

By: Senator(s) Ross

To: Finance

SENATE BILL NO. 3087

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO
3 ASSIST THE TOWN OF PELAHATCHIE, MISSISSIPPI, IN MAKING
4 INFRASTRUCTURE IMPROVEMENTS NECESSARY TO FACILITATE AND PROMOTE
5 BUSINESS, RECREATIONAL AND COMMERCIAL DEVELOPMENT; AND FOR RELATED
6 PURPOSES.

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

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

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

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

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

20 **SECTION 2.** (1) (a) A special fund, to be designated as the
21 "2006 Town of Pelahatchie Infrastructure Improvement Fund," is
22 created within the State Treasury. The fund shall be maintained
23 by the State Treasurer as a separate and special fund, separate
24 and apart from the General Fund of the state. Unexpended amounts
25 remaining in the fund at the end of a fiscal year shall not lapse
26 into the State General Fund, and any interest earned or investment
27 earnings on amounts in the fund shall be deposited into such fund.

28 (b) Monies deposited into the fund shall be disbursed,
29 in the discretion of the Department of Finance and Administration,

30 to assist the Town of Pelahatchie, Mississippi, in making
31 infrastructure improvements necessary to facilitate and promote
32 business, recreational and commercial development.

33 (2) Amounts deposited into such special fund shall be
34 disbursed to pay the costs of the projects described in subsection
35 (1) of this section. Promptly after the commission has certified,
36 by resolution duly adopted, that the projects described in
37 subsection (1) shall have been completed, abandoned, or cannot be
38 completed in a timely fashion, any amounts remaining in such
39 special fund shall be applied to pay debt service on the bonds
40 issued under this act, in accordance with the proceedings
41 authorizing the issuance of such bonds and as directed by the
42 commission.

43 (3) The Department of Finance and Administration, acting
44 through the Bureau of Building, Grounds and Real Property
45 Management, is expressly authorized and empowered to receive and
46 expend any local or other source funds in connection with the
47 expenditure of funds provided for in this section. The
48 expenditure of monies deposited into the special fund shall be
49 under the direction of the Department of Finance and
50 Administration, and such funds shall be paid by the State
51 Treasurer upon warrants issued by such department, which warrants
52 shall be issued upon requisitions signed by the Executive Director
53 of the Department of Finance and Administration, or his designee.

54 **SECTION 3.** (1) The commission, at one time, or from time to
55 time, may declare by resolution the necessity for issuance of
56 general obligation bonds of the State of Mississippi to provide
57 funds for all costs incurred or to be incurred for the purposes
58 described in Section 2 of this act. Upon the adoption of a
59 resolution by the Department of Finance and Administration,
60 declaring the necessity for the issuance of any part or all of the
61 general obligation bonds authorized by this section, the
62 Department of Finance and Administration shall deliver a certified

63 copy of its resolution or resolutions to the commission. Upon
64 receipt of such resolution, the commission, in its discretion, may
65 act as the issuing agent, prescribe the form of the bonds,
66 advertise for and accept bids, issue and sell the bonds so
67 authorized to be sold and do any and all other things necessary
68 and advisable in connection with the issuance and sale of such
69 bonds. The total amount of bonds issued under this act shall not
70 exceed One Million Five Hundred Thousand Dollars (\$1,500,000.00).
71 No bonds shall be issued under this act after July 1, 2010.

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

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

89 **SECTION 5.** The bonds authorized by this act shall be signed
90 by the chairman of the commission, or by his facsimile signature,
91 and the official seal of the commission shall be affixed thereto,
92 attested by the secretary of the commission. The interest
93 coupons, if any, to be attached to such bonds may be executed by
94 the facsimile signatures of such officers. Whenever any such
95 bonds shall have been signed by the officials designated to sign

96 the bonds who were in office at the time of such signing but who
97 may have ceased to be such officers before the sale and delivery
98 of such bonds, or who may not have been in office on the date such
99 bonds may bear, the signatures of such officers upon such bonds
100 and coupons shall nevertheless be valid and sufficient for all
101 purposes and have the same effect as if the person so officially
102 signing such bonds had remained in office until their delivery to
103 the purchaser, or had been in office on the date such bonds may
104 bear. However, notwithstanding anything herein to the contrary,
105 such bonds may be issued as provided in the Registered Bond Act of
106 the State of Mississippi.

107 **SECTION 6.** All bonds and interest coupons issued under the
108 provisions of this act have all the qualities and incidents of
109 negotiable instruments under the provisions of the Uniform
110 Commercial Code, and in exercising the powers granted by this act,
111 the commission shall not be required to and need not comply with
112 the provisions of the Uniform Commercial Code.

113 **SECTION 7.** The commission shall act as the issuing agent for
114 the bonds authorized under this act, prescribe the form of the
115 bonds, advertise for and accept bids, issue and sell the bonds so
116 authorized to be sold, pay all fees and costs incurred in such
117 issuance and sale, and do any and all other things necessary and
118 advisable in connection with the issuance and sale of such bonds.
119 The commission is authorized and empowered to pay the costs that
120 are incident to the sale, issuance and delivery of the bonds
121 authorized under this act from the proceeds derived from the sale
122 of such bonds. The commission shall sell such bonds on sealed
123 bids at public sale, and for such price as it may determine to be
124 for the best interest of the State of Mississippi, but no such
125 sale shall be made at a price less than par plus accrued interest
126 to the date of delivery of the bonds to the purchaser. All
127 interest accruing on such bonds so issued shall be payable

128 semiannually or annually; however, the first interest payment may
129 be for any period of not more than one (1) year.

130 Notice of the sale of any such bonds shall be published at
131 least one (1) time, not less than ten (10) days before the date of
132 sale, and shall be so published in one or more newspapers
133 published or having a general circulation in the City of Jackson,
134 Mississippi, and in one or more other newspapers or financial
135 journals with a national circulation, to be selected by the
136 commission.

137 The commission, when issuing any bonds under the authority of
138 this act, may provide that bonds, at the option of the State of
139 Mississippi, may be called in for payment and redemption at the
140 call price named therein and accrued interest on such date or
141 dates named therein.

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

152 **SECTION 9.** Upon the issuance and sale of bonds under the
153 provisions of this act, the commission shall transfer the proceeds
154 of any such sale or sales to the special fund created in Section 2
155 of this act. The proceeds of such bonds shall be disbursed solely
156 upon the order of the Department of Finance and Administration
157 under such restrictions, if any, as may be contained in the
158 resolution providing for the issuance of the bonds.

159 **SECTION 10.** The bonds authorized under this act may be
160 issued without any other proceedings or the happening of any other

161 conditions or things other than those proceedings, conditions and
162 things which are specified or required by this act. Any
163 resolution providing for the issuance of bonds under the
164 provisions of this act shall become effective immediately upon its
165 adoption by the commission, and any such resolution may be adopted
166 at any regular or special meeting of the commission by a majority
167 of its members.

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

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

184 **SECTION 13.** All bonds issued under the provisions of this
185 act shall be legal investments for trustees and other fiduciaries,
186 and for savings banks, trust companies and insurance companies
187 organized under the laws of the State of Mississippi, and such
188 bonds shall be legal securities which may be deposited with and
189 shall be received by all public officers and bodies of this state
190 and all municipalities and political subdivisions for the purpose
191 of securing the deposit of public funds.

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

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

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

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

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