

By: Senator(s) Thomas, Butler, Jackson  
(11th), Jordan

To: Finance

SENATE BILL NO. 3183

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING  
3 FUNDS FOR GRANTS TO FAITH-BASED ORGANIZATIONS THAT PROVIDE  
4 SERVICES TO RESIDENTS OF THIS STATE WHO WERE VICTIMS OF HURRICANE  
5 KATRINA; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** As used in this act, the following words shall  
8 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 **SECTION 2.** (1) (a) A special fund, to be designated as the  
20 "Faith-Based Initiative Grant Fund," is created within the State  
21 Treasury. The fund shall be maintained by the State Treasurer as  
22 a separate and special fund, separate and apart from the General  
23 Fund of the state. Unexpended amounts remaining in the fund at  
24 the end of a fiscal year shall not lapse into the State General  
25 Fund, and any interest earned or investment earnings on amounts in  
26 the fund shall be deposited into such fund.

27 (b) Monies deposited into the fund shall be disbursed,  
28 in the discretion of the Mississippi Development Authority, to

29 faith-based organizations that are exempt from federal income  
30 taxation under Section 501(c)(3) of the Internal Revenue Code of  
31 1986, and provide services to residents of this state who were  
32 victims of Hurricane Katrina.

33 (2) Amounts deposited into such special fund shall be  
34 disbursed to pay the costs described in subsection (1) of this  
35 section.

36 (3) The expenditure of monies deposited into the special  
37 fund shall be under the direction of the Mississippi Development  
38 Authority, and such funds shall be paid by the State Treasurer  
39 upon warrants issued by such department, which warrants shall be  
40 issued upon requisitions signed by the Executive Director of the  
41 Mississippi Development Authority, or his designee.

42 **SECTION 3.** (1) The commission, at one time, or from time to  
43 time, may declare by resolution the necessity for issuance of  
44 general obligation bonds of the State of Mississippi to provide  
45 funds for all costs incurred or to be incurred for the purposes  
46 described in Section 2 of this act. Upon the adoption of a  
47 resolution by the Mississippi Development Authority, declaring the  
48 necessity for the issuance of any part or all of the general  
49 obligation bonds authorized by this section, the Mississippi  
50 Development Authority shall deliver a certified copy of its  
51 resolution or resolutions to the commission. Upon receipt of such  
52 resolution, the commission, in its discretion, may act as the  
53 issuing agent, prescribe the form of the bonds, advertise for and  
54 accept bids, issue and sell the bonds so authorized to be sold and  
55 do any and all other things necessary and advisable in connection  
56 with the issuance and sale of such bonds. The total amount of  
57 bonds issued under this act shall not exceed Seven Million Dollars  
58 (\$7,000,000.00). No bonds shall be issued under this act after  
59 July 1, 2011.

60 (2) Any investment earnings on amounts deposited into the  
61 special fund created in Section 2 of this act shall be used to pay

62 debt service on bonds issued under this act, in accordance with  
63 the proceedings authorizing issuance of such bonds.

64         **SECTION 4.** The principal of and interest on the bonds  
65 authorized under this act shall be payable in the manner provided  
66 in this section. Such bonds shall bear such date or dates, be in  
67 such denomination or denominations, bear interest at such rate or  
68 rates (not to exceed the limits set forth in Section 75-17-101,  
69 Mississippi Code of 1972), be payable at such place or places  
70 within or without the State of Mississippi, shall mature  
71 absolutely at such time or times not to exceed twenty-five (25)  
72 years from date of issue, be redeemable before maturity at such  
73 time or times and upon such terms, with or without premium, shall  
74 bear such registration privileges, and shall be substantially in  
75 such form, all as shall be determined by resolution of the  
76 commission.

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

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

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

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

125           The commission, when issuing any bonds under the authority of  
126 this act, may provide that bonds, at the option of the State of  
127 Mississippi, may be called in for payment and redemption at the

128 call price named therein and accrued interest on such date or  
129 dates named therein.

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

140       **SECTION 9.** Upon the issuance and sale of bonds under the  
141 provisions of this act, the commission shall transfer the proceeds  
142 of any such sale or sales to the special fund created in Section 2  
143 of this act. The proceeds of such bonds shall be disbursed solely  
144 upon the order of the Mississippi Development Authority under such  
145 restrictions, if any, as may be contained in the resolution  
146 providing for the issuance of the bonds.

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

156       **SECTION 11.** The bonds authorized under the authority of this  
157 act may be validated in the Chancery Court of the First Judicial  
158 District of Hinds County, Mississippi, in the manner and with the  
159 force and effect provided by Chapter 13, Title 31, Mississippi  
160 Code of 1972, for the validation of county, municipal, school

161 district and other bonds. The notice to taxpayers required by  
162 such statutes shall be published in a newspaper published or  
163 having a general circulation in the City of Jackson, Mississippi.

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

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

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

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

186 **SECTION 16.** The State Treasurer is authorized, without  
187 further process of law, to certify to the Department of Finance  
188 and Administration the necessity for warrants, and the Department  
189 of Finance and Administration is authorized and directed to issue  
190 such warrants, in such amounts as may be necessary to pay when due  
191 the principal of, premium, if any, and interest on, or the  
192 accreted value of, all bonds issued under this act; and the State  
193 Treasurer shall forward the necessary amount to the designated

194 place or places of payment of such bonds in ample time to  
195 discharge such bonds, or the interest thereon, on the due dates  
196 thereof.

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

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