

By: Representative Calhoun

To: Ways and Means

HOUSE BILL NO. 425

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST IN PAYING COSTS ASSOCIATED WITH
3 IMPROVEMENTS TO A PORTION OF OLD WHITFIELD ROAD LOCATED IN RANKIN
4 COUNTY, MISSISSIPPI; AND FOR RELATED PURPOSES.

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

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

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

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

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

18 (2) (a) (i) A special fund, to be designated the "2019 Old
19 Whitfield Road Improvements Fund," is created within the State



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

(ii) Monies deposited into the fund shall be disbursed, in the discretion of the Department of Finance and Administration, to assist in paying costs associated with the repair, rehabilitation, resurfacing, construction and reconstruction of Old Whitfield Road located in Rankin County, Mississippi, from its intersection with Pearson Road to its intersection with Airport Road in Rankin County, Mississippi.

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

(3) (a) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general



obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (2) of this section. Upon the adoption of a resolution by the Department of Finance and Administration, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed Nineteen Million Dollars (\$19,000,000.00). No bonds shall be issued under this section after July 1, 2023.

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

(4) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such bonds shall bear such date or dates, be in such



70 denomination or denominations, bear interest at such rate or rates
71 (not to exceed the limits set forth in Section 75-17-101,
72 Mississippi Code of 1972), be payable at such place or places
73 within or without the State of Mississippi, shall mature
74 absolutely at such time or times not to exceed twenty-five (25)
75 years from date of issue, be redeemable before maturity at such
76 time or times and upon such terms, with or without premium, shall
77 bear such registration privileges, and shall be substantially in
78 such form, all as shall be determined by resolution of the
79 commission.

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



95 bear. However, notwithstanding anything herein to the contrary,
96 such bonds may be issued as provided in the Registered Bond Act of
97 the State of Mississippi.

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

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



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

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

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

140 (9) Upon the issuance and sale of bonds under the provisions
141 of this section, the commission shall transfer the proceeds of any
142 such sale or sales to the special fund created in subsection (2)
143 of this section. The proceeds of such bonds shall be disbursed



solely upon the order of the Department of Finance and Administration under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

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

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

(12) Any holder of bonds issued under the provisions of this section or of any of the interest coupons pertaining thereto may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under



169 this section, or under such resolution, and may enforce and compel
170 performance of all duties required by this section to be
171 performed, in order to provide for the payment of bonds and
172 interest thereon.

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

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

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

187 (16) The State Treasurer is authorized, without further
188 process of law, to certify to the Department of Finance and
189 Administration the necessity for warrants, and the Department of
190 Finance and Administration is authorized and directed to issue
191 such warrants, in such amounts as may be necessary to pay when due
192 the principal of, premium, if any, and interest on, or the
193 accreted value of, all bonds issued under this section; and the



194 State Treasurer shall forward the necessary amount to the
195 designated place or places of payment of such bonds in ample time
196 to discharge such bonds, or the interest thereon, on the due dates
197 thereof.

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

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

