

By: Representatives Franks,
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To: Ways and Means

HOUSE BILL NO. 24

1 AN ACT TO AMEND SECTION 27-107-321, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO MAKE
3 GRANTS TO LOCAL GOVERNMENTS FROM THE EMERGENCY AID TO LOCAL
4 GOVERNMENTS FUND; TO PROVIDE THAT INTEREST EARNED OR INVESTMENT
5 EARNINGS ON AMOUNTS IN THE FUND SHALL BE DEPOSITED TO THE CREDIT
6 OF THE FUND AND TO PROVIDE THAT GRANTS FROM THE FUND MAY NOT
7 EXCEED \$3,000,000.00 AND THAT THE TOTAL AGGREGATE AMOUNT OF ALL
8 GRANTS SHALL NOT EXCEED \$25,000,000.00; TO ESTABLISH A GRANT
9 PROGRAM TO PROVIDE FUNDS TO COUNTIES AND MUNICIPALITIES FOR THE
10 PURPOSE OF MAKING GRANTS TO INDIVIDUALS WHO SUSTAINED PHYSICAL
11 DAMAGE TO HOMES DUE TO FLOODING OR STORM SURGE AS A RESULT OF
12 HURRICANE KATRINA, WHO HAD NO FLOOD INSURANCE OR OTHER INSURANCE
13 PROVIDING COVERAGE FOR SUCH DAMAGE OR HAD FLOOD INSURANCE BUT HAD
14 A FLOOD LOSS THAT EXCEEDED SUCH INSURANCE, AND WHO WERE NOT
15 COVERED BY OTHER INSURANCE OR SOURCE OF REIMBURSEMENT; TO PROVIDE
16 THAT THE DEPARTMENT OF FINANCE AND ADMINISTRATION SHALL ADMINISTER
17 THE PROGRAM; TO PROVIDE THE MAXIMUM AMOUNT FOR SUCH GRANTS; TO
18 ESTABLISH CERTAIN ELIGIBILITY REQUIREMENTS FOR THE RECEIPT OF SUCH
19 GRANTS; TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
20 BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR THE GRANT PROGRAM; TO
21 REQUIRE NOTICE TO BE GIVEN TO CERTAIN MEMBERS OF THE LEGISLATURE
22 BEFORE A PUBLIC CEREMONY TO ANNOUNCE THE AWARD OF A GRANT UNDER
23 THIS ACT; TO REQUIRE THAT CERTAIN DOCUMENTS PREPARED IN CONNECTION
24 WITH A GRANT MADE UNDER THIS ACT CONTAIN LANGUAGE THAT THE GRANT
25 FUNDS WERE MADE AVAILABLE BY THE LEGISLATURE; AND FOR RELATED
26 PURPOSES.

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

28 **SECTION 1.** Section 27-107-321, Mississippi Code of 1972, is
29 amended as follows:

30 27-107-321. (1) (a) There are established two (2)
31 emergency aid to local governments loan and grant programs to be
32 administered by the Department of Finance and Administration,
33 referred to in this section as "department," for the purposes of
34 (i) assisting counties, incorporated municipalities and public
35 school districts that suffer revenue losses as a result of a
36 natural disaster for which a state of emergency has been duly
37 proclaimed, and (ii) for the purpose of providing funds to
38 counties and municipalities for the purposes of making grants
39 available to individuals who reside in counties and municipalities

40 located in the area for which a disaster declaration for Hurricane
41 Katrina was issued by the Governor, who sustained physical damage
42 to homes due to flooding or storm surge as a result of Hurricane
43 Katrina, and who had no flood insurance or other insurance
44 providing coverage for such damage or had flood insurance but had
45 a flood loss that exceeded such insurance, and who were not
46 covered by other insurance or source of reimbursement. For the
47 purposes of the program authorized under this subparagraph (ii), a
48 home shall be the primary homestead of the applicant.

49 (b) The department may contract for facilities and
50 staff needed to administer this section, including routine
51 management, as it deems necessary. The department may advertise
52 for or solicit proposals from public or private sources, or both,
53 for administration of this section or any services required for
54 administration of this section or any portion thereof. It is the
55 intent of the Legislature that the department endeavor to ensure
56 that the costs of administration of this section are as low as
57 possible.

58 (c) The provisions of subsections (2) through (5) of
59 this section shall apply to the program described in paragraph
60 (a)(i) of this subsection, and the provisions of subsections (6)
61 through (11) of this section shall apply to the program described
62 in paragraph (a)(ii) of this subsection. The provisions of
63 subsections (12) through (14) of this section shall apply to both
64 programs described in paragraph (a) of this subsection.

65 (2) (a) There is created a special fund in the State
66 Treasury to be designated as the "Emergency Aid to Local
67 Governments Fund," referred to in this section as "fund," which
68 fund shall consist of money transferred from the Disaster Recovery
69 Fund created in Section 31-17-123 and money designated for deposit
70 therein from any other source, public or private, including, but
71 not limited to, appropriations, bond proceeds, grants, gifts or
72 donations. The fund shall be credited with all repayments of

73 principal and interest derived from loans made from the fund.
74 Unexpended amounts remaining in the fund at the end of a fiscal
75 year shall not lapse into the State General Fund, and any interest
76 earned or investment earnings on amounts in the fund shall be
77 deposited to the credit of the Emergency Aid to Local Governments
78 Fund. Monies in the fund may not be used or expended for any
79 purpose except as authorized under subsections (2) through (5) of
80 this section.

81 (b) The department shall establish a loan and grant
82 program by which loans and grants may be made available to
83 counties, incorporated municipalities and public school districts,
84 to assist those counties, incorporated municipalities and public
85 school districts. Loan and grant proceeds distributed to
86 counties, incorporated municipalities and public school districts
87 shall be considered to be, and shall be utilized by recipient in
88 the same manner as, governmental, enterprise or internal service
89 fund type revenues, specifically for essential government
90 services, including the payment of debt service. Any governmental
91 entity in the current fiscal year that demonstrates a projected
92 revenue loss equal to or exceeding twenty-five percent (25%) of
93 its governmental fund type revenues in the fiscal year prior to
94 the occurrence of the natural disaster eligible under subsections
95 (2) through (5) this section may qualify for a loan and/or grant.
96 The interest rate on loans made under this section may vary from
97 time to time and from loan to loan, and shall be at or below
98 market interest rates as determined by the department. The
99 department shall act as quickly as is practicable and prudent in
100 deciding on any loan or grant request that it receives. No loan
101 or grant shall be approved under subsections (2) through (5) of
102 this section unless the county, municipality or public school
103 district requesting the loan or grant has exhausted all other
104 available public or private programs to obtain funds for the
105 revenue loss that it is projected to suffer. Such public or

106 private programs shall include, but not be limited to, loans,
107 grants and donations.

108 (c) The aggregate amount of any loans or grants
109 received under subsections (2) through (5) of this section by a
110 county, incorporated municipality or public school district shall
111 not exceed one hundred percent (100%) of the difference between
112 the revenue received by a county, incorporated municipality or
113 public school district from governmental fund type revenues that
114 are used to fund essential services in the fiscal year prior to
115 the occurrence of the natural disaster and the estimated revenue
116 from such sources after the occurrence of the natural disaster
117 plus available cash reserves or fund balances at the fiscal year
118 end, as determined by the department. The State Bond Commission
119 shall set the maximum amount of any loan or grant made under
120 subsections (2) through (5) of this section at an amount that will
121 ensure the equitable distribution of the amounts available for
122 loans and grants to the eligible governmental entities affected by
123 the natural disaster, but in no event shall a grant exceed Three
124 Million Dollars (\$3,000,000.00) or the total aggregate amount of
125 all grants exceed Twenty-five Million Dollars (\$25,000,000.00).

126 (d) A county or public school district that receives a
127 loan from the fund shall pledge for repayment of the loan any part
128 of the homestead exemption annual tax loss reimbursement to which
129 it may be entitled under Section 27-33-77, as may be required by
130 the department. An incorporated municipality that receives a loan
131 from the fund or the emergency fund shall pledge for repayment of
132 the loan any part of the sales tax revenue distribution to which
133 it may be entitled under Section 27-65-75 or any part of the
134 homestead exemption annual tax loss reimbursement to which it may
135 be entitled under Section 27-33-77, as may be required by the
136 department. All recipients of such loans shall establish a
137 dedicated source of revenue for repayment of the loan. Before any
138 county, incorporated municipality or public school district shall

139 receive any loan, it shall have executed with the department a
140 loan agreement evidencing that loan, a copy of which shall be
141 filed by the department with the State Tax Commission. The loan
142 agreement shall not be construed to prohibit any recipient from
143 prepaying any part or all of the funds received. The repayment
144 schedule in each loan agreement shall provide for (i) monthly
145 payments, (ii) semiannual payments or (iii) other periodic
146 payments. The loan agreement shall provide for the repayment of
147 all funds received from the fund within not more than three (3)
148 years. The State Tax Commission shall, at the direction of the
149 department, withhold semiannually from counties, incorporated
150 municipalities and public school districts and monthly from
151 incorporated municipalities, from the amount to be remitted to the
152 county, municipality or public school district, the sum necessary
153 to pay all or a portion of the periodic payments for the loan.

154 (e) Any county, incorporated municipality or public
155 school district which receives a loan from the state for that
156 purpose but which is not eligible to pledge for repayment under
157 the provisions of paragraph (d) of this subsection, shall repay
158 that loan by making payments each month to the State Treasurer
159 through the Department of Finance and Administration for and on
160 behalf of the department according to Section 7-7-15, to be
161 credited to the fund in lieu of pledging homestead exemption
162 annual tax loss reimbursement or sales tax revenue distribution.

163 Loan repayments shall be according to a repayment schedule
164 contained in each loan agreement as provided in paragraph (d) of
165 this subsection.

166 (f) Evidences of indebtedness which are issued pursuant
167 to subsections (2) through (5) of this section shall not be deemed
168 indebtedness within the meaning specified in Section 21-33-303
169 with regard to cities and incorporated towns, in Section 19-9-5
170 with regard to counties and in Section 37-59-5 with regard to
171 public school districts.

172 (g) The State Auditor, upon request of the department,
173 shall audit the receipts and expenditures of a county, an
174 incorporated municipality or a public school district if loan
175 repayments appear to be in arrears, and if the Auditor finds that
176 the county, incorporated municipality or public school district is
177 in arrears in those repayments, the Auditor shall immediately
178 notify the executive director of the department who may take any
179 action as may be necessary to enforce the terms of the loan
180 agreement, including liquidation and enforcement of the security
181 given for repayment of the loan, and the executive director of the
182 department may, in his discretion, notify the State Tax Commission
183 to withhold all future payments to the county, incorporated
184 municipality or school district of homestead exemption annual tax
185 loss reimbursements under Section 27-33-77 and/or all sums
186 allocated to the incorporated municipality under Section 27-65-75,
187 until such time as the county, incorporated municipality or public
188 school district is again current in its loan repayments as
189 certified by the department.

190 (h) All monies deposited in the fund shall be used only
191 for providing the loans and grants authorized under subsections
192 (2) through (5) of this section. In addition, any amounts in the
193 fund may be used to defray the reasonable costs of administering
194 the fund; however, no monies in the fund which are to be used for
195 grant purposes may be used to defray any costs of administering
196 the fund or program. The department is authorized to use amounts
197 available to it from the fund to contract for those facilities and
198 staff needed to administer and provide routine management for the
199 funds and loan program.

200 * * *

201 (3) The State Bond Commission, at one time, or from time to
202 time, may declare the necessity for funds for the purposes
203 provided in subsections (2) through (5) of this section, including
204 the costs incident to the administration of the loan and grant

205 program described under subsection (1)(a)(i). Upon approval by
206 the State Bond Commission, the department is authorized to
207 transfer any necessary amount from the Disaster Recovery Fund
208 created in Section 31-17-123 to the fund in ample time to
209 discharge such loans, grants and incidental costs.

210 (4) The department is authorized, without further process of
211 law, to certify the necessity for warrants and is authorized and
212 directed to issue such warrants, in such amounts as may be
213 necessary to make loans and grants under the program described
214 under subsection (1)(a)(i).

215 (5) After any state funds in the fund are no longer needed
216 for the particular purpose for which they were appropriated,
217 deposited or transferred into the fund, the department shall
218 transfer those state funds back to the particular fund or funds in
219 the State Treasury from which they were appropriated or
220 transferred into the fund, upon certification of the State Fiscal
221 Officer that the state funds are not currently needed.

222 (6) A county or municipality desiring funds under
223 subsections (6) through (11) of this section must submit an
224 application to the department that contains the amount of funds
225 requested and any other information required by the department. A
226 county or municipality receiving funds under subsections (6)
227 through (11) of this section may contract with the local planning
228 and development district in which the county or municipality is
229 located or other entity approved by the department for the
230 administration of grant funds to individuals.

231 (7) (a) The amount of a grant made by a county or
232 municipality, or both, under subsections (6) through (11) of this
233 section shall not exceed Fifty Thousand Dollars (\$50,000.00) in
234 the aggregate; however, grants made under subsections (6) through
235 (11) of this section shall be made only to the extent that federal
236 or other assistance is not available to an individual or does not
237 provide adequate assistance or coverage needed to repair or

238 rebuild a home for which a grant is made under subsections (6)
239 through (11) of this section. The proceeds of the grants
240 authorized under subsections (6) through (11) of this section
241 shall be used only for the purpose of repairing or rebuilding a
242 home for which a grant is made under subsections (6) through (11)
243 of this section. An individual receiving a grant to rebuild a
244 home must rebuild the home in the county in which it was located
245 at the time of the damage. In making funds available to counties
246 and municipalities under subsections (6) through (11) of this
247 section, the department shall attempt to provide for the equitable
248 distribution of such funds in order to address the housing needs
249 caused as a result of Hurricane Katrina.

250 (b) To be eligible for a grant under subsections (6)
251 through (11) of this section, an individual must:

252 (i) Own or have owned a home that sustained
253 physical damage due to flooding or storm surge as a result of
254 Hurricane Katrina;

255 (ii) Not have had flood insurance or other
256 insurance providing coverage for such damage, or had flood
257 insurance but had a flood loss that exceeded such insurance, and
258 was not covered by other insurance or source of reimbursement;

259 (iii) Agree to obtain and maintain flood insurance
260 coverage on the property for which assistance is requested; and

261 (iv) Have an aggregate household income that does
262 not exceed three hundred percent (300%) of the United States
263 poverty level.

264 (8) Any individual who receives a grant under subsections
265 (6) through (11) of this section and who fails to maintain flood
266 insurance coverage on the property for which assistance is
267 provided as required in subsections (6) through (11) of this
268 section shall not be eligible for state assistance for any flood
269 damage that occurs after the grant is made.

270 (9) An individual desiring assistance under subsections (6)
271 through (11) of this section must submit an application to the
272 department. The application must include a description of the
273 property and the purpose for which assistance is requested, the
274 cost of the project for which assistance is requested and any
275 other information required by the department.

276 (10) The department shall have all powers necessary to
277 implement and administer the program established under subsections
278 (6) through (11) of this section, and the department shall
279 promulgate rules and regulations, in accordance with the
280 Mississippi Administrative Procedures Law, necessary for the
281 implementation of subsections (6) through (11) of this section.
282 However, if the department desires to contract with any entity or
283 entities to assist in the administration of the program
284 established under subsections (6) through (11) of this section,
285 the department shall utilize a request for proposals procedure
286 before awarding any contract for any such assistance purposes.

287 (11) (a) There is created in the State Treasury a special
288 fund to be designated as the "Mississippi Disaster Home Flood
289 Grant Fund," which shall consist of funds appropriated or
290 otherwise made available by the Legislature in any manner and
291 funds from any other source designated for deposit into such fund.
292 Unexpended amounts remaining in the fund at the end of a fiscal
293 year shall not lapse into the State General Fund, and any
294 investment earnings or interest earned on amounts in the fund
295 shall be deposited to the credit of the fund. Monies in the fund
296 shall be used by the department for the purposes described in
297 subsections (6) through (11) of this section.

298 (12) In administering this section the department shall have
299 the following powers and duties:

300 (a) To supervise the use of all funds made available
301 under this section;

302 (b) To promulgate rules and regulations, to make
303 variances and exceptions thereto, and to establish procedures in
304 accordance with this section for the implementation of the loan
305 and grant programs described in subsection (1)(a);

306 (c) To requisition monies in the appropriate special
307 fund and distribute those monies in accordance with this section;

308 (d) To maintain, in accordance with generally accepted
309 government accounting standards, an accurate record of all monies
310 in each special fund made available to counties, incorporated
311 municipalities and public school districts under this section; and

312 (e) To file annually with the Legislature a report
313 detailing how monies in each special fund were distributed during
314 the preceding fiscal year to each county, incorporated
315 municipality and public school district.

316 (13) At least five (5) days before any public ceremony to
317 announce the award of a grant to a county, municipality or public
318 school district under this section, the department shall notify
319 all of the members of the Mississippi House of Representatives and
320 Mississippi Senate whose districts include any portion of the
321 county, municipality or school district to which the grant is
322 being made.

323 (14) The department shall include the following language at
324 a prominent location on any documents prepared by the department
325 in connection with a grant made under this section that are to be
326 provided to the county, municipality or school district to which
327 the grant is made or to the public: "The funds for this grant
328 were made available by the Mississippi Legislature."

329 **SECTION 2.** (1) As used in this section, the following words
330 shall have the meanings ascribed herein unless the context clearly
331 requires otherwise:

332 (a) "Accreted value" of any bonds means, as of any date
333 of computation, an amount equal to the sum of (i) the stated
334 initial value of such bond, plus (ii) the interest accrued thereon

335 from the issue date to the date of computation at the rate,
336 compounded semiannually, that is necessary to produce the
337 approximate yield to maturity shown for bonds of the same
338 maturity.

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

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

341 (d) "Department" means the Department of Finance and
342 Administration.

343 (2) (a) The commission, at one time, or from time to time,
344 may declare by resolution the necessity for issuance of general
345 obligation bonds of the State of Mississippi to provide funds for
346 the program authorized in Section 27-107-321(1)(a)(ii),
347 Mississippi Code of 1972. Upon the adoption of a resolution by
348 the department, declaring the necessity for the issuance of any
349 part or all of the general obligation bonds authorized by this
350 section, the department shall deliver a certified copy of its
351 resolution or resolutions to the commission. Upon receipt of such
352 resolution, the commission, in its discretion, may act as the
353 issuing agent, prescribe the form of the bonds, advertise for and
354 accept bids, issue and sell the bonds so authorized to be sold and
355 do any and all other things necessary and advisable in connection
356 with the issuance and sale of such bonds. The total amount of
357 bonds issued under this section shall not exceed One Hundred
358 Million Dollars (\$100,000,000.00).

359 (b) The proceeds of bonds issued pursuant to this
360 section shall be deposited into the special fund created in
361 Section 27-107-321(11), Mississippi Code of 1972. Any investment
362 earnings on bonds issued pursuant to this section shall be used to
363 pay debt service on bonds issued under this section, in accordance
364 with the proceedings authorizing issuance of such bonds.

365 (3) The principal of and interest on the bonds authorized
366 under this section shall be payable in the manner provided in this
367 section. Such bonds shall bear such date or dates, be in such

368 denomination or denominations, bear interest at such rate or rates
369 (not to exceed the limits set forth in Section 75-17-101,
370 Mississippi Code of 1972), be payable at such place or places
371 within or without the State of Mississippi, shall mature
372 absolutely at such time or times not to exceed twenty-five (25)
373 years from date of issue, be redeemable before maturity at such
374 time or times and upon such terms, with or without premium, shall
375 bear such registration privileges, and shall be substantially in
376 such form, all as shall be determined by resolution of the
377 commission.

378 (4) The bonds authorized by this section shall be signed by
379 the chairman of the commission, or by his facsimile signature, and
380 the official seal of the commission shall be affixed thereto,
381 attested by the secretary of the commission. The interest
382 coupons, if any, to be attached to such bonds may be executed by
383 the facsimile signatures of such officers. Whenever any such
384 bonds shall have been signed by the officials designated to sign
385 the bonds who were in office at the time of such signing but who
386 may have ceased to be such officers before the sale and delivery
387 of such bonds, or who may not have been in office on the date such
388 bonds may bear, the signatures of such officers upon such bonds
389 and coupons shall nevertheless be valid and sufficient for all
390 purposes and have the same effect as if the person so officially
391 signing such bonds had remained in office until their delivery to
392 the purchaser, or had been in office on the date such bonds may
393 bear. However, notwithstanding anything herein to the contrary,
394 such bonds may be issued as provided in the Registered Bond Act of
395 the State of Mississippi.

396 (5) All bonds and interest coupons issued under the
397 provisions of this section have all the qualities and incidents of
398 negotiable instruments under the provisions of the Uniform
399 Commercial Code, and in exercising the powers granted by this

400 section, the commission shall not be required to and need not
401 comply with the provisions of the Uniform Commercial Code.

402 (6) The commission shall act as the issuing agent for the
403 bonds authorized under this section, prescribe the form of the
404 bonds, advertise for and accept bids, issue and sell the bonds so
405 authorized to be sold, pay all fees and costs incurred in such
406 issuance and sale, and do any and all other things necessary and
407 advisable in connection with the issuance and sale of such bonds.
408 The commission is authorized and empowered to pay the costs that
409 are incident to the sale, issuance and delivery of the bonds
410 authorized under this section from the proceeds derived from the
411 sale of such bonds. The commission shall sell such bonds on
412 sealed bids at public sale, and for such price as it may determine
413 to be for the best interest of the State of Mississippi, but no
414 such sale shall be made at a price less than par plus accrued
415 interest to the date of delivery of the bonds to the purchaser.
416 All interest accruing on such bonds so issued shall be payable
417 semiannually or annually; however, the first interest payment may
418 be for any period of not more than one (1) year.

419 Notice of the sale of any such bonds shall be published at
420 least one time, not less than ten (10) days before the date of
421 sale, and shall be so published in one or more newspapers
422 published or having a general circulation in the City of Jackson,
423 Mississippi, and in one or more other newspapers or financial
424 journals with a national circulation, to be selected by the
425 commission.

426 The commission, when issuing any bonds under the authority of
427 this section, may provide that bonds, at the option of the State
428 of Mississippi, may be called in for payment and redemption at the
429 call price named therein and accrued interest on such date or
430 dates named therein.

431 (7) The bonds issued under the provisions of this section
432 are general obligations of the State of Mississippi, and for the

433 payment thereof the full faith and credit of the State of
434 Mississippi is irrevocably pledged. If the funds appropriated by
435 the Legislature are insufficient to pay the principal of and the
436 interest on such bonds as they become due, then the deficiency
437 shall be paid by the State Treasurer from any funds in the State
438 Treasury not otherwise appropriated. All such bonds shall contain
439 recitals on their faces substantially covering the provisions of
440 this section.

441 (8) Upon the issuance and sale of bonds under the provisions
442 of this section, the commission shall transfer the proceeds of any
443 such sale or sales to the special fund created in Section
444 27-107-321(11), Mississippi Code of 1972. The proceeds of such
445 bonds shall be disbursed solely upon the order of the department
446 under such restrictions, if any, as may be contained in the
447 resolution providing for the issuance of the bonds.

448 (9) The bonds authorized under this section may be issued
449 without any other proceedings or the happening of any other
450 conditions or things other than those proceedings, conditions and
451 things which are specified or required by this section. Any
452 resolution providing for the issuance of bonds under the
453 provisions of this section shall become effective immediately upon
454 its adoption by the commission, and any such resolution may be
455 adopted at any regular or special meeting of the commission by a
456 majority of its members.

457 (10) The bonds authorized under the authority of this
458 section may be validated in the Chancery Court of the First
459 Judicial District of Hinds County, Mississippi, in the manner and
460 with the force and effect provided by Chapter 13, Title 31,
461 Mississippi Code of 1972, for the validation of county, municipal,
462 school district and other bonds. The notice to taxpayers required
463 by such statutes shall be published in a newspaper published or
464 having a general circulation in the City of Jackson, Mississippi.

465 (11) Any holder of bonds issued under the provisions of this
466 section or of any of the interest coupons pertaining thereto may,
467 either at law or in equity, by suit, action, mandamus or other
468 proceeding, protect and enforce any and all rights granted under
469 this section, or under such resolution, and may enforce and compel
470 performance of all duties required by this section to be
471 performed, in order to provide for the payment of bonds and
472 interest thereon.

473 (12) All bonds issued under the provisions of this section
474 shall be legal investments for trustees and other fiduciaries, and
475 for savings banks, trust companies and insurance companies
476 organized under the laws of the State of Mississippi, and such
477 bonds shall be legal securities which may be deposited with and
478 shall be received by all public officers and bodies of this state
479 and all municipalities and political subdivisions for the purpose
480 of securing the deposit of public funds.

481 (13) Bonds issued under the provisions of this section and
482 income therefrom shall be exempt from all taxation in the State of
483 Mississippi.

484 (14) The proceeds of the bonds issued under this section
485 shall be used solely for the purposes therein provided, including
486 the costs incident to the issuance and sale of such bonds.

487 (15) The State Treasurer is authorized, without further
488 process of law, to certify to the department the necessity for
489 warrants, and the department is authorized and directed to issue
490 such warrants, in such amounts as may be necessary to pay when due
491 the principal of, premium, if any, and interest on, or the
492 accreted value of, all bonds issued under this section; and the
493 State Treasurer shall forward the necessary amount to the
494 designated place or places of payment of such bonds in ample time
495 to discharge such bonds, or the interest thereon, on the due dates
496 thereof.

497 (16) This section shall be deemed to be full and complete
498 authority for the exercise of the powers therein granted, but this
499 section shall not be deemed to repeal or to be in derogation of
500 any existing law of this state.

501 **SECTION 3.** This act shall take effect and be in force from
502 and after its passage.