

By: Representatives Lane, Eaton, Akins,
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To: Ways and Means

HOUSE BILL NO. 1492

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS IN THE AMOUNT OF \$2,000,000.00 TO PROVIDE FUNDS TO ASSIST
3 WAYNE COUNTY, CLARKE COUNTY AND LAUDERDALE COUNTY, AND
4 MUNICIPALITIES LOCATED WITHIN SUCH COUNTIES, IN PAYING COSTS
5 ASSOCIATED WITH CONSTRUCTION AND IMPROVEMENT OF RAILROAD LINES AND
6 RELATED FACILITIES LOCATED IN SUCH COUNTIES AND WHICH CONSTITUTE
7 PART OF A COOPERATIVE PLAN OF SUCH COUNTIES FOR THE IMPROVEMENT OF
8 RAIL TRANSPORTATION; AND FOR RELATED PURPOSES.

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

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

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

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

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

22 **SECTION 2.** (1) (a) A special fund, to be designated as the
23 "Wayne, Clarke and Lauderdale Counties Railroad Lines Improvements
24 Fund" is created within the State Treasury. The fund shall be
25 maintained by the State Treasurer as a separate and special fund,
26 separate and apart from the General Fund of the state. Unexpended
27 amounts remaining in the fund at the end of a fiscal year shall
28 not lapse into the State General Fund, and any interest earned or
29 investment earnings on amounts in the fund shall be deposited into
30 such fund.

31 (b) Monies deposited into the fund shall be disbursed,
32 in the discretion of the Mississippi Development Authority, to
33 assist Wayne County, Clarke County and Lauderdale County, and
34 municipalities located within such counties, in paying costs
35 associated with construction and improvement of railroad lines and
36 related facilities, including projects necessary to ensure safety
37 and structural integrity of rail lines and rail beds, located in
38 such counties and which constitute part of a cooperative plan of
39 such counties for the improvement of rail transportation.

40 (c) Monies in the special fund may be used to reimburse
41 reasonable actual and necessary costs incurred by the Mississippi
42 Development Authority in providing assistance related to a project
43 for which funding is provided under this act. The Mississippi
44 Development Authority shall maintain an accounting of actual costs
45 incurred for each project for which reimbursements are sought.
46 Reimbursements under this paragraph (c) shall not exceed Fifteen
47 Thousand Dollars (\$15,000.00) in the aggregate. Reimbursements
48 under this paragraph (c) shall satisfy any applicable federal tax
49 law requirements.

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

60 **SECTION 3.** (1) The commission, at one time, or from time to
61 time, may declare by resolution the necessity for issuance of
62 general obligation bonds of the State of Mississippi to provide
63 funds for all costs incurred or to be incurred for the purposes

64 described in Section 2 of this act. Upon the adoption of a
65 resolution by the Mississippi Development Authority, declaring the
66 necessity for the issuance of any part or all of the general
67 obligation bonds authorized by this section, the Mississippi
68 Development Authority shall deliver a certified copy of its
69 resolution or resolutions to the commission. Upon receipt of such
70 resolution, the commission, in its discretion, may act as the
71 issuing agent, prescribe the form of the bonds, advertise for and
72 accept bids, issue and sell the bonds so authorized to be sold and
73 do any and all other things necessary and advisable in connection
74 with the issuance and sale of such bonds. The total amount of
75 bonds issued under this act shall not exceed Two Million Dollars
76 (\$2,000,000.00); provided, however, that not more than One Million
77 Dollars (\$1,000,000.00) of bonds may be issued in any fiscal year.

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

82 **SECTION 4.** The principal of and interest on the bonds
83 authorized under this act shall be payable in the manner provided
84 in this section. Such bonds shall bear such date or dates, be in
85 such denomination or denominations, bear interest at such rate or
86 rates (not to exceed the limits set forth in Section 75-17-101,
87 Mississippi Code of 1972), be payable at such place or places
88 within or without the State of Mississippi, shall mature
89 absolutely at such time or times not to exceed twenty-five (25)
90 years from date of issue, be redeemable before maturity at such
91 time or times and upon such terms, with or without premium, shall
92 bear such registration privileges, and shall be substantially in
93 such form, all as shall be determined by resolution of the
94 commission.

95 **SECTION 5.** The bonds authorized by this act shall be signed
96 by the chairman of the commission, or by his facsimile signature,

97 and the official seal of the commission shall be affixed thereto,
98 attested by the secretary of the commission. The interest
99 coupons, if any, to be attached to such bonds may be executed by
100 the facsimile signatures of such officers. Whenever any such
101 bonds shall have been signed by the officials designated to sign
102 the bonds who were in office at the time of such signing but who
103 may have ceased to be such officers before the sale and delivery
104 of such bonds, or who may not have been in office on the date such
105 bonds may bear, the signatures of such officers upon such bonds
106 and coupons shall nevertheless be valid and sufficient for all
107 purposes and have the same effect as if the person so officially
108 signing such bonds had remained in office until their delivery to
109 the purchaser, or had been in office on the date such bonds may
110 bear. However, notwithstanding anything herein to the contrary,
111 such bonds may be issued as provided in the Registered Bond Act of
112 the State of Mississippi.

113 **SECTION 6.** All bonds and interest coupons issued under the
114 provisions of this act have all the qualities and incidents of
115 negotiable instruments under the provisions of the Uniform
116 Commercial Code, and in exercising the powers granted by this act,
117 the commission shall not be required to and need not comply with
118 the provisions of the Uniform Commercial Code.

119 **SECTION 7.** The commission shall act as the issuing agent for
120 the bonds authorized under this act, prescribe the form of the
121 bonds, advertise for and accept bids, issue and sell the bonds so
122 authorized to be sold, pay all fees and costs incurred in such
123 issuance and sale, and do any and all other things necessary and
124 advisable in connection with the issuance and sale of such bonds.
125 The commission is authorized and empowered to pay the costs that
126 are incident to the sale, issuance and delivery of the bonds
127 authorized under this act from the proceeds derived from the sale
128 of such bonds. The commission shall sell such bonds on sealed
129 bids at public sale, and for such price as it may determine to be

130 for the best interest of the State of Mississippi, but no such
131 sale shall be made at a price less than par plus accrued interest
132 to the date of delivery of the bonds to the purchaser. All
133 interest accruing on such bonds so issued shall be payable
134 semiannually or annually; however, the first interest payment may
135 be for any period of not more than one (1) year.

136 Notice of the sale of any such bonds shall be published at
137 least one time, not less than ten (10) days before the date of
138 sale, and shall be so published in one or more newspapers
139 published or having a general circulation in the City of Jackson,
140 Mississippi, and in one or more other newspapers or financial
141 journals with a national circulation, to be selected by the
142 commission.

143 The commission, when issuing any bonds under the authority of
144 this act, may provide that bonds, at the option of the State of
145 Mississippi, may be called in for payment and redemption at the
146 call price named therein and accrued interest on such date or
147 dates named therein.

148 **SECTION 8.** The bonds issued under the provisions of this act
149 are general obligations of the State of Mississippi, and for the
150 payment thereof the full faith and credit of the State of
151 Mississippi is irrevocably pledged. If the funds appropriated by
152 the Legislature are insufficient to pay the principal of and the
153 interest on such bonds as they become due, then the deficiency
154 shall be paid by the State Treasurer from any funds in the State
155 Treasury not otherwise appropriated. All such bonds shall contain
156 recitals on their faces substantially covering the provisions of
157 this section.

158 **SECTION 9.** Upon the issuance and sale of bonds under the
159 provisions of this act, the commission shall transfer the proceeds
160 of any such sale or sales to the special fund created in Section 2
161 of this act. The proceeds of such bonds shall be disbursed solely
162 upon the order of the Mississippi Development Authority under such

163 restrictions, if any, as may be contained in the resolution
164 providing for the issuance of the bonds.

165 **SECTION 10.** The bonds authorized under this act may be
166 issued without any other proceedings or the happening of any other
167 conditions or things other than those proceedings, conditions and
168 things which are specified or required by this act. Any
169 resolution providing for the issuance of bonds under the
170 provisions of this act shall become effective immediately upon its
171 adoption by the commission, and any such resolution may be adopted
172 at any regular or special meeting of the commission by a majority
173 of its members.

174 **SECTION 11.** The bonds authorized under the authority of this
175 act may be validated in the Chancery Court of the First Judicial
176 District of Hinds County, Mississippi, in the manner and with the
177 force and effect provided by Chapter 13, Title 31, Mississippi
178 Code of 1972, for the validation of county, municipal, school
179 district and other bonds. The notice to taxpayers required by
180 such statutes shall be published in a newspaper published or
181 having a general circulation in the City of Jackson, Mississippi.

182 **SECTION 12.** Any holder of bonds issued under the provisions
183 of this act or of any of the interest coupons pertaining thereto
184 may, either at law or in equity, by suit, action, mandamus or
185 other proceeding, protect and enforce any and all rights granted
186 under this act, or under such resolution, and may enforce and
187 compel performance of all duties required by this act to be
188 performed, in order to provide for the payment of bonds and
189 interest thereon.

190 **SECTION 13.** All bonds issued under the provisions of this
191 act shall be legal investments for trustees and other fiduciaries,
192 and for savings banks, trust companies and insurance companies
193 organized under the laws of the State of Mississippi, and such
194 bonds shall be legal securities which may be deposited with and
195 shall be received by all public officers and bodies of this state

196 and all municipalities and political subdivisions for the purpose
197 of securing the deposit of public funds.

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

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

204 **SECTION 16.** The State Treasurer is authorized, without
205 further process of law, to certify to the Department of Finance
206 and Administration the necessity for warrants, and the Department
207 of Finance and Administration is authorized and directed to issue
208 such warrants, in such amounts as may be necessary to pay when due
209 the principal of, premium, if any, and interest on, or the
210 accreted value of, all bonds issued under this act; and the State
211 Treasurer shall forward the necessary amount to the designated
212 place or places of payment of such bonds in ample time to
213 discharge such bonds, or the interest thereon, on the due dates
214 thereof.

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

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