

By: Representatives Ellis, Watson

To: Ways and Means

HOUSE BILL NO. 1726

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR THE CONSTRUCTION, OPERATION AND
3 MAINTENANCE OF A STATEWIDE WIRELESS COMMUNICATIONS SYSTEM; TO
4 LIMIT THE AMOUNT OF BONDS THAT MAY BE ISSUED DURING CERTAIN STATE
5 FISCAL YEARS; TO PROVIDE THAT A CERTAIN PORTION OF THE MONIES
6 EXPENDED FOR SUCH PURPOSES DURING ANY FISCAL YEAR MUST BE EXPENDED
7 WITH COMPANIES THAT ARE SMALL BUSINESS CONCERNS OWNED AND
8 CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS;
9 AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) As used in this section, the following words
12 shall have the meanings ascribed herein unless the context clearly
13 requires otherwise:

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

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

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

23 (2) (a) (i) A special fund, to be designated as the
24 "Statewide Wireless Communications System Fund" is created within
25 the State Treasury. The fund shall be maintained by the State
26 Treasurer as a separate and special fund, separate and apart from
27 the General Fund of the state. Unexpended amounts remaining in
28 the fund at the end of a fiscal year shall not lapse into the
29 State General Fund, and any interest earned or investment earnings
30 on amounts in the fund shall be deposited into such fund.

31 (ii) Monies deposited into the fund shall be
32 disbursed, in the discretion of the Department of Finance and
33 Administration, based upon recommendations of the Wireless
34 Communication Commission created in Section 25-53-171, to provide
35 funds for the construction, maintenance and operation of a
36 statewide wireless communications system, including, but not
37 limited to, design and other engineering services, purchase of
38 equipment, purchase and lease of real property, rent or lease of
39 tower space, personnel and other associated project costs.

40 (iii) In making expenditures of monies in the
41 special fund, at least twenty percent (20%) of the monies expended
42 for the purposes described in subparagraph (ii) of this paragraph
43 (a) during any fiscal year shall be expended with companies that
44 are small business concerns owned and controlled by socially and
45 economically disadvantaged individuals. The term "socially and
46 economically disadvantaged individuals" shall have the meaning
47 ascribed to such term under Section 8(d) of the Small Business Act
48 (15 USCS 637(d)) and relevant subcontracting regulations
49 promulgated pursuant thereto; except that women shall be presumed
50 to be socially and economically disadvantaged individuals for the
51 purposes of this subparagraph (iii). The purpose of the minimum
52 expenditures requirement of this subparagraph (iii) is to attempt
53 to maximize access to federal funds that may be made available for
54 the purposes described in subparagraph (ii) of this paragraph (a).

55 (iv) In addition to the requirements of
56 subparagraph (iii) of this paragraph (a), the Wireless
57 Communication Commission, when awarding contracts for such
58 purposes, shall exhaust all efforts to contract with businesses
59 that are domiciled in the State of Mississippi, provided that the
60 minimum requirements of subparagraph (iii) of this paragraph (a)
61 are satisfied.

62 (b) Amounts deposited into such special fund shall be
63 disbursed to pay the costs of the projects described in paragraph

64 (a) of this subsection. Promptly after the commission has
65 certified, by resolution duly adopted, that the projects described
66 in paragraph (a) of this subsection shall have been completed,
67 abandoned, or cannot be completed in a timely fashion, any amounts
68 remaining in such special fund shall be applied to pay debt
69 service on the bonds issued under this section, in accordance with
70 the proceedings authorizing the issuance of such bonds and as
71 directed by the commission.

72 (c) The Department of Finance and Administration,
73 acting through the Bureau of Building, Grounds and Real Property
74 Management, is expressly authorized and empowered to receive and
75 expend any local or other source funds in connection with the
76 expenditure of funds provided for in this subsection. The
77 expenditure of monies deposited into the special fund shall be
78 under the direction of the Department of Finance and
79 Administration, and such funds shall be paid by the State
80 Treasurer upon warrants issued by such department, which warrants
81 shall be issued upon requisitions signed by the Executive Director
82 of the Department of Finance and Administration, or his designee.

83 (3) (a) The commission, at one time, or from time to time,
84 may declare by resolution the necessity for issuance of general
85 obligation bonds of the State of Mississippi to provide funds for
86 all costs incurred or to be incurred for the purposes described in
87 subsection (2) of this section. Upon the adoption of a resolution
88 by the Wireless Communication Commission, declaring the necessity
89 for the issuance of any part or all of the general obligation
90 bonds authorized by this subsection, the Wireless Communication
91 Commission shall deliver a certified copy of its resolution or
92 resolutions to the commission. Upon receipt of such resolution,
93 the commission, in its discretion, may act as the issuing agent,
94 prescribe the form of the bonds, advertise for and accept bids,
95 issue and sell the bonds so authorized to be sold and do any and
96 all other things necessary and advisable in connection with the

97 issuance and sale of such bonds. The total amount of bonds issued
98 under this section shall not exceed Two Hundred Million Dollars
99 (\$200,000,000.00); provided however, that: (a) not more than
100 Twenty Million Dollars (\$20,000,000.00) of bonds may be issued
101 during state fiscal year 2007; (b) not more than Sixty-five
102 Million Dollars (\$65,000,000.00) of bonds may be issued during
103 state fiscal year 2008; (c) not more than Fifty Million Dollars
104 (\$50,000,000.00) of bonds may be issued during state fiscal year
105 2009; (d) not more than Fifty Million Dollars (\$50,000,000.00) of
106 bonds may be issued during state fiscal year 2010; and (e) not
107 more than Fifteen Million Dollars (\$15,000,000.00) of bonds may be
108 issued during state fiscal year 2011. In addition, the amount of
109 bonds authorized to be issued under this section shall be reduced
110 by the amount of any federal funds made available for the purposes
111 described in subsection (2)(a) of this section.

112 (b) Any investment earnings on amounts deposited into
113 the special fund created in subsection (2) of this section shall
114 be used to pay debt service on bonds issued under this section, in
115 accordance with the proceedings authorizing issuance of such
116 bonds.

117 (4) The principal of and interest on the bonds authorized
118 under this section shall be payable in the manner provided in this
119 subsection. Such bonds shall bear such date or dates, be in such
120 denomination or denominations, bear interest at such rate or rates
121 (not to exceed the limits set forth in Section 75-17-101,
122 Mississippi Code of 1972), be payable at such place or places
123 within or without the State of Mississippi, shall mature
124 absolutely at such time or times not to exceed twenty-five (25)
125 years from date of issue, be redeemable before maturity at such
126 time or times and upon such terms, with or without premium, shall
127 bear such registration privileges, and shall be substantially in
128 such form, all as shall be determined by resolution of the
129 commission.

130 (5) The bonds authorized by this section shall be signed by
131 the chairman of the commission, or by his facsimile signature, and
132 the official seal of the commission shall be affixed thereto,
133 attested by the secretary of the commission. The interest
134 coupons, if any, to be attached to such bonds may be executed by
135 the facsimile signatures of such officers. Whenever any such
136 bonds shall have been signed by the officials designated to sign
137 the bonds who were in office at the time of such signing but who
138 may have ceased to be such officers before the sale and delivery
139 of such bonds, or who may not have been in office on the date such
140 bonds may bear, the signatures of such officers upon such bonds
141 and coupons shall nevertheless be valid and sufficient for all
142 purposes and have the same effect as if the person so officially
143 signing such bonds had remained in office until their delivery to
144 the purchaser, or had been in office on the date such bonds may
145 bear. However, notwithstanding anything herein to the contrary,
146 such bonds may be issued as provided in the Registered Bond Act of
147 the State of Mississippi.

148 (6) All bonds and interest coupons issued under the
149 provisions of this section have all the qualities and incidents of
150 negotiable instruments under the provisions of the Uniform
151 Commercial Code, and in exercising the powers granted by this
152 section, the commission shall not be required to and need not
153 comply with the provisions of the Uniform Commercial Code.

154 (7) The commission shall act as the issuing agent for the
155 bonds authorized under this section, prescribe the form of the
156 bonds, advertise for and accept bids, issue and sell the bonds so
157 authorized to be sold, pay all fees and costs incurred in such
158 issuance and sale, and do any and all other things necessary and
159 advisable in connection with the issuance and sale of such bonds.
160 The commission is authorized and empowered to pay the costs that
161 are incident to the sale, issuance and delivery of the bonds
162 authorized under this section from the proceeds derived from the

163 sale of such bonds. The commission shall sell such bonds on
164 sealed bids at public sale, and for such price as it may determine
165 to be for the best interest of the State of Mississippi, but no
166 such sale shall be made at a price less than par plus accrued
167 interest to the date of delivery of the bonds to the purchaser.
168 All interest accruing on such bonds so issued shall be payable
169 semiannually or annually; however, the first interest payment may
170 be for any period of not more than one (1) year.

171 Notice of the sale of any such bonds shall be published at
172 least one time, not less than ten (10) days before the date of
173 sale, and shall be so published in one or more newspapers
174 published or having a general circulation in the City of Jackson,
175 Mississippi, and in one or more other newspapers or financial
176 journals with a national circulation, to be selected by the
177 commission.

178 The commission, when issuing any bonds under the authority of
179 this section, may provide that bonds, at the option of the State
180 of Mississippi, may be called in for payment and redemption at the
181 call price named therein and accrued interest on such date or
182 dates named therein.

183 (8) The bonds issued under the provisions of this section
184 are general obligations of the State of Mississippi, and for the
185 payment thereof the full faith and credit of the State of
186 Mississippi is irrevocably pledged. If the funds appropriated by
187 the Legislature are insufficient to pay the principal of and the
188 interest on such bonds as they become due, then the deficiency
189 shall be paid by the State Treasurer from any funds in the State
190 Treasury not otherwise appropriated. All such bonds shall contain
191 recitals on their faces substantially covering the provisions of
192 this subsection.

193 (9) Upon the issuance and sale of bonds under the provisions
194 of this section, the commission shall transfer the proceeds of any
195 such sale or sales to the special fund created in subsection (2)

196 of this section. The proceeds of such bonds shall be disbursed
197 solely upon the order of the Department of Finance and
198 Administration under such restrictions, if any, as may be
199 contained in the resolution providing for the issuance of the
200 bonds.

201 (10) The bonds authorized under this section may be issued
202 without any other proceedings or the happening of any other
203 conditions or things other than those proceedings, conditions and
204 things which are specified or required by this section. Any
205 resolution providing for the issuance of bonds under the
206 provisions of this section shall become effective immediately upon
207 its adoption by the commission, and any such resolution may be
208 adopted at any regular or special meeting of the commission by a
209 majority of its members.

210 (11) The bonds authorized under the authority of this
211 section may be validated in the Chancery Court of the First
212 Judicial District of Hinds County, Mississippi, in the manner and
213 with the force and effect provided by Chapter 13, Title 31,
214 Mississippi Code of 1972, for the validation of county, municipal,
215 school district and other bonds. The notice to taxpayers required
216 by such statutes shall be published in a newspaper published or
217 having a general circulation in the City of Jackson, Mississippi.

218 (12) Any holder of bonds issued under the provisions of this
219 section or of any of the interest coupons pertaining thereto may,
220 either at law or in equity, by suit, action, mandamus or other
221 proceeding, protect and enforce any and all rights granted under
222 this section, or under such resolution, and may enforce and compel
223 performance of all duties required by this section to be
224 performed, in order to provide for the payment of bonds and
225 interest thereon.

226 (13) All bonds issued under the provisions of this section
227 shall be legal investments for trustees and other fiduciaries, and
228 for savings banks, trust companies and insurance companies

229 organized under the laws of the State of Mississippi, and such
230 bonds shall be legal securities which may be deposited with and
231 shall be received by all public officers and bodies of this state
232 and all municipalities and political subdivisions for the purpose
233 of securing the deposit of public funds.

234 (14) Bonds issued under the provisions of this section and
235 income therefrom shall be exempt from all taxation in the State of
236 Mississippi.

237 (15) The proceeds of the bonds issued under this section
238 shall be used solely for the purposes herein provided, including
239 the costs incident to the issuance and sale of such bonds.

240 (16) The State Treasurer is authorized, without further
241 process of law, to certify to the Department of Finance and
242 Administration the necessity for warrants, and the Department of
243 Finance and Administration is authorized and directed to issue
244 such warrants, in such amounts as may be necessary to pay when due
245 the principal of, premium, if any, and interest on, or the
246 accreted value of, all bonds issued under this section; and the
247 State Treasurer shall forward the necessary amount to the
248 designated place or places of payment of such bonds in ample time
249 to discharge such bonds, or the interest thereon, on the due dates
250 thereof.

251 (17) This section shall be deemed to be full and complete
252 authority for the exercise of the powers herein granted, but this
253 section shall not be deemed to repeal or to be in derogation of
254 any existing law of this state.

255 **SECTION 2.** This act shall take effect and be in force from
256 and after its passage.