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To: Ways and Means

HOUSE BILL NO. 357

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS TO ASSIST MUNICIPALITIES AND COUNTIES IN
 3 THIS STATE IN PAYING COSTS ASSOCIATED WITH THE REPAIR,
 4 REHABILITATION, REPLACEMENT, RECONSTRUCTION AND CONSTRUCTION OF
 5 BRIDGES IN MUNICIPALITIES AND COUNTIES, INCLUDING THOSE BRIDGES ON
 6 STATE DESIGNATED HIGHWAYS THAT ARE MAINTAINED BY MUNICIPALITIES
 7 AND COUNTIES; AND FOR RELATED PURPOSES.

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

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

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

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

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



21 (2) (a) (i) A special fund, to be designated as the "2018
22 Municipalities and Counties Bridge Improvements Fund," is created
23 within the State Treasury. The fund shall be maintained by the
24 State Treasurer as a separate and special fund, separate and apart
25 from the General Fund of the state. Unexpended amounts remaining
26 in the fund at the end of a fiscal year shall not lapse into the
27 State General Fund, and any interest earned or investment earnings
28 on amounts in the fund shall be deposited into such fund.

29 (ii) Monies deposited into the fund shall be
30 disbursed, in the discretion of the Office of State Aid Road
31 Construction, as follows:

32 1. One-half (1/2) of such monies shall be
33 used to assist municipalities in this state in paying costs
34 associated with the costs of repair, rehabilitation, replacement,
35 reconstruction and/or construction of bridges in municipalities,
36 including those bridges on state designated highways that are
37 maintained by municipalities; and

38 2. One-half (1/2) of such monies shall be
39 used to assist counties in this state in paying costs associated
40 with the costs of repair, rehabilitation, replacement,
41 reconstruction and/or construction of bridges in counties,
42 including those bridges on state designated highways that are
43 maintained by counties.

44 (b) Amounts deposited into such special fund shall be
45 disbursed to pay the costs of the projects described in paragraph



46 (a) of this subsection. Promptly after the commission has
47 certified, by resolution duly adopted, that the projects described
48 in paragraph (a) of this subsection shall have been completed,
49 abandoned, or cannot be completed in a timely fashion, any amounts
50 remaining in such special fund shall be applied to pay debt
51 service on the bonds issued under this section, in accordance with
52 the proceedings authorizing the issuance of such bonds and as
53 directed by the commission.

54 (3) (a) The commission, at one time, or from time to time,
55 may declare by resolution the necessity for issuance of general
56 obligation bonds of the State of Mississippi to provide funds for
57 all costs incurred or to be incurred for the purposes described in
58 subsection (2) of this section. Upon the adoption of a resolution
59 by the Office of State Aid Road Construction, declaring the
60 necessity for the issuance of any part or all of the general
61 obligation bonds authorized by this subsection, the office shall
62 deliver a certified copy of its resolution or resolutions to the
63 commission. Upon receipt of such resolution, the commission, in
64 its discretion, may act as the issuing agent, prescribe the form
65 of the bonds, determine the appropriate method for sale of the
66 bonds, advertise for and accept bids or negotiate the sale of the
67 bonds, issue and sell the bonds so authorized to be sold and do
68 any and all other things necessary and advisable in connection
69 with the issuance and sale of such bonds. The total amount of
70 bonds issued under this section shall not exceed Fifty Million



71 Dollars (\$50,000,000.00). No bonds shall be issued under this
72 section after July 1, 2022.

73 (b) Any investment earnings on amounts deposited into
74 the special fund created in subsection (2) of this section shall
75 be used to pay debt service on bonds issued under this section, in
76 accordance with the proceedings authorizing issuance of such
77 bonds.

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

91 (5) The bonds authorized by this section shall be signed by
92 the chairman of the commission, or by his facsimile signature, and
93 the official seal of the commission shall be affixed thereto,
94 attested by the secretary of the commission. The interest
95 coupons, if any, to be attached to such bonds may be executed by



96 the facsimile signatures of such officers. Whenever any such
97 bonds shall have been signed by the officials designated to sign
98 the bonds who were in office at the time of such signing but who
99 may have ceased to be such officers before the sale and delivery
100 of such bonds, or who may not have been in office on the date such
101 bonds may bear, the signatures of such officers upon such bonds
102 and coupons shall nevertheless be valid and sufficient for all
103 purposes and have the same effect as if the person so officially
104 signing such bonds had remained in office until their delivery to
105 the purchaser, or had been in office on the date such bonds may
106 bear. However, notwithstanding anything herein to the contrary,
107 such bonds may be issued as provided in the Registered Bond Act of
108 the State of Mississippi.

109 (6) All bonds and interest coupons issued under the
110 provisions of this section have all the qualities and incidents of
111 negotiable instruments under the provisions of the Uniform
112 Commercial Code, and in exercising the powers granted by this
113 section, the commission shall not be required to and need not
114 comply with the provisions of the Uniform Commercial Code.

115 (7) The commission shall act as issuing agent for the bonds
116 authorized under this section, prescribe the form of the bonds,
117 determine the appropriate method for sale of the bonds, advertise
118 for and accept bids or negotiate the sale of the bonds, issue and
119 sell the bonds so authorized to be sold, pay all fees and costs
120 incurred in such issuance and sale, and do any and all other



121 things necessary and advisable in connection with the issuance and
122 sale of such bonds. The commission is authorized and empowered to
123 pay the costs that are incident to the sale, issuance and delivery
124 of the bonds authorized under this section from the proceeds
125 derived from the sale of such bonds. The commission may sell such
126 bonds on sealed bids at public sale or may negotiate the sale of
127 the bonds for such price as it may determine to be for the best
128 interest of the State of Mississippi. All interest accruing on
129 such bonds so issued shall be payable semiannually or annually.

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

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

141 (8) The bonds issued under the provisions of this section
142 are general obligations of the State of Mississippi, and for the
143 payment thereof the full faith and credit of the State of
144 Mississippi is irrevocably pledged. If the funds appropriated by
145 the Legislature are insufficient to pay the principal of and the



146 interest on such bonds as they become due, then the deficiency
147 shall be paid by the State Treasurer from any funds in the State
148 Treasury not otherwise appropriated. All such bonds shall contain
149 recitals on their faces substantially covering the provisions of
150 this subsection.

151 (9) Upon the issuance and sale of bonds under the provisions
152 of this section, the commission shall transfer the proceeds of any
153 such sale or sales to the special fund created in subsection (2)
154 of this section. The proceeds of such bonds shall be disbursed
155 solely upon the order of the Office of State Aid Road Construction
156 under such restrictions, if any, as may be contained in the
157 resolution providing for the issuance of the bonds.

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

167 (11) The bonds authorized under the authority of this
168 section may be validated in the Chancery Court of the First
169 Judicial District of Hinds County, Mississippi, in the manner and
170 with the force and effect provided by Chapter 13, Title 31,



171 Mississippi Code of 1972, for the validation of county, municipal,
172 school district and other bonds. The notice to taxpayers required
173 by such statutes shall be published in a newspaper published or
174 having a general circulation in the City of Jackson, Mississippi.

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

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

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



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

197 (16) The State Treasurer is authorized, without further
198 process of law, to certify to the Department of Finance and
199 Administration the necessity for warrants, and the Department of
200 Finance and Administration is authorized and directed to issue
201 such warrants, in such amounts as may be necessary to pay when due
202 the principal of, premium, if any, and interest on, or the
203 accreted value of, all bonds issued under this section; and the
204 State Treasurer shall forward the necessary amount to the
205 designated place or places of payment of such bonds in ample time
206 to discharge such bonds, or the interest thereon, on the due dates
207 thereof.

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

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

