

By: Representatives Smith, Sykes

To: Ways and Means

HOUSE BILL NO. 732

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
 2 BONDS IN THE AMOUNT OF \$9,550,000.00 TO PROVIDE MATCHING FUNDS FOR  
 3 FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO  
 4 AMEND SECTION 49-17-85, MISSISSIPPI CODE OF 1972, TO AUTHORIZE  
 5 INTEREST AND INVESTMENT EARNINGS ON MONEY IN THE WATER POLLUTION  
 6 CONTROL REVOLVING FUND TO BE UTILIZED TO PAY DEBT SERVICE ON THE  
 7 BONDS AUTHORIZED TO BE ISSUED BY THIS ACT; 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 Commission on Environmental Quality, at one  
23 time, or from time to time, may declare by resolution the  
24 necessity for issuance of general obligation bonds of the State of  
25 Mississippi to provide funds for the Water Pollution Control  
26 Revolving Fund established in Section 49-17-85. Upon the adoption  
27 of a resolution by the Commission on Environmental Quality  
28 declaring the necessity for the issuance of any part or all of the  
29 general obligation bonds authorized by this subsection, the  
30 Commission on Environmental Quality shall deliver a certified copy  
31 of its resolution or resolutions to the commission; however, the  
32 Commission on Environmental Quality shall declare the necessity  
33 for the issuance of bonds only in the amount necessary to match  
34 projected federal funds available through the following federal  
35 fiscal year. Upon receipt of such resolution, the commission, in  
36 its discretion, may act as the issuing agent, prescribe the form  
37 of the bonds, determine the appropriate method for sale of the  
38 bonds, advertise for and accept bids or negotiate the sale of the  
39 bonds, issue and sell the bonds so authorized to be sold, and do  
40 any and all other things necessary and advisable in connection  
41 with the issuance and sale of such bonds. The total amount of  
42 bonds issued under this section shall not exceed Nine Million Five  
43 Hundred Fifty Thousand Dollars (\$9,550,000.00).

44           (b)   The proceeds of bonds issued pursuant to this  
45 subsection shall be deposited into the Water Pollution Control  
46 Revolving Fund created pursuant to Section 49-17-85.



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

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



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

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

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



97 best interest of the State of Mississippi. All interest accruing  
98 on such bonds so issued shall be payable semiannually or annually.

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

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

110 (7) The bonds issued under the provisions of this section  
111 are general obligations of the State of Mississippi, and for the  
112 payment thereof the full faith and credit of the State of  
113 Mississippi is irrevocably pledged. Interest and investment  
114 earnings on money in the Water Pollution Control Revolving Fund  
115 shall be utilized to pay the principal and interest on such bonds  
116 as they become due. If the interest and investment earnings of  
117 the fund and any funds appropriated by the Legislature are  
118 insufficient to pay the principal of and the interest on such  
119 bonds as they become due, then the deficiency shall be paid by the  
120 State Treasurer from any funds in the State Treasury not otherwise



121 appropriated. All such bonds shall contain recitals on their  
122 faces substantially covering the provisions of this section.

123 (8) Upon the issuance and sale of bonds under the provisions  
124 of this section, the commission shall transfer the proceeds of any  
125 such sale or sales to the Water Pollution Control Revolving Fund  
126 created in Section 49-17-85. After the transfer of the proceeds  
127 of any such sale or sales to the Water Pollution Control Revolving  
128 Fund, any investment earnings or interest earned on the proceeds  
129 of such bonds shall be deposited to the credit of the Water  
130 Pollution Control Revolving Fund and shall be used only for the  
131 purposes provided in Section 49-17-85. The proceeds of such bonds  
132 shall be disbursed solely upon the order of the Commission on  
133 Environmental Quality under such restrictions, if any, as may be  
134 contained in the resolution providing for the issuance of the  
135 bonds.

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



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

153           (11) Any holder of bonds issued under the provisions of this  
154 section or of any of the interest coupons pertaining thereto may,  
155 either at law or in equity, by suit, action, mandamus or other  
156 proceeding, protect and enforce any and all rights granted under  
157 this section, or under such resolution, and may enforce and compel  
158 performance of all duties required by this section to be  
159 performed, in order to provide for the payment of bonds and  
160 interest thereon.

161           (12) All bonds issued under the provisions of this section  
162 shall be legal investments for trustees and other fiduciaries, and  
163 for savings banks, trust companies and insurance companies  
164 organized under the laws of the State of Mississippi, and such  
165 bonds shall be legal securities which may be deposited with and  
166 shall be received by all public officers and bodies of this state  
167 and all municipalities and political subdivisions for the purpose  
168 of securing the deposit of public funds.



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

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

175 (15) The State Treasurer is authorized, without further  
176 process of law, to certify to the Department of Finance and  
177 Administration the necessity for warrants, and the Department of  
178 Finance and Administration is authorized and directed to issue  
179 such warrants, in such amounts as may be necessary to pay when due  
180 the principal of, premium, if any, and interest on, or the  
181 accreted value of, all bonds issued under this section; and the  
182 State Treasurer shall forward the necessary amount to the  
183 designated place or places of payment of such bonds in ample time  
184 to discharge such bonds, or the interest thereon, on the due dates  
185 thereof.

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

190 **SECTION 2.** Section 49-17-85, Mississippi Code of 1972, is  
191 amended as follows:

192 49-17-85. (1) There is established in the State Treasury a  
193 fund to be known as the "Water Pollution Control Revolving Fund"





194 which shall be administered by the commission acting through the  
195 department. The revolving fund may receive bond proceeds and  
196 funds appropriated or otherwise made available by the Legislature  
197 in any manner and funds from any other source, public or private.  
198 The revolving fund shall be maintained in perpetuity for the  
199 purposes established in this section.

200 (2) There is established in the State Treasury a fund to be  
201 known as the "Water Pollution Control Hardship Grants Fund," which  
202 shall be administered by the commission acting through the  
203 department. The grants fund shall be maintained in perpetuity for  
204 the purposes established in this section. Any interest earned on  
205 monies in the grants fund shall be credited to that fund.

206 (3) The commission shall promulgate regulations for the  
207 administration of the revolving fund program, the hardship grants  
208 program and for related programs authorized under this section.  
209 The regulations shall be in accordance with the federal Water  
210 Quality Act of 1987, as amended, and regulations and guidance  
211 issued under that act. The commission may enter into  
212 capitalization grant agreements with the United States  
213 Environmental Protection Agency and may accept capitalization  
214 grant awards made under Title VI of the Water Quality Act of 1987,  
215 as amended.

216 (4) The commission shall establish a loan program which  
217 shall commence after October 1, 1988, to assist political  
218 subdivisions in the construction of water pollution control



219 projects. Loans from the revolving fund may be made to political  
220 subdivisions as set forth in a loan agreement in amounts not  
221 exceeding one hundred percent (100%) of eligible project costs as  
222 established by the commission. Notwithstanding loan amount  
223 limitations set forth in Section 49-17-61, the commission may  
224 require local participation or funding from other sources, or  
225 otherwise limit the percentage of costs covered by loans from the  
226 revolving fund. The commission may establish a maximum amount for  
227 any loan in order to provide for broad and equitable participation  
228 in the program.

229 (5) The commission shall establish a hardship grants program  
230 for rural communities, which shall commence after July 1, 1997, to  
231 assist severely economically disadvantaged small rural political  
232 subdivisions in the construction of water pollution control  
233 projects. The commission may receive and administer state or  
234 federal funds, or both, appropriated for the operation of this  
235 grants program and may take all actions necessary to implement the  
236 program in accordance with the federal hardship grants program.  
237 The hardship grants program shall operate in conjunction with the  
238 revolving loan program administered under this section.

239 (6) The commission shall act for the state in all matters  
240 and with respect to all determinations under Title VI of the  
241 federal Water Quality Act of 1987, as amended, and the federal  
242 Omnibus Appropriations and Recision Act of 1996.



243 (7) Except as otherwise provided in this section, the  
244 revolving fund may be used only:

245 (a) To make loans on the condition that:

246 (i) The loans are made at or below market interest  
247 rates, at terms not to exceed the maximum time allowed by federal  
248 law after project completion; the interest rate and term may vary  
249 from time to time and from loan to loan at the discretion of the  
250 commission;

251 (ii) Periodic principal and interest payments will  
252 commence when required by the commission but not later than one  
253 (1) year after project completion and all loans will be fully  
254 amortized when required by the commission but not later than the  
255 maximum time allowed by federal law after project completion;

256 (iii) The recipient of a loan will establish a  
257 dedicated source of revenue for repayment of loans;

258 (b) To buy or refinance the debt obligation of  
259 political subdivisions at or below market rates, where the debt  
260 obligations were incurred after March 7, 1985, and where the  
261 projects were constructed in compliance with applicable federal  
262 and state regulations;

263 (c) To guarantee, or purchase insurance for,  
264 obligations of political subdivisions where the action would  
265 improve credit market access or reduce interest rates;

266 (d) To provide loan guarantees for similar revolving  
267 funds established by municipalities or intermunicipal agencies;



268 (e) To earn interest on fund accounts;

269 (f) To establish nonpoint source pollution control  
270 management programs;

271 (g) To establish estuary conservation and management  
272 programs;

273 (h) For the reasonable costs of administering the  
274 revolving fund and conducting activities under this act, subject  
275 to the limitations established in Section 603(d)(7) of Title VI of  
276 the federal Clean Water Act, as amended, and subject to annual  
277 appropriation by the Legislature;

278 (i) In connection with the issuance, sale and purchase  
279 of bonds under Section 31-25-1 et seq., related to the funding of  
280 projects, to provide security or a pledge of revenues for the  
281 repayment of the bonds; and

282 (j) To pay the principal and interest on bonds issued  
283 pursuant to Section 11 of Chapter 580, Laws of 2007, Section 1 of  
284 Chapter 492, Laws of 2008, Section 47 of Chapter 557, Laws of  
285 2009, Section 45 of Chapter 533, Laws of 2010, Section 3 of  
286 Chapter 480, Laws of 2011, \* \* \* Section 36 of Chapter 569, Laws  
287 of 2013, and Section 1 of this act, as they become due; however,  
288 only interest and investment earnings on money in the fund may be  
289 utilized for this purpose.

290 (8) The hardship grants program shall be used only to  
291 provide hardship grants consistent with the federal hardship  
292 grants program for rural communities, regulations and guidance



293 issued by the United States Environmental Protection Agency,  
294 subsections (3) and (5) of this section and regulations  
295 promulgated and guidance issued by the commission under this  
296 section.

297 (9) The commission shall establish by regulation a system of  
298 priorities and a priority list of projects eligible for funding  
299 with loans from the revolving fund.

300 (10) The commission may provide a loan from the revolving  
301 fund only with respect to a project if that project is on the  
302 priority list established by the commission.

303 (11) The revolving fund shall be credited with all payments  
304 of principal and interest derived from the fund uses described in  
305 subsection (7) of this section. However, notwithstanding any  
306 other provision of law to the contrary, all or any portion of  
307 payments of principal and interest derived from the fund uses  
308 described in subsection (7) of this section may be designated or  
309 pledged for repayment of a loan as provided for in Section  
310 31-25-28 in connection with a loan from the Mississippi  
311 Development Bank.

312 (12) The commission may establish and collect fees to defray  
313 the reasonable costs of administering the revolving fund if it  
314 determines that the administrative costs will exceed the  
315 limitations established in Section 603(d) (7) of Title VI of the  
316 federal Clean Water Act, as amended. The administration fees may  
317 be included in loan amounts to political subdivisions for the



318 purpose of facilitating payment to the commission. The fees may  
319 not exceed five percent (5%) of the loan amount.

320 (13) Except as otherwise provided in this section, the  
321 commission may, on a case-by-case basis and to the extent allowed  
322 by federal law, renegotiate the payment of principal and interest  
323 on loans made under this section to the six (6) most southern  
324 counties of the state covered by the Presidential Declaration of  
325 Major Disaster for the State of Mississippi (FEMA-1604-DR) dated  
326 August 29, 2005, and to political subdivisions located in such  
327 counties; however, the interest on the loans shall not be forgiven  
328 for a period of more than twenty-four (24) months and the maturity  
329 of the loans shall not be extended for a period of more than  
330 forty-eight (48) months.

331 (14) The commission may, on a case-by-case basis and to the  
332 extent allowed by federal law, renegotiate the payment of  
333 principal and interest on loans made under this section to Hancock  
334 County as a result of coverage under the Presidential Declaration  
335 of Major Disaster for the State of Mississippi (FEMA-1604-DR)  
336 dated August 29, 2005, and to political subdivisions located in  
337 Hancock County.

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

