

By: Representative Fleming

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 196

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO THE CITY OF CLINTON,
3 MISSISSIPPI, TO ASSIST IN PAYING COSTS INCURRED FOR PROJECTS AND
4 PROGRAMS RELATED TO THE PROMOTION OF ECONOMIC DEVELOPMENT WITHIN
5 THE MUNICIPALITY; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

29 (b) Monies deposited into the fund shall be disbursed,
30 in the discretion of the Department of Finance and Administration,
31 to the City of Clinton, Mississippi, to provide funds to the City
32 of Clinton, Mississippi, to assist in paying costs incurred for
33 projects and programs related to the promotion of economic
34 development within the municipality.

35 (2) Amounts deposited into such special fund shall be
36 disbursed by the Department of Finance and Administration to pay
37 the costs of projects described in subsection (1) of this section.

38 (3) Such funds shall be paid by the State Treasurer to the
39 City of Clinton, Mississippi, upon warrants issued by the
40 Department of Finance and Administration, which warrants shall be
41 issued upon requisitions signed by the Executive Director of the
42 Department of Finance and Administration, or his designee.

43 **SECTION 3.** (1) The commission, at one time, or from time to
44 time, may declare by resolution the necessity for issuance of
45 general obligation bonds of the State of Mississippi to provide
46 funds for all costs incurred or to be incurred for the purposes
47 described in Section 2 of this act. Upon the adoption of a
48 resolution by the Department of Finance and Administration,
49 declaring the necessity for the issuance of any part or all of the
50 general obligation bonds authorized by this section, the
51 Department of Finance and Administration shall deliver a certified
52 copy of its resolution or resolutions to the commission. Upon
53 receipt of such resolution, the commission, in its discretion, may
54 act as the issuing agent, prescribe the form of the bonds,
55 advertise for and accept bids, issue and sell the bonds so
56 authorized to be sold and do any and all other things necessary
57 and advisable in connection with the issuance and sale of such
58 bonds. The total amount of bonds issued under this act shall not
59 exceed Thirty-five Million Dollars (\$35,000,000.00). No bonds
60 shall be issued under this section after July 1, 2009.

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

65 **SECTION 4.** The principal of and interest on the bonds
66 authorized under this act shall be payable in the manner provided
67 in this section. Such bonds shall bear such date or dates, be in
68 such denomination or denominations, bear interest at such rate or
69 rates (not to exceed the limits set forth in Section 75-17-101,
70 Mississippi Code of 1972), be payable at such place or places
71 within or without the State of Mississippi, shall mature
72 absolutely at such time or times not to exceed twenty-five (25)
73 years from date of issue, be redeemable before maturity at such
74 time or times and upon such terms, with or without premium, shall
75 bear such registration privileges, and shall be substantially in
76 such form, all as shall be determined by resolution of the
77 commission.

78 **SECTION 5.** The bonds authorized by this act shall be signed
79 by the chairman of the commission, or by his facsimile signature,
80 and the official seal of the commission shall be affixed thereto,
81 attested by the secretary of the commission. The interest
82 coupons, if any, to be attached to such bonds may be executed by
83 the facsimile signatures of such officers. Whenever any such
84 bonds shall have been signed by the officials designated to sign
85 the bonds who were in office at the time of such signing but who
86 may have ceased to be such officers before the sale and delivery
87 of such bonds, or who may not have been in office on the date such
88 bonds may bear, the signatures of such officers upon such bonds
89 and coupons shall nevertheless be valid and sufficient for all
90 purposes and have the same effect as if the person so officially
91 signing such bonds had remained in office until their delivery to
92 the purchaser, or had been in office on the date such bonds may
93 bear. However, notwithstanding anything herein to the contrary,

94 such bonds may be issued as provided in the Registered Bond Act of
95 the State of Mississippi.

96 **SECTION 6.** All bonds and interest coupons issued under the
97 provisions of this act have all the qualities and incidents of
98 negotiable instruments under the provisions of the Uniform
99 Commercial Code, and in exercising the powers granted by this act,
100 the commission shall not be required to and need not comply with
101 the provisions of the Uniform Commercial Code.

102 **SECTION 7.** The commission shall act as the issuing agent for
103 the bonds authorized under this act, prescribe the form of the
104 bonds, advertise for and accept bids, issue and sell the bonds so
105 authorized to be sold, pay all fees and costs incurred in such
106 issuance and sale, and do any and all other things necessary and
107 advisable in connection with the issuance and sale of such bonds.
108 The commission is authorized and empowered to pay the costs that
109 are incident to the sale, issuance and delivery of the bonds
110 authorized under this act from the proceeds derived from the sale
111 of such bonds. The commission shall sell such bonds on sealed
112 bids at public sale, and for such price as it may determine to be
113 for the best interest of the State of Mississippi, but no such
114 sale shall be made at a price less than par plus accrued interest
115 to the date of delivery of the bonds to the purchaser. All
116 interest accruing on such bonds so issued shall be payable
117 semiannually or annually; however, the first interest payment may
118 be for any period of not more than one (1) year.

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

126 The commission, when issuing any bonds under the authority of
127 this act, may provide that bonds, at the option of the State of
128 Mississippi, may be called in for payment and redemption at the
129 call price named therein and accrued interest on such date or
130 dates named therein.

131 **SECTION 8.** The bonds issued under the provisions of this act
132 are general obligations of the State of Mississippi, and for the
133 payment thereof the full faith and credit of the State of
134 Mississippi is irrevocably pledged. If the funds appropriated by
135 the Legislature are insufficient to pay the principal of and the
136 interest on such bonds as they become due, then the deficiency
137 shall be paid by the State Treasurer from any funds in the State
138 Treasury not otherwise appropriated. All such bonds shall contain
139 recitals on their faces substantially covering the provisions of
140 this section.

141 **SECTION 9.** Upon the issuance and sale of bonds under the
142 provisions of this act, the commission shall transfer the proceeds
143 of any such sale or sales to the special fund created in Section 2
144 of this act. The proceeds of such bonds shall be disbursed solely
145 upon the order of the Department of Finance and Administration
146 under such restrictions, if any, as may be contained in the
147 resolution providing for the issuance of the bonds.

148 **SECTION 10.** The bonds authorized under this act may be
149 issued without any other proceedings or the happening of any other
150 conditions or things other than those proceedings, conditions and
151 things which are specified or required by this act. Any
152 resolution providing for the issuance of bonds under the
153 provisions of this act shall become effective immediately upon its
154 adoption by the commission, and any such resolution may be adopted
155 at any regular or special meeting of the commission by a majority
156 of its members.

157 **SECTION 11.** The bonds authorized under the authority of this
158 act may be validated in the Chancery Court of the First Judicial

159 District of Hinds County, Mississippi, in the manner and with the
160 force and effect provided by Chapter 13, Title 31, Mississippi
161 Code of 1972, for the validation of county, municipal, school
162 district and other bonds. The notice to taxpayers required by
163 such statutes shall be published in a newspaper published or
164 having a general circulation in the City of Jackson, Mississippi.

165 **SECTION 12.** Any holder of bonds issued under the provisions
166 of this act or of any of the interest coupons pertaining thereto
167 may, either at law or in equity, by suit, action, mandamus or
168 other proceeding, protect and enforce any and all rights granted
169 under this act, or under such resolution, and may enforce and
170 compel performance of all duties required by this act to be
171 performed, in order to provide for the payment of bonds and
172 interest thereon.

173 **SECTION 13.** All bonds issued under the provisions of this
174 act shall be legal investments for trustees and other fiduciaries,
175 and for savings banks, trust companies and insurance companies
176 organized under the laws of the State of Mississippi, and such
177 bonds shall be legal securities which may be deposited with and
178 shall be received by all public officers and bodies of this state
179 and all municipalities and political subdivisions for the purpose
180 of securing the deposit of public funds.

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

184 **SECTION 15.** The proceeds of the bonds issued under this act
185 shall be used solely for the purposes herein provided, including
186 the costs incident to the issuance and sale of such bonds.

187 **SECTION 16.** The State Treasurer is authorized, without
188 further process of law, to certify to the Department of Finance
189 and Administration the necessity for warrants, and the Department
190 of Finance and Administration is authorized and directed to issue
191 such warrants, in such amounts as may be necessary to pay when due

192 the principal of, premium, if any, and interest on, or the
193 accreted value of, all bonds issued under this act; and the State
194 Treasurer shall forward the necessary amount to the designated
195 place or places of payment of such bonds in ample time to
196 discharge such bonds, or the interest thereon, on the due dates
197 thereof.

198 **SECTION 17.** This act shall be deemed to be full and complete
199 authority for the exercise of the powers herein granted, but this
200 act shall not be deemed to repeal or to be in derogation of any
201 existing law of this state.

202 **SECTION 18.** This act shall take effect and be in force from
203 and after July 1, 2006.