

By: Representative Sanford

To: Ways and Means

HOUSE BILL NO. 1606

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS TO ASSIST COVINGTON COUNTY, MISSISSIPPI, IN
 3 PAYING COSTS ASSOCIATED WITH CONSTRUCTION AND DEVELOPMENT OF A
 4 SERVICE ROAD ALONG WITH A MEDIAN AND CROSSOVER AND RELATED
 5 INFRASTRUCTURE ALONG AND NEAR U.S. HIGHWAY 49 IN COVINGTON COUNTY
 6 AT OR NEAR THE SEMINARY COMMUNITY CENTER; AND FOR RELATED
 7 PURPOSES.

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

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

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

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

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



21 (2) (a) (i) A special fund, to be designated the "2019
22 Covington County, Service Road Construction Fund," is created
23 within the State Treasury. The fund shall be maintained by the
24 State Treasurer as a separate and special fund, separate and apart
25 from the General Fund of the state. Unexpended amounts remaining
26 in the fund at the end of a fiscal year shall not lapse into the
27 State General Fund, and any interest earned or investment earnings
28 on amounts in the fund shall be deposited into such fund.

29 (ii) Monies deposited into the fund shall be
30 disbursed, in the discretion of the Department of Finance and
31 Administration, to assist Covington County, Mississippi, in paying
32 costs associated with construction and development of a service
33 road along with a median and crossover and related infrastructure
34 along and near U.S. Highway 49 in Covington County at or near the
35 Seminary Community Center.

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



46 (3) (a) The commission, at one time, or from time to time,
47 may declare by resolution the necessity for issuance of general
48 obligation bonds of the State of Mississippi to provide funds for
49 all costs incurred or to be incurred for the purposes described in
50 subsection (2) of this section. Upon the adoption of a resolution
51 by the Department of Finance and Administration, declaring the
52 necessity for the issuance of any part or all of the general
53 obligation bonds authorized by this subsection, the department
54 shall deliver a certified copy of its resolution or resolutions to
55 the commission. Upon receipt of such resolution, the commission,
56 in its discretion, may act as the issuing agent, prescribe the
57 form of the bonds, determine the appropriate method for sale of
58 the bonds, advertise for and accept bids or negotiate the sale of
59 the bonds, issue and sell the bonds so authorized to be sold and
60 do any and all other things necessary and advisable in connection
61 with the issuance and sale of such bonds. The total amount of
62 bonds issued under this section shall not exceed Two Hundred
63 Thousand Dollars (\$200,000.00). No bonds shall be issued under
64 this section after July 1, 2023.

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



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

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



95 purposes and have the same effect as if the person so officially
96 signing such bonds had remained in office until their delivery to
97 the purchaser, or had been in office on the date such bonds may
98 bear. However, notwithstanding anything herein to the contrary,
99 such bonds may be issued as provided in the Registered Bond Act of
100 the State of Mississippi.

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

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



120 interest of the State of Mississippi. All interest accruing on
121 such bonds so issued shall be payable semiannually or annually.

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

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

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

143 (9) Upon the issuance and sale of bonds under the provisions
144 of this section, the commission shall transfer the proceeds of any



145 such sale or sales to the special fund created in subsection (2)
146 of this section. The proceeds of such bonds shall be disbursed
147 solely upon the order of the Department of Finance and
148 Administration under such restrictions, if any, as may be
149 contained in the resolution providing for the issuance of the
150 bonds.

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

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

168 (12) Any holder of bonds issued under the provisions of this
169 section or of any of the interest coupons pertaining thereto may,



170 either at law or in equity, by suit, action, mandamus or other
171 proceeding, protect and enforce any and all rights granted under
172 this section, or under such resolution, and may enforce and compel
173 performance of all duties required by this section to be
174 performed, in order to provide for the payment of bonds and
175 interest thereon.

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

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

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

190 (16) The State Treasurer is authorized, without further
191 process of law, to certify to the Department of Finance and
192 Administration the necessity for warrants, and the Department of
193 Finance and Administration is authorized and directed to issue
194 such warrants, in such amounts as may be necessary to pay when due



195 the principal of, premium, if any, and interest on, or the
196 accreted value of, all bonds issued under this section; and the
197 State Treasurer shall forward the necessary amount to the
198 designated place or places of payment of such bonds in ample time
199 to discharge such bonds, or the interest thereon, on the due dates
200 thereof.

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

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

