

By: Representative Hudson

To: Ways and Means

HOUSE BILL NO. 462

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, 2023.

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, 2019.

