

By: Senator(s) Robertson, Browning, Butler, Dearing, Gollott, Harden, Hyde-Smith, Jackson (11th), Jackson (15th), Jackson (32nd), Jordan, King, Lee (35th), Little, Thomas, Walls

To: Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2987

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.