

By: Representative Hudson

To: Ways and Means

HOUSE BILL NO. 379

1 AN ACT TO ESTABLISH A REVOLVING LOAN PROGRAM FOR THE PURPOSE
 2 OF MAKING LOANS TO ASSIST RURAL COUNTIES AND MUNICIPALITIES IN
 3 PAYING COSTS ASSOCIATED WITH EMERGENCY REPAIR, MAINTENANCE,
 4 CONSTRUCTION, RECONSTRUCTION, UPGRADES OF AND IMPROVEMENTS TO
 5 INFRASTRUCTURE PROJECTS; TO PROVIDE THAT THE MISSISSIPPI
 6 DEVELOPMENT AUTHORITY SHALL ADMINISTER THE REVOLVING LOAN PROGRAM
 7 CREATED IN THIS ACT; TO CREATE A SPECIAL FUND IN THE STATE
 8 TREASURY, DESIGNATED AS THE "RURAL COUNTIES AND MUNICIPALITIES
 9 EMERGENCY INFRASTRUCTURE IMPROVEMENTS LOAN FUND"; TO AUTHORIZE THE
 10 ISSUANCE OF \$10,000,000.00 OF STATE GENERAL OBLIGATION BONDS TO
 11 PROVIDE FUNDS FOR THE "RURAL COUNTIES AND MUNICIPALITIES EMERGENCY
 12 INFRASTRUCTURE IMPROVEMENTS FUND"; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) For the purposes of this section, the
 15 following terms shall have the meanings ascribed in this section
 16 unless the context clearly indicates otherwise:

17 (a) "MDA" means the Mississippi Development Authority.

18 (b) "Rural county" means a county in the State of
 19 Mississippi with a population of thirty thousand (30,000) or less
 20 according to the most recent federal decennial census at the time
 21 the county submits its application to the MDA under this section.

22 (c) "Rural municipality" means a municipality in the
 23 State of Mississippi with a population of ten thousand (10,000) or



24 less according to the most recent federal decennial census at the
25 time the municipality submits its application to the MDA under
26 this section.

27 (2) There is hereby created in the State Treasury a special
28 fund to be designated as the "Rural Counties and Municipalities
29 Emergency Infrastructure Improvements Loan Fund," which shall
30 consist of funds made available by the Legislature in any manner
31 and funds from any other source designated for deposit into such
32 fund. Unexpended amounts remaining in the fund at the end of a
33 fiscal year shall not lapse into the State General Fund, and any
34 investment earnings or interest earned on amounts in the fund
35 shall be deposited to the credit of the fund. Monies in the fund
36 shall be used to make loans to rural counties and rural
37 municipalities for the purposes provided in this section.
38 Repayments on loans made under this section shall be deposited
39 into the fund.

40 (3) The MDA shall establish a revolving loan program to make
41 loans to rural counties and rural municipalities for the purpose
42 of assisting such counties and municipalities in paying costs
43 associated with emergency repair, maintenance, construction,
44 reconstruction, upgrades of and improvements to infrastructure and
45 infrastructure related projects. The maximum amount of a loan
46 made under this section cannot exceed Two Hundred Fifty Thousand
47 Dollars (\$250,000.00) and the maximum term of a loan cannot exceed
48 five (5) years. A rural county or rural municipality may apply to



49 the MDA for a loan under this section in the manner provided for
50 in this section.

51 (4) A rural county or rural municipality desiring a loan
52 under this section must submit an application to the MDA. The
53 application must include a description of the project for which
54 the loan is requested, the cost of the project for which the loan
55 is requested, the amount of the loan requested and any other
56 information required by the MDA.

57 (5) The MDA shall have all powers necessary to implement and
58 administer the program established under this section, and the MDA
59 shall promulgate rules and regulations, in accordance with the
60 Mississippi Administrative Procedures Law, necessary for the
61 implementation of this section.

62 **SECTION 2.** (1) As used in this section, the following words
63 shall have the meanings ascribed herein unless the context clearly
64 requires otherwise:

65 (a) "Accreted value" of any bonds means, as of any date
66 of computation, an amount equal to the sum of (i) the stated
67 initial value of such bond, plus (ii) the interest accrued thereon
68 from the issue date to the date of computation at the rate,
69 compounded semiannually, that is necessary to produce the
70 approximate yield to maturity shown for bonds of the same
71 maturity.

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

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



74 (2) (a) The Mississippi Development Authority, at one time,
75 or from time to time, may declare by resolution the necessity for
76 issuance of general obligation bonds of the State of Mississippi
77 to provide funds for the loan program authorized in Section 1 of
78 this act. Upon the adoption of a resolution by the Mississippi
79 Development Authority, declaring the necessity for the issuance of
80 any part or all of the general obligation bonds authorized by this
81 subsection, the Mississippi Development Authority shall deliver a
82 certified copy of its resolution or resolutions to the commission.
83 Upon receipt of such resolution, the commission, in its
84 discretion, may act as the issuing agent, prescribe the form of
85 the bonds, determine the appropriate method for sale of the bonds,
86 advertise for and accept bids or negotiate the sale of the bonds,
87 issue and sell the bonds so authorized to be sold, and do any and
88 all other things necessary and advisable in connection with the
89 issuance and sale of such bonds. The total amount of bonds issued
90 under this section shall not exceed Ten Million Dollars
91 (\$10,000,000.00). No bonds authorized under this section shall be
92 issued after July 1, 2022.

93 (b) The proceeds of bonds issued pursuant to this
94 section shall be deposited into the Rural Counties and
95 Municipalities Emergency Infrastructure Improvements Loan Fund
96 created pursuant to Section 1 of this act. Any investment
97 earnings on bonds issued pursuant to this section shall be used to



98 pay debt service on bonds issued under this section, in accordance
99 with the proceedings authorizing issuance of such bonds.

100 (3) The principal of and interest on the bonds authorized
101 under this section shall be payable in the manner provided in this
102 subsection. Such bonds shall bear such date or dates, be in such
103 denomination or denominations, bear interest at such rate or rates
104 (not to exceed the limits set forth in Section 75-17-101,
105 Mississippi Code of 1972), be payable at such place or places
106 within or without the State of Mississippi, shall mature
107 absolutely at such time or times not to exceed twenty-five (25)
108 years from date of issue, be redeemable before maturity at such
109 time or times and upon such terms, with or without premium, shall
110 bear such registration privileges, and shall be substantially in
111 such form, all as shall be determined by resolution of the
112 commission.

113 (4) The bonds authorized by this section shall be signed by
114 the chairman of the commission, or by his facsimile signature, and
115 the official seal of the commission shall be affixed thereto,
116 attested by the secretary of the commission. The interest
117 coupons, if any, to be attached to such bonds may be executed by
118 the facsimile signatures of such officers. Whenever any such
119 bonds shall have been signed by the officials designated to sign
120 the bonds who were in office at the time of such signing but who
121 may have ceased to be such officers before the sale and delivery
122 of such bonds, or who may not have been in office on the date such



123 bonds may bear, the signatures of such officers upon such bonds
124 and coupons shall nevertheless be valid and sufficient for all
125 purposes and have the same effect as if the person so officially
126 signing such bonds had remained in office until their delivery to
127 the purchaser, or had been in office on the date such bonds may
128 bear. However, notwithstanding anything herein to the contrary,
129 such bonds may be issued as provided in the Registered Bond Act of
130 the State of Mississippi.

131 (5) All bonds and interest coupons issued under the
132 provisions of this section have all the qualities and incidents of
133 negotiable instruments under the provisions of the Uniform
134 Commercial Code, and in exercising the powers granted by this
135 section, the commission shall not be required to and need not
136 comply with the provisions of the Uniform Commercial Code.

137 (6) The commission shall act as issuing agent for the bonds
138 authorized under this section, prescribe the form of the bonds,
139 determine the appropriate method for sale of the bonds, advertise
140 for and accept bids or negotiate the sale of the bonds, issue and
141 sell the bonds so authorized to be sold, pay all fees and costs
142 incurred in such issuance and sale, and do any and all other
143 things necessary and advisable in connection with the issuance and
144 sale of such bonds. The commission is authorized and empowered to
145 pay the costs that are incident to the sale, issuance and delivery
146 of the bonds authorized under this section from the proceeds
147 derived from the sale of such bonds. The commission may sell such



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

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

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

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



173 (8) Upon the issuance and sale of bonds under the provisions
174 of this section, the commission shall transfer the proceeds of any
175 such sale or sales to the Rural Counties and Municipalities
176 Emergency Infrastructure Improvements Loan Fund created in Section
177 1 of this act. The proceeds of such bonds shall be disbursed
178 solely upon the order of the Mississippi Development Authority
179 under such restrictions, if any, as may be contained in the
180 resolution providing for the issuance of the bonds.

181 (9) The bonds authorized under this section may be issued
182 without any other proceedings or the happening of any other
183 conditions or things other than those proceedings, conditions and
184 things which are specified or required by this section. Any
185 resolution providing for the issuance of bonds under the
186 provisions of this section shall become effective immediately upon
187 its adoption by the commission, and any such resolution may be
188 adopted at any regular or special meeting of the commission by a
189 majority of its members.

190 (10) The bonds authorized under the authority of this
191 section may be validated in the Chancery Court of the First
192 Judicial District of Hinds County, Mississippi, in the manner and
193 with the force and effect provided by Chapter 13, Title 31,
194 Mississippi Code of 1972, for the validation of county, municipal,
195 school district and other bonds. The notice to taxpayers required
196 by such statutes shall be published in a newspaper published or
197 having a general circulation in the City of Jackson, Mississippi.



198 (11) Any holder of bonds issued under the provisions of this
199 section or of any of the interest coupons pertaining thereto may,
200 either at law or in equity, by suit, action, mandamus or other
201 proceeding, protect and enforce any and all rights granted under
202 this section, or under such resolution, and may enforce and compel
203 performance of all duties required by this section to be
204 performed, in order to provide for the payment of bonds and
205 interest thereon.

206 (12) All bonds issued under the provisions of this section
207 shall be legal investments for trustees and other fiduciaries, and
208 for savings banks, trust companies and insurance companies
209 organized under the laws of the State of Mississippi, and such
210 bonds shall be legal securities which may be deposited with and
211 shall be received by all public officers and bodies of this state
212 and all municipalities and political subdivisions for the purpose
213 of securing the deposit of public funds.

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

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

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



223 Finance and Administration is authorized and directed to issue
224 such warrants, in such amounts as may be necessary to pay when due
225 the principal of, premium, if any, and interest on, or the
226 accreted value of, all bonds issued under this section; and the
227 State Treasurer shall forward the necessary amount to the
228 designated place or places of payment of such bonds in ample time
229 to discharge such bonds, or the interest thereon, on the due dates
230 thereof.

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

235 **SECTION 3.** This act shall take effect and be in force from
236 and after July 1, 2018.

