

By: Representative Weathersby

To: Ways and Means

HOUSE BILL NO. 1654

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO ASSIST RANKIN COUNTY, MISSISSIPPI, IN PAYING THE COSTS
3 RELATED TO THE EXTENSION OF GUNTER ROAD; AND FOR RELATED PURPOSES.

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

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

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

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

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

17 (2) (a) (i) A special fund, to be designated as the "2018
18 Gunter Road Extension Fund," is created within the State Treasury.



19 The fund shall be maintained by the State Treasurer as a separate
20 and special fund, separate and apart from the General Fund of the
21 state. Unexpended amounts remaining in the fund at the end of a
22 fiscal year shall not lapse into the State General Fund, and any
23 interest earned or investment earnings on amounts in the fund
24 shall be deposited into such fund.

25 (ii) Monies deposited into the fund shall be
26 disbursed, in the discretion of the Department of Finance and
27 Administration, to assist Rankin County, Mississippi, in paying
28 the costs related to the extension of Gunter Road.

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

39 (3) (a) The commission, at one time, or from time to time,
40 may declare by resolution the necessity for issuance of general
41 obligation bonds of the State of Mississippi to provide funds for
42 all costs incurred or to be incurred for the purposes described in
43 subsection (2) of this section. Upon the adoption of a resolution



44 by the Department of Finance and Administration, declaring the
45 necessity for the issuance of any part or all of the general
46 obligation bonds authorized by this subsection, the department
47 shall deliver a certified copy of its resolution or resolutions to
48 the commission. Upon receipt of such resolution, the commission,
49 in its discretion, may act as issuing agent, prescribe the form of
50 the bonds, determine the appropriate method for sale of the bonds,
51 advertise for and accept bids or negotiate the sale of the bonds,
52 issue and sell the bonds so authorized to be sold, and do any and
53 all other things necessary and advisable in connection with the
54 issuance and sale of such bonds. The total amount of bonds issued
55 under this section shall not exceed Two Million Eight Hundred
56 Thousand Dollars (\$2,800,000.00). No bonds shall be issued under
57 this section after July 1, 2022.

58 (b) Any investment earnings on amounts deposited into
59 the special fund created in subsection (2) of this section shall
60 be used to pay debt service on bonds issued under this section, in
61 accordance with the proceedings authorizing issuance of such
62 bonds.

63 (4) The principal of and interest on the bonds authorized
64 under this section shall be payable in the manner provided in this
65 subsection. Such bonds shall bear such date or dates, be in such
66 denomination or denominations, bear interest at such rate or rates
67 (not to exceed the limits set forth in Section 75-17-101,
68 Mississippi Code of 1972), be payable at such place or places



69 within or without the State of Mississippi, shall mature
70 absolutely at such time or times not to exceed twenty-five (25)
71 years from date of issue, be redeemable before maturity at such
72 time or times and upon such terms, with or without premium, shall
73 bear such registration privileges, and shall be substantially in
74 such form, all as shall be determined by resolution of the
75 commission.

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



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

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

115 If such bonds are sold by sealed bids at public sale, notice
116 of the sale shall be published at least one time, not less than
117 ten (10) days before the date of sale, and shall be so published
118 in one or more newspapers published or having a general



119 circulation in the City of Jackson, Mississippi, selected by the
120 commission.

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

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

136 (9) Upon the issuance and sale of bonds under the provisions
137 of this section, the commission shall transfer the proceeds of any
138 such sale or sales to the special fund created in subsection (2)
139 of this section. The proceeds of such bonds shall be disbursed
140 solely upon the order of the Department of Finance and
141 Administration under such restrictions, if any, as may be
142 contained in the resolution providing for the issuance of the
143 bonds.



144 (10) The bonds authorized under this section may be issued
145 without any other proceedings or the happening of any other
146 conditions or things other than those proceedings, conditions and
147 things which are specified or required by this section. Any
148 resolution providing for the issuance of bonds under the
149 provisions of this section shall become effective immediately upon
150 its adoption by the commission, and any such resolution may be
151 adopted at any regular or special meeting of the commission by a
152 majority of its members.

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

161 (12) Any holder of bonds issued under the provisions of this
162 section or of any of the interest coupons pertaining thereto may,
163 either at law or in equity, by suit, action, mandamus or other
164 proceeding, protect and enforce any and all rights granted under
165 this section, or under such resolution, and may enforce and compel
166 performance of all duties required by this section to be
167 performed, in order to provide for the payment of bonds and
168 interest thereon.



169 (13) All bonds issued under the provisions of this section
170 shall be legal investments for trustees and other fiduciaries, and
171 for savings banks, trust companies and insurance companies
172 organized under the laws of the State of Mississippi, and such
173 bonds shall be legal securities which may be deposited with and
174 shall be received by all public officers and bodies of this state
175 and all municipalities and political subdivisions for the purpose
176 of securing the deposit of public funds.

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

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

183 (16) The State Treasurer is authorized, without further
184 process of law, to certify to the Department of Finance and
185 Administration the necessity for warrants, and the Department of
186 Finance and Administration is authorized and directed to issue
187 such warrants, in such amounts as may be necessary to pay when due
188 the principal of, premium, if any, and interest on, or the
189 accreted value of, all bonds issued under this section; and the
190 State Treasurer shall forward the necessary amount to the
191 designated place or places of payment of such bonds in ample time
192 to discharge such bonds, or the interest thereon, on the due dates
193 thereof.



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

198 **SECTION 2.** This act shall take effect and be in force from
199 and after July 1, 2018.

