

By: Representative White

To: Ways and Means

HOUSE BILL NO. 1105

1 AN ACT TO ESTABLISH A REVOLVING LOAN PROGRAM FOR THE PURPOSE  
 2 OF MAKING LOANS TO ASSIST SMALL MUNICIPALITIES AND RURAL COUNTIES  
 3 IN PAYING COSTS ASSOCIATED WITH THE REPAIR, MAINTENANCE AND  
 4 RECONSTRUCTION OF ROADS, STREETS AND BRIDGES; TO PROVIDE THAT THE  
 5 MISSISSIPPI DEVELOPMENT AUTHORITY SHALL ADMINISTER THE REVOLVING  
 6 LOAN PROGRAM CREATED IN THIS ACT; TO CREATE A SPECIAL FUND IN THE  
 7 STATE TREASURY, DESIGNATED AS THE "SMALL MUNICIPALITIES AND RURAL  
 8 COUNTIES ROAD AND BRIDGE IMPROVEMENTS FUND"; TO AUTHORIZE THE  
 9 ISSUANCE OF \$20,000,000.00 OF STATE GENERAL OBLIGATION BONDS TO  
 10 PROVIDE FUNDS FOR THE "SMALL MUNICIPALITIES AND RURAL COUNTIES  
 11 ROAD AND BRIDGE IMPROVEMENTS FUND"; AND FOR RELATED PURPOSES.

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

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

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



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

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

25 (2) (a) The Mississippi Development Authority, at one time,  
26 or from time to time, may declare by resolution the necessity for  
27 issuance of general obligation bonds of the State of Mississippi  
28 to provide funds for the loan program authorized in Section 2 of  
29 this act. Upon the adoption of a resolution by the Mississippi  
30 Development Authority, declaring the necessity for the issuance of  
31 any part or all of the general obligation bonds authorized by this  
32 subsection, the Mississippi Development Authority shall deliver a  
33 certified copy of its resolution or resolutions to the commission.  
34 Upon receipt of such resolution, the commission, in its  
35 discretion, may act as the issuing agent, prescribe the form of  
36 the bonds, determine the appropriate method for sale of the bonds,  
37 advertise for and accept bids or negotiate the sale of the bonds,  
38 issue and sell the bonds so authorized to be sold, and do any and  
39 all other things necessary and advisable in connection with the  
40 issuance and sale of such bonds. The total amount of bonds issued  
41 under this section shall not exceed Twenty Million Dollars  
42 (\$20,000,000.00). No bonds authorized under this section shall be  
43 issued after July 1, 2022.

44 (b) The proceeds of bonds issued pursuant to this  
45 section shall be deposited into the Small Municipalities and Rural  
46 Counties Road and Bridge Improvements Fund created pursuant to  
47 Section 2 of this act. Any investment earnings on bonds issued



48 pursuant to this section shall be used to pay debt service on  
49 bonds issued under this section, in accordance with the  
50 proceedings authorizing issuance of such bonds.

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

64 (4) The bonds authorized by this section shall be signed by  
65 the chairman of the commission, or by his facsimile signature, and  
66 the official seal of the commission shall be affixed thereto,  
67 attested by the secretary of the commission. The interest  
68 coupons, if any, to be attached to such bonds may be executed by  
69 the facsimile signatures of such officers. Whenever any such  
70 bonds shall have been signed by the officials designated to sign  
71 the bonds who were in office at the time of such signing but who  
72 may have ceased to be such officers before the sale and delivery



73 of such bonds, or who may not have been in office on the date such  
74 bonds may bear, the signatures of such officers upon such bonds  
75 and coupons shall nevertheless be valid and sufficient for all  
76 purposes and have the same effect as if the person so officially  
77 signing such bonds had remained in office until their delivery to  
78 the purchaser, or had been in office on the date such bonds may  
79 bear. However, notwithstanding anything herein to the contrary,  
80 such bonds may be issued as provided in the Registered Bond Act of  
81 the State of Mississippi.

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

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



98 derived from the sale of such bonds. The commission may sell such  
99 bonds on sealed bids at public sale or may negotiate the sale of  
100 the bonds for such price as it may determine to be for the best  
101 interest of the State of Mississippi. All interest accruing on  
102 such bonds so issued shall be payable semiannually or annually.

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

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

114 (7) The bonds issued under the provisions of this section  
115 are general obligations of the State of Mississippi, and for the  
116 payment thereof the full faith and credit of the State of  
117 Mississippi is irrevocably pledged. If the funds appropriated by  
118 the Legislature are insufficient to pay the principal of and the  
119 interest on such bonds as they become due, then the deficiency  
120 shall be paid by the State Treasurer from any funds in the State  
121 Treasury not otherwise appropriated. All such bonds shall contain



122 recitals on their faces substantially covering the provisions of  
123 this subsection.

124 (8) Upon the issuance and sale of bonds under the provisions  
125 of this section, the commission shall transfer the proceeds of any  
126 such sale or sales to the Small Municipalities and Rural Counties  
127 Road and Bridge Improvements Fund created in Section 2 of this  
128 act. The proceeds of such bonds shall be disbursed solely upon  
129 the order of the Mississippi Development Authority under such  
130 restrictions, if any, as may be contained in the resolution  
131 providing for the issuance of the bonds.

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

141 (10) The bonds authorized under the authority of this  
142 section may be validated in the Chancery Court of the First  
143 Judicial District of Hinds County, Mississippi, in the manner and  
144 with the force and effect provided by Chapter 13, Title 31,  
145 Mississippi Code of 1972, for the validation of county, municipal,  
146 school district and other bonds. The notice to taxpayers required



147 by such statutes shall be published in a newspaper published or  
148 having a general circulation in the City of Jackson, Mississippi.

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

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

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

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



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

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

186 **SECTION 2.** (1) For the purposes of this section, the  
187 following terms shall have the meanings ascribed in this section  
188 unless the context clearly indicates otherwise:

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

193 (b) "MDA" means the Mississippi Development Authority.

194 (c) "Small municipality" means a municipality in the  
195 State of Mississippi with a population of ten thousand (10,000) or





196 less according to the most recent federal decennial census at the  
197 time the municipality submits its application to the MDA under  
198 this section.

199 (2) (a) There is hereby created in the State Treasury a  
200 special fund to be designated as the "Small Municipalities and  
201 Rural Counties Road and Bridge Improvements Fund," which shall  
202 consist of funds made available by the Legislature in any manner  
203 and funds from any other source designated for deposit into such  
204 fund. Unexpended amounts remaining in the fund at the end of a  
205 fiscal year shall not lapse into the State General Fund, and any  
206 investment earnings or interest earned on amounts in the fund  
207 shall be deposited to the credit of the fund. Monies in the fund  
208 shall be used to make loans to small municipalities and rural  
209 counties for the purposes provided in this section. Repayments on  
210 loans made under this section shall be deposited into the fund.

211 (b) Monies in the fund which are derived from proceeds  
212 of bonds issued under Sections 2 of this act may be used to  
213 reimburse reasonable actual and necessary costs incurred by the  
214 MDA in providing assistance related to a project for which funding  
215 is provided under this section from the use of proceeds of such  
216 bonds. An accounting of actual costs incurred for which  
217 reimbursement is sought shall be maintained for each project by  
218 the MDA. Reimbursement of reasonable actual and necessary costs  
219 for a project shall not exceed three percent (3%) of the proceeds  
220 of bonds issued for such project. Monies authorized for a



221 particular project may not be used to reimburse administrative  
222 costs for unrelated projects. Reimbursements under this  
223 subsection shall satisfy any applicable federal tax law  
224 requirements.

225 (3) The MDA shall establish a revolving loan program to make  
226 loans to small municipalities and rural counties for the purpose  
227 of assisting such municipalities and counties in paying costs  
228 associated with the repair, maintenance and/or reconstruction of  
229 roads, streets and bridges. The proceeds of loans made to small  
230 municipalities may be used for the purpose of assisting such  
231 municipalities in paying costs associated with the repair,  
232 maintenance and/or reconstruction of roads, streets and bridges in  
233 the municipalities. The proceeds of loans made to rural counties  
234 may be used for the purpose of assisting such counties in paying  
235 costs associated with the repair, maintenance and/or  
236 reconstruction of roads, streets and bridges in the counties. The  
237 maximum amount of a loan made under this section cannot exceed  
238 Five Hundred Thousand Dollars (\$500,000.00). A small municipality  
239 or rural county may apply to the MDA for a loan under this section  
240 in the manner provided for in this section.

241 (4) A small municipality or rural county desiring a loan  
242 under this section must submit an application to the MDA. The  
243 application must include a description of the project for which  
244 the loan is requested, the cost of the project for which the loan



245 is requested, the amount of the loan requested and any other  
246 information required by the MDA.

247 (5) A small municipality that receives a loan under this  
248 section shall pledge for repayment of the loan any part of the  
249 sales tax revenue distribution to which it may be entitled under  
250 Section 27-65-75. A rural county that receives a loan under this  
251 section shall pledge for repayment of the loan any part of the  
252 homestead exemption annual tax loss reimbursement to which it may  
253 be entitled under Section 27-33-77.

254 (6) The MDA shall have all powers necessary to implement and  
255 administer the program established under this section, and the MDA  
256 shall promulgate rules and regulations, in accordance with the  
257 Mississippi Administrative Procedures Law, necessary for the  
258 implementation of this section.

259 (7) The MDA shall file an annual report with the Governor,  
260 the Secretary of the Senate and the Clerk of the House of  
261 Representatives not later than December 1 of each year, describing  
262 all assistance provided under this section.

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

