding bonds issued, sold or
272 exchanged by any political subdivision located in one (1) of the
273 six (6) most southern counties of the state covered by the
274 Presidential Declaration of Major Disaster for the State of
275 Mississippi (FEMA-1604-DR) dated August 29, 2005, may be issued,
276 sold or exchanged at such price or prices, and accrued interest,
277 as may be determined by any such political subdivision.

278 **SECTION 7.** Section 31-15-25, Mississippi Code of 1972, is
279 amended as follows:

280 31-15-25. Such refunding bonds shall be payable from the
281 same sources of revenue and so far as possible shall be secured in
282 the same manner and by the same covenants and agreements as were
283 the bonds refunded. All provisions of the law under which the
284 bonds refunded were issued, which provide for the security of such
285 bonds and the requirements for fixing rates sufficient to operate
286 the project acquired or improved and to pay principal of and
287 interest on the bonds, shall remain in effect and shall be fully
288 applicable to the refunding bonds issued hereunder. In no event
289 shall taxes be levied for the payment of such bonds, and they
290 shall recite on their face that they are payable only from
291 revenues. However, from and after August 29, 2005, through
292 December 31, 2007, payment of principal and interest on any
293 refunding bonds issued, sold or exchanged pursuant to Sections
294 31-15-21 through 31-15-27 by any of the six (6) most southern
295 counties of the state or a municipality located in such a county
296 that are covered by the Presidential Declaration of Major Disaster
297 for the State of Mississippi (FEMA-1604-DR) dated August 29, 2005,
298 may, in the discretion of the issuing county or municipality, be
299 further secured by the irrevocable pledge of the full faith,
300 credit and resources of the county or municipality, and in such

301 event, the governing body of the county or municipality issuing
302 the refunding bonds, may annually levy a tax upon all taxable
303 property therein sufficient to pay the principal of and the
304 interest on such refunding bonds as the same matures and accrues.

305 **SECTION 8.** This act shall take effect and be in force from
306 and after January 1, 2006, and shall stand repealed on December
307 31, 2005.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTIONS 17-21-51 AND 17-21-53, MISSISSIPPI
2 CODE OF 1972, TO REVISE THE PURPOSES FOR WHICH COUNTIES AND
3 MUNICIPALITIES LOCATED IN THE SIX MOST SOUTHERN COUNTIES OF THE
4 STATE COVERED BY THE PRESIDENTIAL DECLARATION OF MAJOR DISASTER
5 FOR THE STATE OF MISSISSIPPI DATED AUGUST 29, 2005, MAY ISSUE
6 CERTAIN NEGOTIABLE NOTES AND CERTIFICATES OF INDEBTEDNESS; TO
7 PROVIDE THAT SUCH NOTES AND CERTIFICATES MAY BE OFFERED AT PUBLIC
8 OR PRIVATE SALE; TO INCREASE THE MAXIMUM TOTAL INDEBTEDNESS THAT
9 SUCH COUNTIES AND MUNICIPALITIES MAY INCUR AND TO EXEMPT SUCH
10 NOTES AND CERTIFICATES FROM CERTAIN DEBT LIMITATIONS; TO REVISE
11 THE MAXIMUM MATURITY FOR SUCH NOTES AND CERTIFICATES; TO AMEND
12 SECTIONS 31-15-7, 31-15-9, 31-15-17, 31-15-21 and 31-15-25,
13 MISSISSIPPI CODE OF 1972, TO REVISE THE MAXIMUM INTEREST RATE FOR
14 REFUNDING BONDS ISSUED BY POLITICAL SUBDIVISIONS LOCATED IN ONE OF
15 THE SIX MOST SOUTHERN COUNTIES OF THE STATE; TO REVISE THE TERMS
16 UNDER WHICH REFUNDING BONDS MAY BE ISSUED BY POLITICAL
17 SUBDIVISIONS LOCATED IN ONE OF THE SIX MOST SOUTHERN COUNTIES OF
18 THE STATE COVERED BY THE PRESIDENTIAL DECLARATION OF MAJOR
19 DISASTER FOR THE STATE OF MISSISSIPPI DATED AUGUST 29, 2005; TO
20 PROVIDE THAT ANY SUCH POLITICAL SUBDIVISION THAT HAS ISSUED TAX
21 INCREMENT, SPECIAL ASSESSMENT OR OTHER SPECIAL OR LIMITED
22 OBLIGATION BONDS BEFORE AUGUST 29, 2005, MAY AS AN ALTERNATIVE TO
23 ISSUING REFUNDING BONDS, MAKE PRINCIPAL AND INTEREST PAYMENTS ON
24 SUCH BONDS FROM ANY AVAILABLE FUNDS OF THE POLITICAL SUBDIVISION;
25 TO PROVIDE THAT REFUNDING BONDS OF SUCH COUNTIES AND
26 MUNICIPALITIES MAY BE SECURED BY THE PLEDGE OF THE FULL FAITH,
27 CREDIT AND RESOURCES OF THE COUNTY OR MUNICIPALITY; AND FOR
28 RELATED PURPOSES.

SS26\HB29PS.J

John O. Gilbert
Secretary of the Senate