

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1641

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR
3 THE EMERGENCY OPERATIONS/FIRE READINESS CENTER CONSTRUCTION GRANT
4 PROGRAM; TO PROVIDE THAT THE GRANT PROGRAM SHALL BE ADMINISTERED
5 BY THE DEPARTMENT OF INSURANCE; 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) There is established an emergency
20 operations/fire readiness center construction grant program to be
21 administered by the State Department of Insurance, for the purpose
22 of assisting counties in constructing emergency operations/fire
23 readiness centers. Grant proceeds may be used by the recipient
24 county for planning, professional services, acquisition of
25 interests in land, acquisition of personal property, construction,
26 construction-related services and the equipping and furnishing of
27 an emergency operations/fire readiness center, hereinafter
28 referred to as a center. Each center shall be responsible for the

29 safety and well-being of the citizens of the county in which the
30 center is located, and of any state-owned facility in the county.

31 (b) Any Mississippi county shall make application for a
32 grant to the department in a form satisfactory to the department,
33 in accordance with the provisions of grant procedures, criteria
34 and standards developed and made public by the department. The
35 department shall receive grant proposals from any Mississippi
36 county and may approve grants to counties in which the department
37 determines that the center will be constructed in the best
38 location to serve the county; however, special consideration shall
39 be given to: (i) any county seeking to construct a center in an
40 area that does not typically qualify for grants under the federal
41 Community Development Block Grant Program, the United States
42 Department of Agriculture Rural Development Authority Grant
43 Program, or any existing grant program awarding funds for a
44 similar purpose which may be administered by an agency of the
45 State of Mississippi; and (ii) any county seeking to locate a
46 center in the county's designated seat of government.

47 (2) (a) A special fund, to be designated as the "2006
48 Emergency Operations/Fire Readiness Center Construction Fund," is
49 created within the State Treasury. The fund shall be maintained
50 by the State Treasurer as a separate and special fund, separate
51 and apart from the General Fund of the state. Unexpended amounts
52 remaining in the fund at the end of a fiscal year shall not lapse
53 into the State General Fund, and any interest earned or investment
54 earnings on amounts in the fund shall be deposited into such fund.

55 (b) Monies deposited into the fund shall be disbursed
56 by the Department of Finance and Administration, in the discretion
57 of the Department of Insurance, for the purpose of and to pay the
58 costs of funding the Emergency Operations/Fire Readiness Center
59 Construction Grant Program.

60 (3) At the expiration of four (4) years from the date the
61 proceeds of the bonds authorized under this act are deposited into

62 the 2006 Emergency Operations/Fire Readiness Center Construction
63 Fund, the Department of Insurance shall provide to the commission
64 and the Department of Finance and Administration an accounting of
65 all monies on deposit in the fund. Promptly after the commission
66 has certified, by resolution duly adopted, that the projects
67 described in subsection (2) shall have been completed, abandoned,
68 or cannot be completed in a timely fashion, any amounts remaining
69 in such special fund shall be applied to pay debt service on the
70 bonds issued under this act, in accordance with the proceedings
71 authorizing the issuance of such bonds and as directed by the
72 commission.

73 (4) The Department of Insurance, acting through its office
74 of the State Chief Deputy Fire Marshal, is expressly authorized
75 and empowered to receive and expend any local or other source
76 funds in connection with the expenditure of funds provided for in
77 this section. The expenditure of monies deposited into the
78 special fund shall be under the direction of the Department of
79 Insurance, and such funds shall be paid by the State Treasurer
80 upon warrants issued by the Department of Finance and
81 Administration, which warrants shall be issued upon requisitions
82 signed by the Executive Director of the Department of Finance and
83 Administration, or his designee.

84 **SECTION 3.** (1) The commission, at one time, or from time to
85 time, may declare by resolution the necessity for issuance of
86 general obligation bonds of the State of Mississippi to provide
87 funds for all costs incurred or to be incurred for the purposes
88 described in Section 2 of this act. Upon the adoption of a
89 resolution by the Department of Insurance, declaring the necessity
90 for the issuance of any part or all of the general obligation
91 bonds authorized by this section, the Department of Insurance
92 shall deliver a certified copy of its resolution or resolutions to
93 the commission. Upon receipt of such resolution, the commission,
94 in its discretion, may act as the issuing agent, prescribe the

95 form of the bonds, advertise for and accept bids, issue and sell
96 the bonds so authorized to be sold and do any and all other things
97 necessary and advisable in connection with the issuance and sale
98 of such bonds. The total amount of bonds issued under this act
99 shall not exceed Ten Million Five Hundred Thousand Dollars
100 (\$10,500,000.00). No bonds shall be issued under this act after
101 July 1, 2010.

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

106 **SECTION 4.** The principal of and interest on the bonds
107 authorized under this act shall be payable in the manner provided
108 in this section. Such bonds shall bear such date or dates, be in
109 such denomination or denominations, bear interest at such rate or
110 rates (not to exceed the limits set forth in Section 75-17-101,
111 Mississippi Code of 1972), be payable at such place or places
112 within or without the State of Mississippi, shall mature
113 absolutely at such time or times not to exceed twenty-five (25)
114 years from date of issue, be redeemable before maturity at such
115 time or times and upon such terms, with or without premium, shall
116 bear such registration privileges, and shall be substantially in
117 such form, all as shall be determined by resolution of the
118 commission.

119 **SECTION 5.** The bonds authorized by this act shall be signed
120 by the chairman of the commission, or by his facsimile signature,
121 and the official seal of the commission shall be affixed thereto,
122 attested by the secretary of the commission. The interest
123 coupons, if any, to be attached to such bonds may be executed by
124 the facsimile signatures of such officers. Whenever any such
125 bonds shall have been signed by the officials designated to sign
126 the bonds who were in office at the time of such signing but who
127 may have ceased to be such officers before the sale and delivery

128 of such bonds, or who may not have been in office on the date such
129 bonds may bear, the signatures of such officers upon such bonds
130 and coupons shall nevertheless be valid and sufficient for all
131 purposes and have the same effect as if the person so officially
132 signing such bonds had remained in office until their delivery to
133 the purchaser, or had been in office on the date such bonds may
134 bear. However, notwithstanding anything herein to the contrary,
135 such bonds may be issued as provided in the Registered Bond Act of
136 the State of Mississippi.

137 **SECTION 6.** All bonds and interest coupons issued under the
138 provisions of this act have all the qualities and incidents of
139 negotiable instruments under the provisions of the Uniform
140 Commercial Code, and in exercising the powers granted by this act,
141 the commission shall not be required to and need not comply with
142 the provisions of the Uniform Commercial Code.

143 **SECTION 7.** The commission shall act as the issuing agent for
144 the bonds authorized under this act, prescribe the form of the
145 bonds, advertise for and accept bids, issue and sell the bonds so
146 authorized to be sold, pay all fees and costs incurred in such
147 issuance and sale, and do any and all other things necessary and
148 advisable in connection with the issuance and sale of such bonds.
149 The commission is authorized and empowered to pay the costs that
150 are incident to the sale, issuance and delivery of the bonds
151 authorized under this act from the proceeds derived from the sale
152 of such bonds. The commission shall sell such bonds on sealed
153 bids at public sale, and for such price as it may determine to be
154 for the best interest of the State of Mississippi, but no such
155 sale shall be made at a price less than par plus accrued interest
156 to the date of delivery of the bonds to the purchaser. All
157 interest accruing on such bonds so issued shall be payable
158 semiannually or annually; however, the first interest payment may
159 be for any period of not more than one (1) year.

160 Notice of the sale of any such bonds shall be published at
161 least one time, not less than ten (10) days before the date of
162 sale, and shall be so published in one or more newspapers
163 published or having a general circulation in the City of Jackson,
164 Mississippi, and in one or more other newspapers or financial
165 journals with a national circulation, to be selected by the
166 commission.

167 The commission, when issuing any bonds under the authority of
168 this act, may provide that bonds, at the option of the State of
169 Mississippi, may be called in for payment and redemption at the
170 call price named therein and accrued interest on such date or
171 dates named therein.

172 **SECTION 8.** The bonds issued under the provisions of this act
173 are general obligations of the State of Mississippi, and for the
174 payment thereof the full faith and credit of the State of
175 Mississippi is irrevocably pledged. If the funds appropriated by
176 the Legislature are insufficient to pay the principal of and the
177 interest on such bonds as they become due, then the deficiency
178 shall be paid by the State Treasurer from any funds in the State
179 Treasury not otherwise appropriated. All such bonds shall contain
180 recitals on their faces substantially covering the provisions of
181 this section.

182 **SECTION 9.** Upon the issuance and sale of bonds under the
183 provisions of this act, the commission shall transfer the proceeds
184 of any such sale or sales to the special fund created in Section 2
185 of this act. The proceeds of such bonds shall be disbursed solely
186 upon the order of the Department of Finance and Administration
187 under such restrictions, if any, as may be contained in the
188 resolution providing for the issuance of the bonds.

189 **SECTION 10.** The bonds authorized under this act may be
190 issued without any other proceedings or the happening of any other
191 conditions or things other than those proceedings, conditions and
192 things which are specified or required by this act. Any

193 resolution providing for the issuance of bonds under the
194 provisions of this act shall become effective immediately upon its
195 adoption by the commission, and any such resolution may be adopted
196 at any regular or special meeting of the commission by a majority
197 of its members.

198 **SECTION 11.** The bonds authorized under the authority of this
199 act may be validated in the Chancery Court of the First Judicial
200 District of Hinds County, Mississippi, in the manner and with the
201 force and effect provided by Chapter 13, Title 31, Mississippi
202 Code of 1972, for the validation of county, municipal, school
203 district and other bonds. The notice to taxpayers required by
204 such statutes shall be published in a newspaper published or
205 having a general circulation in the City of Jackson, Mississippi.

206 **SECTION 12.** Any holder of bonds issued under the provisions
207 of this act or of any of the interest coupons pertaining thereto
208 may, either at law or in equity, by suit, action, mandamus or
209 other proceeding, protect and enforce any and all rights granted
210 under this act, or under such resolution, and may enforce and
211 compel performance of all duties required by this act to be
212 performed, in order to provide for the payment of bonds and
213 interest thereon.

214 **SECTION 13.** All bonds issued under the provisions of this
215 act shall be legal investments for trustees and other fiduciaries,
216 and for savings banks, trust companies and insurance companies
217 organized under the laws of the State of Mississippi, and such
218 bonds shall be legal securities which may be deposited with and
219 shall be received by all public officers and bodies of this state
220 and all municipalities and political subdivisions for the purpose
221 of securing the deposit of public funds.

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

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

228 **SECTION 16.** The State Treasurer is authorized, without
229 further process of law, to certify to the Department of Finance
230 and Administration the necessity for warrants, and the Department
231 of Finance and Administration is authorized and directed to issue
232 such warrants, in such amounts as may be necessary to pay when due
233 the principal of, premium, if any, and interest on, or the
234 accreted value of, all bonds issued under this act; and the State
235 Treasurer shall forward the necessary amount to the designated
236 place or places of payment of such bonds in ample time to
237 discharge such bonds, or the interest thereon, on the due dates
238 thereof.

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

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