

By: Senator(s) Caughman

To: Finance

SENATE BILL NO. 2890

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE CITY OF MENDENHALL,
3 MISSISSIPPI, IN PAYING THE COSTS ASSOCIATED WITH THE CONSTRUCTION
4 OF A WATER LINE FROM A NEW, UNUSED WATER TANK TO THE CITY FOR
5 PURPOSES OF UTILIZING THE WATER SYSTEM; AND FOR RELATED PURPOSES.

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

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

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

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

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



19 (2) (a) (i) A special fund, to be designated the "2020
20 Mendenhall Water Tank and System Fund," is created within the
21 State Treasury. The fund shall be maintained by the State
22 Treasurer as a separate and special fund, separate and apart from
23 the General Fund of the state. Unexpended amounts remaining in
24 the fund at the end of a fiscal year shall not lapse into the
25 State General Fund, and any interest earned or investment earnings
26 on amounts in the fund shall be deposited into such fund.

27 (ii) Monies deposited into the fund shall be
28 disbursed, in the discretion of the Department of Finance and
29 Administration, to assist the City of Mendenhall, Mississippi, in
30 paying the costs associated with the construction of a water line
31 from a new, unused water tank to the city for purposes of
32 utilizing the water system.

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



43 (c) The Department of Finance and Administration,
44 acting through the Bureau of Building, Grounds and Real Property
45 Management, is expressly authorized and empowered to receive and
46 expend any local or other source funds in connection with the
47 expenditure of funds provided for in this section. The
48 expenditure of monies deposited into the special fund shall be
49 under the direction of the Department of Finance and
50 Administration, and such funds shall be paid by the State
51 Treasurer upon warrants issued by such department, which warrants
52 shall be issued upon requisitions signed by the Executive Director
53 of the Department of Finance and Administration, or his designee.

54 (3) (a) The commission, at one time, or from time to time,
55 may declare by resolution the necessity for issuance of general
56 obligation bonds of the State of Mississippi to provide funds for
57 all costs incurred or to be incurred for the purposes described in
58 subsection (2) of this section. Upon the adoption of a resolution
59 by the Department of Finance and Administration, declaring the
60 necessity for the issuance of any part or all of the general
61 obligation bonds authorized by this subsection, the department
62 shall deliver a certified copy of its resolution or resolutions to
63 the commission. Upon receipt of such resolution, the commission,
64 in its discretion, may act as the issuing agent, prescribe the
65 form of the bonds, determine the appropriate method for sale of
66 the bonds, advertise for and accept bids or negotiate the sale of
67 the bonds, issue and sell the bonds so authorized to be sold, and



68 do any and all other things necessary and advisable in connection
69 with the issuance and sale of such bonds. The total amount of
70 bonds issued under this section shall not exceed Five Hundred
71 Thousand Dollars (\$500,000.00). No bonds shall be issued under
72 this section after July 1, 2024.

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

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

91 (5) The bonds authorized by this section shall be signed by
92 the chairman of the commission, or by his facsimile signature, and



93 the official seal of the commission shall be affixed thereto,
94 attested by the secretary of the commission. The interest
95 coupons, if any, to be attached to such bonds may be executed by
96 the facsimile signatures of such officers. Whenever any such
97 bonds shall have been signed by the officials designated to sign
98 the bonds who were in office at the time of such signing but who
99 may have ceased to be such officers before the sale and delivery
100 of such bonds, or who may not have been in office on the date such
101 bonds may bear, the signatures of such officers upon such bonds
102 and coupons shall nevertheless be valid and sufficient for all
103 purposes and have the same effect as if the person so officially
104 signing such bonds had remained in office until their delivery to
105 the purchaser, or had been in office on the date such bonds may
106 bear. However, notwithstanding anything herein to the contrary,
107 such bonds may be issued as provided in the Registered Bond Act of
108 the State of Mississippi.

109 (6) All bonds and interest coupons issued under the
110 provisions of this section have all the qualities and incidents of
111 negotiable instruments under the provisions of the Uniform
112 Commercial Code, and in exercising the powers granted by this
113 section, the commission shall not be required to and need not
114 comply with the provisions of the Uniform Commercial Code.

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

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

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

(8) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the



143 payment thereof the full faith and credit of the State of
144 Mississippi is irrevocably pledged. If the funds appropriated by
145 the Legislature are insufficient to pay the principal of and the
146 interest on such bonds as they become due, then the deficiency
147 shall be paid by the State Treasurer from any funds in the State
148 Treasury not otherwise appropriated. All such bonds shall contain
149 recitals on their faces substantially covering the provisions of
150 this subsection.

151 (9) Upon the issuance and sale of bonds under the provisions
152 of this section, the commission shall transfer the proceeds of any
153 such sale or sales to the special fund created in subsection (2)
154 of this section. The proceeds of such bonds shall be disbursed
155 solely upon the order of the Department of Finance and
156 Administration under such restrictions, if any, as may be
157 contained in the resolution providing for the issuance of the
158 bonds.

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



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

176 (12) Any holder of bonds issued under the provisions of this
177 section or of any of the interest coupons pertaining thereto may,
178 either at law or in equity, by suit, action, mandamus or other
179 proceeding, protect and enforce any and all rights granted under
180 this section, or under such resolution, and may enforce and compel
181 performance of all duties required by this section to be
182 performed, in order to provide for the payment of bonds and
183 interest thereon.

184 (13) All bonds issued under the provisions of this section
185 shall be legal investments for trustees and other fiduciaries, and
186 for savings banks, trust companies and insurance companies
187 organized under the laws of the State of Mississippi, and such
188 bonds shall be legal securities which may be deposited with and
189 shall be received by all public officers and bodies of this state
190 and all municipalities and political subdivisions for the purpose
191 of securing the deposit of public funds.



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

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

198 (16) The State Treasurer is authorized, without further
199 process of law, to certify to the Department of Finance and
200 Administration the necessity for warrants, and the Department of
201 Finance and Administration is authorized and directed to issue
202 such warrants, in such amounts as may be necessary to pay when due
203 the principal of, premium, if any, and interest on, or the
204 accreted value of, all bonds issued under this section; and the
205 State Treasurer shall forward the necessary amount to the
206 designated place or places of payment of such bonds in ample time
207 to discharge such bonds, or the interest thereon, on the due dates
208 thereof.

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

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

