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To: Finance

SENATE BILL NO. 3086

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$20,000,000.00 IN STATE  
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE LOCAL SYSTEM  
3 BRIDGE REPLACEMENT AND REHABILITATION FUND; TO AMEND SECTION  
4 65-37-13, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
5 LEGISLATURE SHALL NOT BE REQUIRED TO APPROPRIATE FUNDS DURING THE  
6 2006 REGULAR SESSION FOR DEPOSIT INTO THE LOCAL SYSTEM BRIDGE  
7 REPLACEMENT AND REHABILITATION FUND; AND FOR RELATED PURPOSES.

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

9 SECTION 1. As used in Sections 1 through 16 of this act, the  
10 following words shall have the meanings ascribed herein unless the  
11 context clearly requires otherwise:

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

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

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

21 (d) "This act" means Sections 1 through 16 of this act.

22 SECTION 2. (1) The Department of Finance and  
23 Administration, at one time, or from time to time, may declare by  
24 resolution the necessity for issuance of general obligation bonds  
25 of the State of Mississippi to provide funds for the Local System  
26 Bridge Replacement and Rehabilitation Fund created under Section  
27 65-37-13. Upon the adoption of a resolution by the Department of  
28 Finance and Administration, declaring the necessity for the  
29 issuance of any part or all of the general obligation bonds

30 authorized by this section, the Department of Finance and  
31 Administration shall deliver a certified copy of its resolution or  
32 resolutions to the commission. Upon receipt of such resolution,  
33 the commission, in its discretion, may act as the issuing agent,  
34 prescribe the form of the bonds, advertise for and accept bids,  
35 issue and sell the bonds so authorized to be sold and do any and  
36 all other things necessary and advisable in connection with the  
37 issuance and sale of such bonds. The total amount of bonds issued  
38 under this act shall not exceed Twenty Million Dollars  
39 (\$20,000,000.00).

40 (2) The proceeds of bonds issued pursuant to this act shall  
41 be deposited into the Local System Bridge Replacement and  
42 Rehabilitation Fund created under Section 65-37-13. Any  
43 investment earnings on bonds issued pursuant to this act shall be  
44 used to pay debt service on bonds issued under this act, in  
45 accordance with the proceedings authorizing issuance of such  
46 bonds.

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

60 **SECTION 4.** The bonds authorized by this act shall be signed  
61 by the chairman of the commission, or by his facsimile signature,  
62 and the official seal of the commission shall be affixed thereto,

63 attested by the secretary of the commission. The interest  
64 coupons, if any, to be attached to such bonds may be executed by  
65 the facsimile signatures of such officers. Whenever any such  
66 bonds shall have been signed by the officials designated to sign  
67 the bonds who were in office at the time of such signing but who  
68 may have ceased to be such officers before the sale and delivery  
69 of such bonds, or who may not have been in office on the date such  
70 bonds may bear, the signatures of such officers upon such bonds  
71 and coupons shall nevertheless be valid and sufficient for all  
72 purposes and have the same effect as if the person so officially  
73 signing such bonds had remained in office until their delivery to  
74 the purchaser, or had been in office on the date such bonds may  
75 bear. However, notwithstanding anything herein to the contrary,  
76 such bonds may be issued as provided in the Registered Bond Act of  
77 the State of Mississippi.

78 **SECTION 5.** All bonds and interest coupons issued under the  
79 provisions of this act have all the qualities and incidents of  
80 negotiable instruments under the provisions of the Uniform  
81 Commercial Code, and in exercising the powers granted by this act,  
82 the commission shall not be required to and need not comply with  
83 the provisions of the Uniform Commercial Code.

84 **SECTION 6.** The commission shall act as the issuing agent for  
85 the bonds authorized under this act, prescribe the form of the  
86 bonds, advertise for and accept bids, issue and sell the bonds so  
87 authorized to be sold, pay all fees and costs incurred in such  
88 issuance and sale, and do any and all other things necessary and  
89 advisable in connection with the issuance and sale of such bonds.  
90 The commission is authorized and empowered to pay the costs that  
91 are incident to the sale, issuance and delivery of the bonds  
92 authorized under this act from the proceeds derived from the sale  
93 of such bonds. The commission shall sell such bonds on sealed  
94 bids at public sale, and for such price as it may determine to be  
95 for the best interest of the State of Mississippi, but no such

96 sale shall be made at a price less than par plus accrued interest  
97 to the date of delivery of the bonds to the purchaser. All  
98 interest accruing on such bonds so issued shall be payable  
99 semiannually or annually; however, the first interest payment may  
100 be for any period of not more than one (1) year.

101 Notice of the sale of any such bonds shall be published at  
102 least one time, not less than ten (10) days before the date of  
103 sale, and shall be so published in one or more newspapers  
104 published or having a general circulation in the City of Jackson,  
105 Mississippi, and in one or more other newspapers or financial  
106 journals with a national circulation, to be selected by the  
107 commission.

108 The commission, when issuing any bonds under the authority of  
109 this act, may provide that bonds, at the option of the State of  
110 Mississippi, may be called in for payment and redemption at the  
111 call price named therein and accrued interest on such date or  
112 dates named therein.

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

123 **SECTION 8.** Upon the issuance and sale of bonds under the  
124 provisions of this act, the commission shall transfer the proceeds  
125 of any such sale or sales to the Local System Bridge Replacement  
126 and Rehabilitation Fund created in Section 65-37-13. The proceeds  
127 of such bonds shall be disbursed solely upon the order of the  
128 Department of Finance and Administration under such restrictions,

129 if any, as may be contained in the resolution providing for the  
130 issuance of the bonds.

131         **SECTION 9.** The bonds authorized under this act may be issued  
132 without any other proceedings or the happening of any other  
133 conditions or things other than those proceedings, conditions and  
134 things which are specified or required by this act. Any  
135 resolution providing for the issuance of bonds under the  
136 provisions of this act shall become effective immediately upon its  
137 adoption by the commission, and any such resolution may be adopted  
138 at any regular or special meeting of the commission by a majority  
139 of its members.

140         **SECTION 10.** The bonds authorized under the authority of this  
141 act may be validated in the Chancery Court of the First Judicial  
142 District of Hinds County, Mississippi, in the manner and with the  
143 force and effect provided by Chapter 13, Title 31, Mississippi  
144 Code of 1972, for the validation of county, municipal, school  
145 district and other bonds. The notice to taxpayers required by  
146 such statutes shall be published in a newspaper published or  
147 having a general circulation in the City of Jackson, Mississippi.

148         **SECTION 11.** Any holder of bonds issued under the provisions  
149 of this act or of any of the interest coupons pertaining thereto  
150 may, either at law or in equity, by suit, action, mandamus or  
151 other proceeding, protect and enforce any and all rights granted  
152 under this act, or under such resolution, and may enforce and  
153 compel performance of all duties required by this act to be  
154 performed, in order to provide for the payment of bonds and  
155 interest thereon.

156         **SECTION 12.** All bonds issued under the provisions of this  
157 act shall be legal investments for trustees and other fiduciaries,  
158 and for savings banks, trust companies and insurance companies  
159 organized under the laws of the State of Mississippi, and such  
160 bonds shall be legal securities which may be deposited with and  
161 shall be received by all public officers and bodies of this state

162 and all municipalities and political subdivisions for the purpose  
163 of securing the deposit of public funds.

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

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

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

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

185 **SECTION 17.** Section 65-37-13, Mississippi Code of 1972, is  
186 amended as follows:

187 65-37-13. (1) There is created in the State Treasury a  
188 special fund to be designated as the "Local System Bridge  
189 Replacement and Rehabilitation Fund." The fund shall consist of  
190 such monies as the Legislature appropriates pursuant to subsection  
191 (2) of this section and such other monies as the Legislature may  
192 designate for deposit in the fund. Monies in the fund may be  
193 expended upon legislative appropriation in accordance with the  
194 provisions of Sections 65-37-1 through 65-37-15.

195           (2) (a) During each regular legislative session held in  
196 calendar years 1995, 1996, 1997 and 1998, if the official General  
197 Fund revenue estimate for the succeeding fiscal year for which  
198 appropriations are being made reflects a growth in General Fund  
199 revenues of three percent (3%) or more for that succeeding fiscal  
200 year, then the Legislature shall appropriate Twenty-five Million  
201 Dollars (\$25,000,000.00) from the State General Fund for deposit  
202 into the Local System Bridge Replacement and Rehabilitation Fund.

203           (b) During the regular legislative session held in  
204 calendar year 1999, if the official General Fund revenue estimate  
205 for the succeeding fiscal year for which appropriations are being  
206 made reflects a growth in General Fund revenues of two percent  
207 (2%) or more for the succeeding fiscal year, then the Legislature  
208 shall appropriate Ten Million Dollars (\$10,000,000.00) from the  
209 State General Fund for deposit into the Local System Bridge  
210 Replacement and Rehabilitation Fund.

211           (c) Except as otherwise provided in this paragraph (c),  
212 during each regular legislative session held in calendar years  
213 2001 through 2008, if the official General Fund revenue estimate  
214 for the succeeding fiscal year for which appropriations are being  
215 made reflects a growth in General Fund revenues of two percent  
216 (2%) or more for the succeeding fiscal year, then the Legislature  
217 shall appropriate Twenty Million Dollars (\$20,000,000.00) from the  
218 State General Fund for deposit into the Local System Bridge  
219 Replacement and Rehabilitation Fund. However, during the regular  
220 legislative sessions held in calendar years 2003, 2004, 2005 and  
221 2006, the Legislature shall not be required to appropriate funds  
222 for deposit into the Local System Bridge Replacement and  
223 Rehabilitation Fund.

224           (3) Such monies as are deposited in the fund under the  
225 provisions of this section may be expended upon requisition  
226 therefor by the State Aid Engineer in accordance with the  
227 provisions of Sections 65-37-1 through 65-37-15. The Office of

228 State Aid Road Construction shall be entitled to reimbursement  
229 from monies in the fund, upon requisitions therefor by the State  
230 Aid Engineer, for the actual expenses incurred by the office in  
231 administering the provisions of the local system bridge  
232 replacement and rehabilitation program. Unexpended amounts  
233 remaining in the fund at the end of a fiscal year shall not lapse  
234 into the State General Fund, and any interest earned on amounts in  
235 the fund shall be deposited to the credit of the fund.

236 (4) Monies in the Local System Bridge Replacement and  
237 Rehabilitation Fund shall be allocated and become available for  
238 distribution to counties in accordance with the formula prescribed  
239 in Section 65-37-4 beginning January 1, 1995, on a  
240 project-by-project basis. Monies in the Local System Bridge  
241 Replacement and Rehabilitation Fund may not be used or expended  
242 for any purpose except as authorized under Sections 65-37-1  
243 through 65-37-15.

244 (5) Monies in the Local System Bridge Replacement and  
245 Rehabilitation Fund may be credited to a county in advance of the  
246 normal accrual to finance certain projects, subject to the  
247 approval of the State Aid Engineer and subject further to the  
248 following limitations:

249 (a) That the maximum amount of such monies that may be  
250 advanced to any county shall not exceed ninety percent (90%) of  
251 the funds estimated to accrue to such county during the remainder  
252 of the term of office of the board of supervisors of such county;

253 (b) That no advance credit of funds will be made to any  
254 county when the unobligated balance in the Local System Bridge  
255 Replacement and Rehabilitation Fund is less than One Million  
256 Dollars (\$1,000,000.00); and

257 (c) That such advance crediting of funds be effected by  
258 the State Aid Engineer at the time of the approval of the plans  
259 and specifications for the proposed projects.



260           It is the intent of this provision to utilize to the fullest  
261 practicable extent the balance of monies in the Local System  
262 Bridge Replacement and Rehabilitation Fund on hand at all times.  
263           **SECTION 18.** This act shall take effect and be in force from  
264 and after its passage.