

By: Representatives Watson, Reynolds

To: Ways and Means

HOUSE BILL NO. 1508

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$5,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE MISSISSIPPI
3 RURAL IMPACT FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

17 **SECTION 2.** (1) The Mississippi Development Authority, at
18 one time, or from time to time, may declare by resolution the
19 necessity for issuance of general obligation bonds of the State of
20 Mississippi to provide funds for the program authorized in Section
21 57-85-5. Upon the adoption of a resolution by the Mississippi
22 Development Authority, declaring the necessity for the issuance of
23 any part or all of the general obligation bonds authorized by this
24 section, the Mississippi Development Authority shall deliver a
25 certified copy of its resolution or resolutions to the commission.
26 Upon receipt of such resolution, the commission, in its
27 discretion, may act as the issuing agent, prescribe the form of

28 the bonds, advertise for and accept bids, issue and sell the bonds
29 so authorized to be sold and do any and all other things necessary
30 and advisable in connection with the issuance and sale of such
31 bonds. The total amount of bonds issued under this act shall not
32 exceed Five Million Dollars (\$5,000,000.00). No bonds authorized
33 under this act shall be issued after July 1, 2010.

34 (2) The proceeds of bonds issued pursuant to this act shall
35 be deposited into the Mississippi Rural Impact Fund created
36 pursuant to Section 57-85-5. Any investment earnings on bonds
37 issued pursuant to this act shall be used to pay debt service on
38 bonds issued under this act, in accordance with the proceedings
39 authorizing issuance of such bonds.

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

53 **SECTION 4.** The bonds authorized by this act shall be signed
54 by the chairman of the commission, or by his facsimile signature,
55 and the official seal of the commission shall be affixed thereto,
56 attested by the secretary of the commission. The interest
57 coupons, if any, to be attached to such bonds may be executed by
58 the facsimile signatures of such officers. Whenever any such
59 bonds shall have been signed by the officials designated to sign
60 the bonds who were in office at the time of such signing but who

61 may have ceased to be such officers before the sale and delivery
62 of such bonds, or who may not have been in office on the date such
63 bonds may bear, the signatures of such officers upon such bonds
64 and coupons shall nevertheless be valid and sufficient for all
65 purposes and have the same effect as if the person so officially
66 signing such bonds had remained in office until their delivery to
67 the purchaser, or had been in office on the date such bonds may
68 bear. However, notwithstanding anything herein to the contrary,
69 such bonds may be issued as provided in the Registered Bond Act of
70 the State of Mississippi.

71 **SECTION 5.** All bonds and interest coupons issued under the
72 provisions of this act have all the qualities and incidents of
73 negotiable instruments under the provisions of the Uniform
74 Commercial Code, and in exercising the powers granted by this act,
75 the commission shall not be required to and need not comply with
76 the provisions of the Uniform Commercial Code.

77 **SECTION 6.** The commission shall act as the issuing agent for
78 the bonds authorized under this act, prescribe the form of the
79 bonds, advertise for and accept bids, issue and sell the bonds so
80 authorized to be sold, pay all fees and costs incurred in such
81 issuance and sale, and do any and all other things necessary and
82 advisable in connection with the issuance and sale of such bonds.
83 The commission is authorized and empowered to pay the costs that
84 are incident to the sale, issuance and delivery of the bonds
85 authorized under this act from the proceeds derived from the sale
86 of such bonds. The commission shall sell such bonds on sealed
87 bids at public sale, and for such price as it may determine to be
88 for the best interest of the State of Mississippi, but no such
89 sale shall be made at a price less than par plus accrued interest
90 to the date of delivery of the bonds to the purchaser. All
91 interest accruing on such bonds so issued shall be payable
92 semiannually or annually; however, the first interest payment may
93 be for any period of not more than one (1) year.

94 Notice of the sale of any such bonds shall be published at
95 least one time, not less than ten (10) days before the date of
96 sale, and shall be so published in one or more newspapers
97 published or having a general circulation in the City of Jackson,
98 Mississippi, and in one or more other newspapers or financial
99 journals with a national circulation, to be selected by the
100 commission.

101 The commission, when issuing any bonds under the authority of
102 this act, may provide that bonds, at the option of the State of
103 Mississippi, may be called in for payment and redemption at the
104 call price named therein and accrued interest on such date or
105 dates named therein.

106 **SECTION 7.** The bonds issued under the provisions of this act
107 are general obligations of the State of Mississippi, and for the
108 payment thereof the full faith and credit of the State of
109 Mississippi is irrevocably pledged. If the funds appropriated by
110 the Legislature are insufficient to pay the principal of and the
111 interest on such bonds as they become due, then the deficiency
112 shall be paid by the State Treasurer from any funds in the State
113 Treasury not otherwise appropriated. All such bonds shall contain
114 recitals on their faces substantially covering the provisions of
115 this section.

116 **SECTION 8.** Upon the issuance and sale of bonds under the
117 provisions of this act, the commission shall transfer the proceeds
118 of any such sale or sales to the Mississippi Rural Impact Fund
119 created in Section 57-85-5. The proceeds of such bonds shall be
120 disbursed solely upon the order of the Mississippi Development
121 Authority under such restrictions, if any, as may be contained in
122 the resolution providing for the issuance of the bonds.

123 **SECTION 9.** The bonds authorized under this act may be issued
124 without any other proceedings or the happening of any other
125 conditions or things other than those proceedings, conditions and
126 things which are specified or required by this act. Any

127 resolution providing for the issuance of bonds under the
128 provisions of this act shall become effective immediately upon its
129 adoption by the commission, and any such resolution may be adopted
130 at any regular or special meeting of the commission by a majority
131 of its members.

132 **SECTION 10.** The bonds authorized under the authority of this
133 act may be validated in the Chancery Court of the First Judicial
134 District of Hinds County, Mississippi, in the manner and with the
135 force and effect provided by Chapter 13, Title 31, Mississippi
136 Code of 1972, for the validation of county, municipal, school
137 district and other bonds. The notice to taxpayers required by
138 such statutes shall be published in a newspaper published or
139 having a general circulation in the City of Jackson, Mississippi.

140 **SECTION 11.** Any holder of bonds issued under the provisions
141 of this act or of any of the interest coupons pertaining thereto
142 may, either at law or in equity, by suit, action, mandamus or
143 other proceeding, protect and enforce any and all rights granted
144 under this act, or under such resolution, and may enforce and
145 compel performance of all duties required by this act to be
146 performed, in order to provide for the payment of bonds and
147 interest thereon.

148 **SECTION 12.** All bonds issued under the provisions of this
149 act shall be legal investments for trustees and other fiduciaries,
150 and for savings banks, trust companies and insurance companies
151 organized under the laws of the State of Mississippi, and such
152 bonds shall be legal securities which may be deposited with and
153 shall be received by all public officers and bodies of this state
154 and all municipalities and political subdivisions for the purpose
155 of securing the deposit of public funds.

156 **SECTION 13.** Bonds issued under the provisions of this act
157 and income therefrom shall be exempt from all taxation in the
158 State of Mississippi.

159 **SECTION 14.** The proceeds of the bonds issued under this act
160 shall be used solely for the purposes therein provided, including
161 the costs incident to the issuance and sale of such bonds.

162 **SECTION 15.** The State Treasurer is authorized, without
163 further process of law, to certify to the Department of Finance
164 and Administration the necessity for warrants, and the Department
165 of Finance and Administration is authorized and directed to issue
166 such warrants, in such amounts as may be necessary to pay when due
167 the principal of, premium, if any, and interest on, or the
168 accreted value of, all bonds issued under this act; and the State
169 Treasurer shall forward the necessary amount to the designated
170 place or places of payment of such bonds in ample time to
171 discharge such bonds, or the interest thereon, on the due dates
172 thereof.

173 **SECTION 16.** This act shall be deemed to be full and complete
174 authority for the exercise of the powers therein granted, but this
175 act shall not be deemed to repeal or to be in derogation of any
176 existing law of this state.

177 **SECTION 17.** This act shall take effect and be in force from
178 and after its passage.