

By: Senator(s) Tollison

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3175

1 AN ACT TO PROVIDE FOR THE ISSUANCE OF GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF
3 CONSTRUCTING A CONTROLLED ACCESS INTERCHANGE AT THE INTERSECTION
4 OF MISSISSIPPI HIGHWAY 6 AND JACKSON AVENUE IN OXFORD,
5 MISSISSIPPI; AND FOR RELATED PURPOSES.

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

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

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

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

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

19 (2) A special fund, to be designated the "Mississippi
20 Highway 6/Jackson Avenue Controlled Access Interchange Fund," is
21 created within the State Treasury. The fund shall be maintained
22 by the State Treasurer as a separate and special fund, separate
23 and apart from the General Fund of the state, and investment
24 earnings on amounts in the fund shall be deposited into such fund.
25 The expenditure of monies deposited into the fund shall be under
26 the direction of the Mississippi Transportation Commission, and
27 such funds shall be paid by the State Treasurer upon warrants
28 issued by the Department of Finance and Administration. Money

29 deposited into such fund shall be disbursed to pay a portion of
30 the cost of constructing a controlled access interchange at the
31 intersection of Highway 6 and Jackson Avenue as designed by the
32 Mississippi Department of Transportation to improve safety and
33 provide access to the University of Mississippi research park.

34 (3) (a) The Mississippi Transportation Commission, at one
35 time or from time to time, may declare by resolution the necessity
36 for issuance of general obligation bonds of the State of
37 Mississippi to provide funds for all costs incurred or to be
38 incurred for the project described in subsection (2) of this
39 section. Upon the adoption of a resolution by the Mississippi
40 Transportation Commission declaring the necessity for the issuance
41 of any part or all of the general obligation bonds authorized by
42 this section, the Mississippi Transportation Commission shall
43 deliver a certified copy of its resolution or resolutions to the
44 commission. Upon receipt of such resolution, the commission, in
45 its discretion, may act as the issuing agent, prescribe the form
46 of the bonds, advertise for and accept bids, issue and sell the
47 bonds so authorized to be sold, and do any and all other things
48 necessary and advisable in connection with the issuance and sale
49 of such bonds. The amount of bonds issued under this section
50 shall not exceed Four Million Dollars (\$4,000,000.00); however,
51 not more than One Million Five Hundred Thousand Dollars
52 (\$1,500,000.00) may be issued in any one (1) state fiscal year.

53 (b) Any investment earnings on amounts deposited into
54 the special fund created in subsection (2) of this section shall
55 be used to pay debt service on bonds issued under this section, in
56 accordance with the proceedings authorizing issuance of such
57 bonds.

58 (c) Upon the completion or abandonment of the project
59 described in subsection (2) of this section, as evidenced by a
60 resolution adopted by the Mississippi Transportation Commission
61 certifying that such project has been completed or abandoned, the

62 balance, if any, remaining in the special fund shall be promptly
63 applied to pay debt service on bonds issued under this section, in
64 accordance with the proceedings authorizing the issuance of such
65 bonds.

66 (4) The principal of and interest on the bonds authorized
67 under this section shall be payable in the manner provided in this
68 subsection. Such bonds shall bear such date or dates, be in such
69 denomination or denominations, bear interest at such rate or rates
70 (not to exceed the limits set forth in Section 75-17-101), be
71 payable at such place or places within or without the State of
72 Mississippi, shall mature absolutely at such time or times not to
73 exceed twenty-five (25) years from date of issue, be redeemable
74 before maturity at such time or times and upon such terms, with or
75 without premium, shall bear such registration privileges, and
76 shall be substantially in such form, all as shall be determined by
77 resolution of the commission.

78 (5) The bonds authorized by this section shall be signed by
79 the Chairman of the State Bond Commission, or by his facsimile
80 signature, and the official seal of the commission shall be
81 affixed thereto, attested by the secretary of the commission. The
82 interest coupons, if any, to be attached to such bonds may be
83 executed by the facsimile signatures of such officers. Whenever
84 any such bonds shall have been signed by the officials designated
85 to sign the bonds who were in office at the time of such signing
86 but who may have ceased to be such officers before the sale and
87 delivery of such bonds, or who may not have been in office on the
88 date such bonds may bear, the signatures of such officers upon
89 such bonds and coupons shall nevertheless be valid and sufficient
90 for all purposes and have the same effect as if the person so
91 officially signing such bonds had remained in office until their
92 delivery to the purchaser, or had been in office on the date such
93 bonds may bear. However, notwithstanding anything herein to the

94 contrary, such bonds may be issued as provided in the Registered
95 Bond Act of the State of Mississippi.

96 (6) All bonds and interest coupons issued under the
97 provisions of this section have all the qualities and incidents of
98 negotiable instruments under the provisions of the Uniform
99 Commercial Code, and in exercising the powers granted by this
100 section, the commission shall not be required to and need not
101 comply with the provisions of the Uniform Commercial Code.

102 (7) The commission shall act as the issuing agent for the
103 bonds authorized under this section, prescribe the form of the
104 bonds, advertise for and accept bids, issue and sell the bonds so
105 authorized to be sold, pay all fees and costs incurred in such
106 issuance and sale, and do any and all other things necessary and
107 advisable in connection with the issuance and sale of such bonds.
108 The commission is authorized and empowered to pay the costs that
109 are incident to the sale, issuance and delivery of the bonds
110 authorized under this section from the proceeds derived from the
111 sale of such bonds. The commission shall sell such bonds on
112 sealed bids at public sale, and for such price as it may determine
113 to be for the best interest of the state, but no such sale shall
114 be made at a price less than par plus accrued interest to the date
115 of delivery of the bonds to the purchaser. All interest accruing
116 on such bonds so issued shall be payable semiannually or annually;
117 however, the first interest payment may be for any period of not
118 more than one (1) year.

119 Notice of the sale of any such bonds shall be published at
120 least one time, not less than ten (10) days before the date of
121 sale, and shall be so published in one or more newspapers
122 published or having a general circulation in the City of Jackson,
123 Mississippi, and in one or more other newspapers or financial
124 journals with a national circulation, to be selected by the
125 commission.

126 The commission, when issuing any bonds under the authority of
127 this section, may provide that bonds, at the option of the state,
128 may be called in for payment and redemption at the call price
129 named therein and accrued interest on such date or dates named
130 therein.

131 (8) The bonds issued under the provisions of this section
132 are general obligations of the State of Mississippi, and for the
133 payment thereof the full faith and credit of the State of
134 Mississippi is irrevocably pledged. If the funds appropriated by
135 the Legislature for such purpose are insufficient to pay the
136 principal of and the interest upon such bonds as they become due,
137 the deficiency shall be paid by the State Treasurer from any funds
138 in the State Treasury not otherwise appropriated. All such bonds
139 shall contain recitals on their faces substantially covering the
140 foregoing provisions of this subsection.

141 (9) Upon the issuance and sale of bonds under the provisions
142 of this section, the commission shall transfer the proceeds of any
143 such sale or sales to the special fund created in subsection (2)
144 of this section. The proceeds of such bonds shall be disbursed
145 solely upon the order of the Mississippi Transportation Commission
146 under such restrictions, if any, as may be contained in the
147 resolution providing for the issuance of the bonds.

148 (10) The bonds authorized under this section may be issued
149 without any other proceedings or the happening of any other
150 conditions or things other than those proceedings, conditions and
151 things which are specified or required by this section. Any
152 resolution providing for the issuance of bonds under the
153 provisions of this section shall become effective immediately upon
154 its adoption by the commission, and any such resolution may be
155 adopted at any regular or special meeting of the commission by a
156 majority of its members.

157 (11) The bonds authorized under the authority of this
158 section may be validated in the Chancery Court of the First

159 Judicial District of Hinds County, Mississippi, in the manner and
160 with the force and effect provided by Chapter 13, Title 31,
161 Mississippi Code of 1972, for the validation of county, municipal,
162 school district and other bonds. The notice to taxpayers required
163 by such statutes shall be published in a newspaper published or
164 having a general circulation in the City of Jackson, Mississippi.

165 (12) Any holder of bonds issued under the provisions of this
166 section or of any of the interest coupons pertaining thereto may,
167 either at law or in equity, by suit, action, mandamus or other
168 proceeding, protect and enforce any and all rights granted under
169 this section, or under such resolution, and may enforce and compel
170 performance of all duties required by this section to be
171 performed, in order to provide for the payment of bonds and
172 interest thereon.

173 (13) All bonds issued under the provisions of this section
174 shall be legal investments for trustees and other fiduciaries, and
175 for savings banks, trust companies and insurance companies
176 organized under the laws of the State of Mississippi, and such
177 bonds shall be legal securities which may be deposited with and
178 shall be received by all public officers and bodies of this state
179 and all municipalities and political subdivisions for the purpose
180 of securing the deposit of public funds.

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

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

187 (16) The State Treasurer is authorized, without further
188 process of law, to certify to the Department of Finance and
189 Administration the necessity for warrants, and the Department of
190 Finance and Administration is authorized and directed to issue
191 such warrants, in such amounts as may be necessary to pay when due

192 the principal of, premium, if any, and interest on, or the
193 accreted value of, all bonds issued under this section; and the
194 State Treasurer shall forward the necessary amount to the
195 designated place or places of payment of such bonds in ample time
196 to discharge such bonds, or the interest thereon, on the due dates
197 thereof.

198 (17) The provisions of this section shall be deemed to be
199 full and complete authority for the exercise of the powers therein
200 granted, but this section shall not be deemed to repeal or to be
201 in derogation of any existing law of this state.

202 **SECTION 2.** This act shall take effect and be in force from
203 and after July 1, 2007, and shall stand repealed from and after
204 June 30, 2007.