

By: Representatives Smith, Miles, Dixon

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1460

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$1,000,000.00 OF STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE SMALL
3 MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND; TO AMEND
4 SECTION 57-1-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
5 PORTION OF THE PROCEEDS OF CERTAIN BONDS MAY BE USED BY THE
6 MISSISSIPPI DEVELOPMENT AUTHORITY TO REIMBURSE CERTAIN COSTS
7 RELATED TO THE ADMINISTRATION OF THE FUND; AND FOR RELATED
8 PURPOSES.

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

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

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

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

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



22 (2) (a) The Mississippi Development Authority, at one time,
23 or from time to time, may declare by resolution the necessity for
24 issuance of general obligation bonds of the State of Mississippi
25 to provide funds for the grant program authorized in Section
26 57-1-18. Upon the adoption of a resolution by the Mississippi
27 Development Authority, declaring the necessity for the issuance of
28 any part or all of the general obligation bonds authorized by this
29 subsection, the Mississippi Development Authority shall deliver a
30 certified copy of its resolution or resolutions to the commission.
31 Upon receipt of such resolution, the commission, in its
32 discretion, may act as the issuing agent, prescribe the form of
33 the bonds, determine the appropriate method for sale of the bonds,
34 advertise for and accept bids or negotiate the sale of the bonds,
35 issue and sell the bonds so authorized to be sold, and do any and
36 all other things necessary and advisable in connection with the
37 issuance and sale of such bonds. The total amount of bonds issued
38 under this section shall not exceed One Million Dollars
39 (\$1,000,000.00). No bonds authorized under this section shall be
40 issued after July 1, 2020.

41 (b) The proceeds of bonds issued pursuant to this
42 section shall be deposited into the Small Municipalities and
43 Limited Population Counties Fund created pursuant to Section
44 57-1-18. Any investment earnings on bonds issued pursuant to this
45 section shall be used to pay debt service on bonds issued under



46 this section, in accordance with the proceedings authorizing
47 issuance of such bonds.

48 (3) The principal of and interest on the bonds authorized
49 under this section shall be payable in the manner provided in this
50 subsection. Such bonds shall bear such date or dates, be in such
51 denomination or denominations, bear interest at such rate or rates
52 (not to exceed the limits set forth in Section 75-17-101,
53 Mississippi Code of 1972), be payable at such place or places
54 within or without the State of Mississippi, shall mature
55 absolutely at such time or times not to exceed twenty-five (25)
56 years from date of issue, be redeemable before maturity at such
57 time or times and upon such terms, with or without premium, shall
58 bear such registration privileges, and shall be substantially in
59 such form, all as shall be determined by resolution of the
60 commission.

61 (4) The bonds authorized by this section shall be signed by
62 the chairman of the commission, or by his facsimile signature, and
63 the official seal of the commission shall be affixed thereto,
64 attested by the secretary of the commission. The interest
65 coupons, if any, to be attached to such bonds may be executed by
66 the facsimile signatures of such officers. Whenever any such
67 bonds shall have been signed by the officials designated to sign
68 the bonds who were in office at the time of such signing but who
69 may have ceased to be such officers before the sale and delivery
70 of such bonds, or who may not have been in office on the date such



71 bonds may bear, the signatures of such officers upon such bonds
72 and coupons shall nevertheless be valid and sufficient for all
73 purposes and have the same effect as if the person so officially
74 signing such bonds had remained in office until their delivery to
75 the purchaser, or had been in office on the date such bonds may
76 bear. However, notwithstanding anything herein to the contrary,
77 such bonds may be issued as provided in the Registered Bond Act of
78 the State of Mississippi.

79 (5) All bonds and interest coupons issued under the
80 provisions of this section have all the qualities and incidents of
81 negotiable instruments under the provisions of the Uniform
82 Commercial Code, and in exercising the powers granted by this
83 section, the commission shall not be required to and need not
84 comply with the provisions of the Uniform Commercial Code.

85 (6) The commission shall act as issuing agent for the bonds
86 authorized under this section, prescribe the form of the bonds,
87 determine the appropriate method for sale of the bonds, advertise
88 for and accept bids or negotiate the sale of the bonds, issue and
89 sell the bonds so authorized to be sold, pay all fees and costs
90 incurred in such issuance and sale, and do any and all other
91 things necessary and advisable in connection with the issuance and
92 sale of such bonds. The commission is authorized and empowered to
93 pay the costs that are incident to the sale, issuance and delivery
94 of the bonds authorized under this section from the proceeds
95 derived from the sale of such bonds. The commission may sell such



96 bonds on sealed bids at public sale or may negotiate the sale of
97 the bonds for such price as it may determine to be for the best
98 interest of the State of Mississippi. All interest accruing on
99 such bonds so issued shall be payable semiannually or annually.

100 If such bonds are sold by sealed bids at public sale, notice
101 of the sale shall be published at least one time, not less than
102 ten (10) days before the date of sale, and shall be so published
103 in one or more newspapers published or having a general
104 circulation in the City of Jackson, Mississippi, selected by the
105 commission.

106 The commission, when issuing any bonds under the authority of
107 this section, may provide that bonds, at the option of the State
108 of Mississippi, may be called in for payment and redemption at the
109 call price named therein and accrued interest on such date or
110 dates named therein.

111 (7) The bonds issued under the provisions of this section
112 are general obligations of the State of Mississippi, and for the
113 payment thereof the full faith and credit of the State of
114 Mississippi is irrevocably pledged. If the funds appropriated by
115 the Legislature are insufficient to pay the principal of and the
116 interest on such bonds as they become due, then the deficiency
117 shall be paid by the State Treasurer from any funds in the State
118 Treasury not otherwise appropriated. All such bonds shall contain
119 recitals on their faces substantially covering the provisions of
120 this subsection.



121 (8) Upon the issuance and sale of bonds under the provisions
122 of this section, the commission shall transfer the proceeds of any
123 such sale or sales to the Small Municipalities and Limited
124 Population Counties Fund created in Section 57-1-18. The proceeds
125 of such bonds shall be disbursed solely upon the order of the
126 Mississippi Development Authority under such restrictions, if any,
127 as may be contained in the resolution providing for the issuance
128 of the bonds.

129 (9) The bonds authorized under this section may be issued
130 without any other proceedings or the happening of any other
131 conditions or things other than those proceedings, conditions and
132 things which are specified or required by this section. Any
133 resolution providing for the issuance of bonds under the
134 provisions of this section shall become effective immediately upon
135 its adoption by the commission, and any such resolution may be
136 adopted at any regular or special meeting of the commission by a
137 majority of its members.

138 (10) The bonds authorized under the authority of this
139 section may be validated in the Chancery Court of the First
140 Judicial District of Hinds County, Mississippi, in the manner and
141 with the force and effect provided by Chapter 13, Title 31,
142 Mississippi Code of 1972, for the validation of county, municipal,
143 school district and other bonds. The notice to taxpayers required
144 by such statutes shall be published in a newspaper published or
145 having a general circulation in the City of Jackson, Mississippi.



146 (11) Any holder of bonds issued under the provisions of this
147 section or of any of the interest coupons pertaining thereto may,
148 either at law or in equity, by suit, action, mandamus or other
149 proceeding, protect and enforce any and all rights granted under
150 this section, or under such resolution, and may enforce and compel
151 performance of all duties required by this section to be
152 performed, in order to provide for the payment of bonds and
153 interest thereon.

154 (12) All bonds issued under the provisions of this section
155 shall be legal investments for trustees and other fiduciaries, and
156 for savings banks, trust companies and insurance companies
157 organized under the laws of the State of Mississippi, and such
158 bonds shall be legal securities which may be deposited with and
159 shall be received by all public officers and bodies of this state
160 and all municipalities and political subdivisions for the purpose
161 of securing the deposit of public funds.

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

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

168 (15) The State Treasurer is authorized, without further
169 process of law, to certify to the Department of Finance and
170 Administration the necessity for warrants, and the Department of



171 Finance and Administration is authorized and directed to issue
172 such warrants, in such amounts as may be necessary to pay when due
173 the principal of, premium, if any, and interest on, or the
174 accreted value of, all bonds issued under this section; and the
175 State Treasurer shall forward the necessary amount to the
176 designated place or places of payment of such bonds in ample time
177 to discharge such bonds, or the interest thereon, on the due dates
178 thereof.

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

183 **SECTION 2.** Section 57-1-18, Mississippi Code of 1972, is
184 amended as follows:

185 57-1-18. (1) For the purposes of this section, the
186 following terms shall have the meanings ascribed in this section
187 unless the context clearly indicates otherwise:

188 (a) "Limited population county" means a county in the
189 State of Mississippi with a population of thirty thousand (30,000)
190 or less according to the most recent federal decennial census at
191 the time the county submits its application to the MDA under this
192 section.

193 (b) "MDA" means the Mississippi Development Authority.

194 (c) "Project" means highways, streets and other
195 roadways, bridges, sidewalks, utilities, airfields, airports,



196 acquisition of equipment, acquisition of real property,
197 development of real property, improvements to real property, and
198 any other project approved by the MDA.

199 (d) "Small municipality" means a municipality in the
200 State of Mississippi with a population of ten thousand (10,000) or
201 less according to the most recent federal decennial census at the
202 time the municipality submits its application to the MDA under
203 this section. The term "small municipality" also includes a
204 municipal historical hamlet as defined in Section 17-27-5.

205 (2) (a) There is hereby created in the State Treasury a
206 special fund to be designated as the "Small Municipalities and
207 Limited Population Counties Fund," which shall consist of funds
208 appropriated or otherwise made available by the Legislature in any
209 manner and funds from any other source designated for deposit into
210 such fund. Unexpended amounts remaining in the fund at the end of
211 a fiscal year shall not lapse into the State General Fund, and any
212 investment earnings or interest earned on amounts in the fund
213 shall be deposited to the credit of the fund. Monies in the fund
214 shall be used to make grants to small municipalities and limited
215 population counties or natural gas districts created by law and
216 contained therein to assist in completing projects under this
217 section.

218 (b) Monies in the fund which are derived from proceeds
219 of bonds issued under Sections 1 through 16 of Chapter 538, Laws
220 of 2002, Sections 1 through 16 of Chapter 508, Laws of 2003,



221 Sections 55 through 70 of Chapter 1, Laws of 2004 Third
222 Extraordinary Session, Sections 1 through 16 of Chapter 482, Laws
223 of 2006, Section 15 of Chapter 580, Laws of 2007, Section 1 of
224 Chapter 503, Laws of 2008, Section 42 of Chapter 557, Laws of
225 2009, Section 38 of Chapter 533, Laws of 2010, Section 41 of
226 Chapter 480, Laws of 2011, Section 30 of Chapter 569, Laws of
227 2013, Section 4 of Chapter 530, Laws of 2014, * * * Section 11 of
228 Chapter 472, Laws of 2015, or Section 1 of this act, may be used
229 to reimburse reasonable actual and necessary costs incurred by the
230 MDA in providing assistance related to a project for which funding
231 is provided under this section from the use of proceeds of such
232 bonds. An accounting of actual costs incurred for which
233 reimbursement is sought shall be maintained for each project by
234 the MDA. Reimbursement of reasonable actual and necessary costs
235 for a project shall not exceed three percent (3%) of the proceeds
236 of bonds issued for such project. Monies authorized for a
237 particular project may not be used to reimburse administrative
238 costs for unrelated projects. Reimbursements under this
239 subsection shall satisfy any applicable federal tax law
240 requirements.

241 (3) The MDA shall establish a grant program to make grants
242 to small municipalities and limited population counties from the
243 Small Municipalities and Limited Population Counties Fund. Grants
244 made under this section to a small municipality or a limited
245 population county shall not exceed Two Hundred Fifty Thousand



246 Dollars (\$250,000.00) during any grant period established by the
247 MDA. A small municipality or limited population county may apply
248 to the MDA for a grant under this section in the manner provided
249 for in this section.

250 (4) A small municipality or limited population county
251 desiring assistance under this section must submit an application
252 to the MDA. The application must include a description of the
253 project for which assistance is requested, the cost of the project
254 for which assistance is requested, the amount of assistance
255 requested and any other information required by the MDA.

256 (5) The MDA shall have all powers necessary to implement and
257 administer the program established under this section, and the
258 department shall promulgate rules and regulations, in accordance
259 with the Mississippi Administrative Procedures Law, necessary for
260 the implementation of this section.

261 (6) The MDA shall file an annual report with the Governor,
262 the Secretary of the Senate and the Clerk of the House of
263 Representatives not later than December 1 of each year, describing
264 all assistance provided under this section.

265 **SECTION 3.** This act shall take effect and be in force from
266 and after July 1, 2016.

