

By: Representative Clark

To: Ways and Means

HOUSE BILL NO. 314

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS TO ASSIST THE TOWN OF TCHULA, MISSISSIPPI,  
3 IN PAYING COSTS ASSOCIATED WITH THE REPAIR, MAINTENANCE AND/OR  
4 RECONSTRUCTION OF ROADS, STREETS AND BRIDGES IN THE TOWN; AND FOR  
5 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)   (i)   A special fund, to be designated as the "2018  
20 Town of Tchula Road Improvements Fund," is created within the  
21 State Treasury. The fund shall be maintained by the State  
22 Treasurer as a separate and special fund, separate and apart from  
23 the General Fund of the state. Unexpended amounts remaining in  
24 the fund at the end of a fiscal year shall not lapse into the  
25 State General Fund, and any interest earned or investment earnings  
26 on amounts in the fund shall be deposited into such fund.

27                               (ii)   Monies deposited into the fund shall be  
28 disbursed, in the discretion of the Department of Finance and  
29 Administration, to assist the Town of Tchula, Mississippi, in  
30 paying costs associated with the repair, maintenance and/or  
31 reconstruction of roads, streets and bridges in the town.

32           (b)   Amounts deposited into such special fund shall be  
33 disbursed to pay the costs of the projects described in paragraph  
34 (a) of this subsection. Promptly after the commission has  
35 certified, by resolution duly adopted, that the projects described  
36 in paragraph (a) of this subsection shall have been completed,  
37 abandoned, or cannot be completed in a timely fashion, any amounts  
38 remaining in such special fund shall be applied to pay debt  
39 service on the bonds issued under this section, in accordance with  
40 the proceedings authorizing the issuance of such bonds and as  
41 directed by the commission.

42           (3)   (a)   The commission, at one time, or from time to time,  
43 may declare by resolution the necessity for issuance of general



44 obligation bonds of the State of Mississippi to provide funds for  
45 all costs incurred or to be incurred for the purposes described in  
46 subsection (2) of this section. Upon the adoption of a resolution  
47 by the Department of Finance and Administration, declaring the  
48 necessity for the issuance of any part or all of the general  
49 obligation bonds authorized by this subsection, the department  
50 shall deliver a certified copy of its resolution or resolutions to  
51 the commission. Upon receipt of such resolution, the commission,  
52 in its discretion, may act as the issuing agent, prescribe the  
53 form of the bonds, determine the appropriate method for sale of  
54 the bonds, advertise for and accept bids or negotiate the sale of  
55 the bonds, issue and sell the bonds so authorized to be sold, and  
56 do any and all other things necessary and advisable in connection  
57 with the issuance and sale of such bonds. The total amount of  
58 bonds issued under this section shall not exceed Five Hundred  
59 Thousand Dollars (\$500,000.00). No bonds shall be issued under  
60 this section after July 1, 2022.

61 (b) Any investment earnings on amounts deposited into  
62 the special fund created in subsection (2) of this section shall  
63 be used to pay debt service on bonds issued under this section, in  
64 accordance with the proceedings authorizing 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,  
71 Mississippi Code of 1972), be payable at such place or places  
72 within or without the State of Mississippi, shall mature  
73 absolutely at such time or times not to exceed twenty-five (25)  
74 years from date of issue, be redeemable before maturity at such  
75 time or times and upon such terms, with or without premium, shall  
76 bear such registration privileges, and shall be substantially in  
77 such form, all as shall be determined by resolution of the  
78 commission.

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



94 bear. However, notwithstanding anything herein to the contrary,  
95 such bonds may be issued as provided in the Registered Bond Act of  
96 the State of Mississippi.

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

103 (7) The commission shall act as issuing agent for the bonds  
104 authorized under this section, prescribe the form of the bonds,  
105 determine the appropriate method for sale of the bonds, advertise  
106 for and accept bids or negotiate the sale of the bonds, issue and  
107 sell the bonds so authorized to be sold, pay all fees and costs  
108 incurred in such issuance and sale, and do any and all other  
109 things necessary and advisable in connection with the issuance and  
110 sale of such bonds. The commission is authorized and empowered to  
111 pay the costs that are incident to the sale, issuance and delivery  
112 of the bonds authorized under this section from the proceeds  
113 derived from the sale of such bonds. The commission may sell such  
114 bonds on sealed bids at public sale or may negotiate the sale of  
115 the bonds for such price as it may determine to be for the best  
116 interest of the State of Mississippi. All interest accruing on  
117 such bonds so issued shall be payable semiannually or annually.



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

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

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

139           (9) Upon the issuance and sale of bonds under the provisions  
140 of this section, the commission shall transfer the proceeds of any  
141 such sale or sales to the special fund created in subsection (2)  
142 of this section. The proceeds of such bonds shall be disbursed



143 solely upon the order of the Department of Finance and  
144 Administration under such restrictions, if any, as may be  
145 contained in the resolution providing for the issuance of the  
146 bonds.

147 (10) The bonds authorized under this section may be issued  
148 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 section. Any  
151 resolution providing for the issuance of bonds under the  
152 provisions of this section shall become effective immediately upon  
153 its adoption by the commission, and any such resolution may be  
154 adopted at any regular or special meeting of the commission by a  
155 majority of its members.

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

164 (12) Any holder of bonds issued under the provisions of this  
165 section or of any of the interest coupons pertaining thereto may,  
166 either at law or in equity, by suit, action, mandamus or other  
167 proceeding, protect and enforce any and all rights granted under



168 this section, or under such resolution, and may enforce and compel  
169 performance of all duties required by this section to be  
170 performed, in order to provide for the payment of bonds and  
171 interest thereon.

172 (13) All bonds issued under the provisions of this section  
173 shall be legal investments for trustees and other fiduciaries, and  
174 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 (14) Bonds issued under the provisions of this section and  
181 income therefrom shall be exempt from all taxation in the State of  
182 Mississippi.

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

186 (16) The State Treasurer is authorized, without further  
187 process of law, to certify to the Department of Finance and  
188 Administration the necessity for warrants, and the Department of  
189 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 section; and the





193 State Treasurer shall forward the necessary amount to the  
194 designated place or places of payment of such bonds in ample time  
195 to discharge such bonds, or the interest thereon, on the due dates  
196 thereof.

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

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

