

By: Representative Formby

To: Ways and Means

HOUSE BILL NO. 1142

1 AN ACT AMEND SECTIONS 136 THROUGH 151 OF CHAPTER 1, LAWS OF
2 2004, THIRD EXTRAORDINARY SESSION, AS AMENDED BY SECTION 1 OF
3 CHAPTER 347, LAWS OF 2005, TO REVISE THE PURPOSES FOR WHICH A
4 CERTAIN PORTION OF THE PROCEEDS OF BONDS DEPOSITED INTO THE RURAL
5 FIRE TRUCK FUND CREATED UNDER SECTION 17-23-1 MAY BE EXPENDED; AND
6 FOR RELATED PURPOSES.

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

8 **SECTION 1.** Sections 136 through 151 of Chapter 1, Laws of
9 2004, Third Extraordinary Session, as amended by Section 1 of
10 Chapter 347, Laws of 2005, are amended as follows:

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

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

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

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

23 Section 137. (1) The Department of Finance and
24 Administration, at one time, or from time to time, may declare by
25 resolution the necessity for issuance of general obligation bonds
26 of the State of Mississippi to provide funds for the Supplementary
27 Rural Fire Truck Fund created in Section 17-23-11, and the Rural
28 Fire Truck Fund created in Section 17-23-1. Upon the adoption of
29 a resolution by the Department of Finance and Administration,

30 declaring the necessity for the issuance of any part or all of the
31 general obligation bonds authorized by this section, the
32 Department of Finance and Administration shall deliver a certified
33 copy of its resolution or resolutions to the commission. Upon
34 receipt of such resolution, the commission, in its discretion, may
35 act as the issuing agent, prescribe the form of the bonds,
36 advertise for and accept bids, issue and sell the bonds so
37 authorized to be sold and do any and all other things necessary
38 and advisable in connection with the issuance and sale of such
39 bonds. The total amount of bonds issued under Sections 136
40 through 151 of this act shall not exceed Ten Million Dollars
41 (\$10,000,000.00). No bonds authorized under Sections 136 through
42 151 of this act shall be issued after July 1, 2008.

43 (2) Four Million Two Hundred Sixty Thousand Dollars
44 (\$4,260,000.00) of the proceeds of bonds issued pursuant to
45 Sections 136 through 151 of this act shall be deposited into the
46 Supplementary Rural Fire Truck Fund created in Section 152 of
47 Senate Bill No. 2010, 2004 Third Extraordinary Session. Five
48 Million Seven Hundred Forty Thousand Dollars (\$5,740,000.00) of
49 the proceeds of bonds issued pursuant to Sections 136 through 151,
50 Laws of Chapter 1, 2004 Third Extraordinary Session, as amended by
51 Section 1 of Chapter 347, Laws of 2005, shall be deposited into
52 the Rural Fire Truck Fund created in Section 17-23-1 * * *. Any
53 investment earnings on bonds issued pursuant to Sections 136
54 through 151 of this act shall be used to pay debt service on bonds
55 issued under Sections 136 through 151 of this act, in accordance
56 with the proceedings authorizing issuance of such bonds.

57 Section 138. The principal of and interest on the bonds
58 authorized under Sections 136 through 151 of this act shall be
59 payable in the manner provided in this section. Such bonds shall
60 bear such date or dates, be in such denomination or denominations,
61 bear interest at such rate or rates (not to exceed the limits set
62 forth in Section 75-17-101, Mississippi Code of 1972), be payable

63 at such place or places within or without the State of
64 Mississippi, shall mature absolutely at such time or times not to
65 exceed twenty-five (25) years from date of issue, be redeemable
66 before maturity at such time or times and upon such terms, with or
67 without premium, shall bear such registration privileges, and
68 shall be substantially in such form, all as shall be determined by
69 resolution of the commission.

70 Section 139. The bonds authorized by Sections 136 through
71 151 of this act shall be signed by the chairman of the commission,
72 or by his facsimile signature, and the official seal of the
73 commission shall be affixed thereto, attested by the secretary of
74 the commission. The interest coupons, if any, to be attached to
75 such bonds may be executed by the facsimile signatures of such
76 officers. Whenever any such bonds shall have been signed by the
77 officials designated to sign the bonds who were in office at the
78 time of such signing but who may have ceased to be such officers
79 before the sale and delivery of such bonds, or who may not have
80 been in office on the date such bonds may bear, the signatures of
81 such officers upon such bonds and coupons shall nevertheless be
82 valid and sufficient for all purposes and have the same effect as
83 if the person so officially signing such bonds had remained in
84 office until their delivery to the purchaser, or had been in
85 office on the date such bonds may bear. However, notwithstanding
86 anything herein to the contrary, such bonds may be issued as
87 provided in the Registered Bond Act of the State of Mississippi.

88 Section 140. All bonds and interest coupons issued under the
89 provisions of Sections 136 through 151 of this act have all the
90 qualities and incidents of negotiable instruments under the
91 provisions of the Uniform Commercial Code, and in exercising the
92 powers granted by Sections 136 through 151 of this act, the
93 commission shall not be required to and need not comply with the
94 provisions of the Uniform Commercial Code.

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

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

120 The commission, when issuing any bonds under the authority of
121 Sections 136 through 151 of this act, may provide that bonds, at
122 the option of the State of Mississippi, may be called in for
123 payment and redemption at the call price named therein and accrued
124 interest on such date or dates named therein.

125 Section 142. The bonds issued under the provisions of
126 Sections 136 through 151 of this act are general obligations of
127 the State of Mississippi, and for the payment thereof the full

128 faith and credit of the State of Mississippi is irrevocably
129 pledged. If the funds appropriated by the Legislature are
130 insufficient to pay the principal of and the interest on such
131 bonds as they become due, then the deficiency shall be paid by the
132 State Treasurer from any funds in the State Treasury not otherwise
133 appropriated. All such bonds shall contain recitals on their
134 faces substantially covering the provisions of this section.

135 Section 143. Upon the issuance and sale of bonds under the
136 provisions of Sections 136 through 151 of this act, the commission
137 shall transfer the proceeds of any such sale or sales to the
138 Supplementary Rural Fire Truck Fund created in Section 17-23-11,
139 and the Rural Fire Truck Fund created in Section 17-23-1 in the
140 amounts provided for in Section 137 of this act. The proceeds of
141 such bonds shall be disbursed solely upon the order of the
142 Department of Finance and Administration under such restrictions,
143 if any, as may be contained in the resolution providing for the
144 issuance of the bonds.

145 Section 144. The bonds authorized under Sections 136 through
146 151 of this act may be issued without any other proceedings or the
147 happening of any other conditions or things other than those
148 proceedings, conditions and things which are specified or required
149 by Sections 136 through 151 of this act. Any resolution providing
150 for the issuance of bonds under the provisions of Sections 136
151 through 151 of this act shall become effective immediately upon
152 its adoption by the commission, and any such resolution may be
153 adopted at any regular or special meeting of the commission by a
154 majority of its members.

155 Section 145. The bonds authorized under the authority of
156 Sections 136 through 151 of this act may be validated in the
157 Chancery Court of the First Judicial District of Hinds County,
158 Mississippi, in the manner and with the force and effect provided
159 by Chapter 13, Title 31, Mississippi Code of 1972, for the
160 validation of county, municipal, school district and other bonds.

161 The notice to taxpayers required by such statutes shall be
162 published in a newspaper published or having a general circulation
163 in the City of Jackson, Mississippi.

164 Section 146. Any holder of bonds issued under the provisions
165 of Sections 136 through 151 of this act or of any of the interest
166 coupons pertaining thereto may, either at law or in equity, by
167 suit, action, mandamus or other proceeding, protect and enforce
168 any and all rights granted under Sections 136 through 151 of this
169 act, or under such resolution, and may enforce and compel
170 performance of all duties required by Sections 136 through 151 of
171 this act to be performed, in order to provide for the payment of
172 bonds and interest thereon.

173 Section 147. All bonds issued under the provisions of
174 Sections 136 through 151 of this act shall be legal investments
175 for trustees and other fiduciaries, and for savings banks, trust
176 companies and insurance companies organized under the laws of the
177 State of Mississippi, and such bonds shall be legal securities
178 which may be deposited with and shall be received by all public
179 officers and bodies of this state and all municipalities and
180 political subdivisions for the purpose of securing the deposit of
181 public funds.

182 Section 148. Bonds issued under the provisions of Sections
183 136 through 151 of this act and income therefrom shall be exempt
184 from all taxation in the State of Mississippi.

185 Section 149. The proceeds of the bonds issued under Sections
186 136 through 151 of this act shall be used solely for the purposes
187 therein provided, including the costs incident to the issuance and
188 sale of such bonds.

189 Section 150. The State Treasurer is authorized, without
190 further process of law, to certify to the Department of Finance
191 and Administration the necessity for warrants, and the Department
192 of Finance and Administration is authorized and directed to issue
193 such warrants, in such amounts as may be necessary to pay when due

194 the principal of, premium, if any, and interest on, or the
195 accreted value of, all bonds issued under Sections 136 through 151
196 of this act; and the State Treasurer shall forward the necessary
197 amount to the designated place or places of payment of such bonds
198 in ample time to discharge such bonds, or the interest thereon, on
199 the due dates thereof.

200 Section 151. Sections 136 through 151 of this act shall be
201 deemed to be full and complete authority for the exercise of the
202 powers therein granted, but Sections 136 through 151 of this act
203 shall not be deemed to repeal or to be in derogation of any
204 existing law of this state.

205 **SECTION 2.** This act shall take effect and be in force from
206 and after its passage.