

By: Representatives Mims, Cockerham, Myers

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1609

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE CITY OF MCCOMB, MISSISSIPPI,
3 IN PAYING COSTS ASSOCIATED WITH MAKING IMPROVEMENTS TO A PORTION
4 OF PARKLANE ROAD LOCATED IN THE CITY OF MCCOMB, AND FOR RELATED
5 WATER AND SEWER INFRASTRUCTURE IMPROVEMENTS; AND FOR RELATED
6 PURPOSES.

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

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

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

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

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



20 (2) (a) (i) A special fund, to be designated the "2016
21 City of McComb-Parklane Road Improvements Fund" is created within
22 the State Treasury. The fund shall be maintained by the State
23 Treasurer as a separate and special fund, separate and apart from
24 the General Fund of the state. Unexpended amounts remaining in
25 the fund at the end of a fiscal year shall not lapse into the
26 State General Fund, and any interest earned or investment earnings
27 on amounts in the fund shall be deposited into such fund.

28 (ii) Monies deposited into the fund shall be
29 disbursed, in the discretion of the Department of Finance and
30 Administration, to assist the City of McComb, Mississippi, in
31 paying costs associated with the repair, rehabilitation,
32 resurfacing, construction and reconstruction, including the
33 widening of and addition of lanes to, Parklane Road located in the
34 City of McComb, Mississippi, from its intersection with U.S.
35 Highway 98 northerly to its intersection with Park Drive in the
36 City of McComb, and water and sewer infrastructure improvements
37 related to such project.

38 (b) Amounts deposited into such special fund shall be
39 disbursed to pay the costs of the projects described in paragraph
40 (a) of this subsection. Promptly after the commission has
41 certified, by resolution duly adopted, that the projects described
42 in paragraph (a) of this subsection shall have been completed,
43 abandoned, or cannot be completed in a timely fashion, any amounts
44 remaining in such special fund shall be applied to pay debt



45 service on the bonds issued under this section, in accordance with
46 the proceedings authorizing the issuance of such bonds and as
47 directed by the commission.

48 (3) (a) The commission, at one time, or from time to time,
49 may declare by resolution the necessity for issuance of general
50 obligation bonds of the State of Mississippi to provide funds for
51 all costs incurred or to be incurred for the purposes described in
52 subsection (2) of this section. Upon the adoption of a resolution
53 by the Department of Finance and Administration, declaring the
54 necessity for the issuance of any part or all of the general
55 obligation bonds authorized by this subsection, the department
56 shall deliver a certified copy of its resolution or resolutions to
57 the commission. Upon receipt of such resolution, the commission,
58 in its discretion, may act as the issuing agent, prescribe the
59 form of the bonds, determine the appropriate method for sale of
60 the bonds, advertise for and accept bids or negotiate the sale of
61 the bonds, issue and sell the bonds so authorized to be sold and
62 do any and all other things necessary and advisable in connection
63 with the issuance and sale of such bonds. The total amount of
64 bonds issued under this section shall not exceed One Million
65 Dollars (\$1,000,000.00). No bonds shall be issued under this
66 section after July 1, 2020.

67 (b) Any investment earnings on amounts deposited into
68 the special fund created in subsection (2) of this section shall
69 be used to pay debt service on bonds issued under this section, in



70 accordance with the proceedings authorizing issuance of such
71 bonds.

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

85 (5) The bonds authorized by this section shall be signed by
86 the chairman of the commission, or by his facsimile signature, and
87 the official seal of the commission shall be affixed thereto,
88 attested by the secretary of the commission. The interest
89 coupons, if any, to be attached to such bonds may be executed by
90 the facsimile signatures of such officers. Whenever any such
91 bonds shall have been signed by the officials designated to sign
92 the bonds who were in office at the time of such signing but who
93 may have ceased to be such officers before the sale and delivery
94 of such bonds, or who may not have been in office on the date such



95 bonds may bear, the signatures of such officers upon such bonds
96 and coupons shall nevertheless be valid and sufficient for all
97 purposes and have the same effect as if the person so officially
98 signing such bonds had remained in office until their delivery to
99 the purchaser, or had been in office on the date such bonds may
100 bear. However, notwithstanding anything herein to the contrary,
101 such bonds may be issued as provided in the Registered Bond Act of
102 the State of Mississippi.

103 (6) All bonds and interest coupons issued under the
104 provisions of this section have all the qualities and incidents of
105 negotiable instruments under the provisions of the Uniform
106 Commercial Code, and in exercising the powers granted by this
107 section, the commission shall not be required to and need not
108 comply with the provisions of the Uniform Commercial Code.

109 (7) The commission shall act as issuing agent for the bonds
110 authorized under this section, prescribe the form of the bonds,
111 determine the appropriate method for sale of the bonds, advertise
112 for and accept bids or negotiate the sale of the bonds, issue and
113 sell the bonds so authorized to be sold, pay all fees and costs
114 incurred in such issuance and sale, and do any and all other
115 things necessary and advisable in connection with the issuance and
116 sale of such bonds. The commission is authorized and empowered to
117 pay the costs that are incident to the sale, issuance and delivery
118 of the bonds authorized under this section from the proceeds
119 derived from the sale of such bonds. The commission may sell such



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

If such bonds are sold by sealed bids at public sale, notice of the sale shall be published at least one (1) time, not less than ten (10) days before the date of sale, and shall be so published in one or more newspapers published or having a general circulation in the City of Jackson, Mississippi, selected by the commission.

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

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



145 (9) Upon the issuance and sale of bonds under the provisions
146 of this section, the commission shall transfer the proceeds of any
147 such sale or sales to the special fund created in subsection (2)
148 of this section. The proceeds of such bonds shall be disbursed
149 solely upon the order of the Department of Finance and
150 Administration under such restrictions, if any, as may be
151 contained in the resolution providing for the issuance of the
152 bonds.

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

162 (11) The bonds authorized under the authority of this
163 section may be validated in the Chancery Court of the First
164 Judicial District of Hinds County, Mississippi, in the manner and
165 with the force and effect provided by Chapter 13, Title 31,
166 Mississippi Code of 1972, for the validation of county, municipal,
167 school district and other bonds. The notice to taxpayers required
168 by such statutes shall be published in a newspaper published or
169 having a general circulation in the City of Jackson, Mississippi.



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

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

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

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

192 (16) The State Treasurer is authorized, without further
193 process of law, to certify to the Department of Finance and
194 Administration the necessity for warrants, and the Department of



195 Finance and Administration is authorized and directed to issue
196 such warrants, in such amounts as may be necessary to pay when due
197 the principal of, premium, if any, and interest on, or the
198 accreted value of, all bonds issued under this section; and the
199 State Treasurer shall forward the necessary amount to the
200 designated place or places of payment of such bonds in ample time
201 to discharge such bonds, or the interest thereon, on the due dates
202 thereof.

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

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

