

By: Representative Byrd

To: Ways and Means

HOUSE BILL NO. 524

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR THE EMERGENCY ROAD AND BRIDGE REPAIR
3 FUND; 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 bonds 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) The commission, at one time, or from time to time,
18 may declare by resolution the necessity for issuance of general



19 obligation bonds of the State of Mississippi to provide funds for
20 the Emergency Road and Bridge Repair Fund created in Section
21 67-1-179. Upon the adoption of a resolution by the Mississippi
22 Transportation Commission, declaring the necessity for the
23 issuance of any part or all of the general obligation bonds
24 authorized by this subsection, the Mississippi Transportation
25 Commission shall deliver a certified copy of its resolution or
26 resolutions to the commission. Upon receipt of such resolution,
27 the commission, in its discretion, may act as the issuing agent,
28 prescribe the form of the bonds, determine the appropriate method
29 for sale of the bonds, advertise for and accept bids or negotiate
30 the sale of the bonds, issue and sell the bonds so authorized to
31 be sold, and do any and all other things necessary and advisable
32 in connection with the issuance and sale of such bonds. The total
33 amount of bonds issued under this section shall not exceed Fifty
34 Million Dollars (\$50,000,000.00). No bonds authorized under this
35 section shall be issued after July 1, 2026.

36 (b) The proceeds of bonds issued pursuant to this
37 section shall be deposited into the Emergency Road and Bridge
38 Repair Fund created pursuant to Section 67-1-179. Any investment
39 earnings on bonds issued pursuant to this section shall be used to
40 pay debt service on bonds issued under this section, in accordance
41 with the proceedings authorizing issuance of such bonds.

42 (3) The principal of and interest on the bonds authorized
43 under this section shall be payable in the manner provided in this



44 subsection. Such bonds shall bear such date or dates, be in such
45 denomination or denominations, bear interest at such rate or rates
46 (not to exceed the limits set forth in Section 75-17-101,
47 Mississippi Code of 1972), be payable at such place or places
48 within or without the State of Mississippi, shall mature
49 absolutely at such time or times not to exceed twenty-five (25)
50 years from date of issue, be redeemable before maturity at such
51 time or times and upon such terms, with or without premium, shall
52 bear such registration privileges, and shall be substantially in
53 such form, all as shall be determined by resolution of the
54 commission.

55 (4) The bonds authorized by this section shall be signed by
56 the chairman of the commission, or by his facsimile signature, and
57 the official seal of the commission shall be affixed thereto,
58 attested by the secretary of the commission. The interest
59 coupons, if any, to be attached to such bonds may be executed by
60 the facsimile signatures of such officers. Whenever any such
61 bonds shall have been signed by the officials designated to sign
62 the bonds who were in office at the time of such signing but who
63 may have ceased to be such officers before the sale and delivery
64 of such bonds, or who may not have been in office on the date such
65 bonds may bear, the signatures of such officers upon such bonds
66 and coupons shall nevertheless be valid and sufficient for all
67 purposes and have the same effect as if the person so officially
68 signing such bonds had remained in office until their delivery to



69 the purchaser, or had been in office on the date such bonds may
70 bear. However, notwithstanding anything herein to the contrary,
71 such bonds may be issued as provided in the Registered Bond Act of
72 the State of Mississippi.

73 (5) All bonds and interest coupons issued under the
74 provisions of this section have all the qualities and incidents of
75 negotiable instruments under the provisions of the Uniform
76 Commercial Code, and in exercising the powers granted by this
77 section, the commission shall not be required to and need not
78 comply with the provisions of the Uniform Commercial Code.

79 (6) The commission shall act as issuing agent for the bonds
80 authorized under this section, prescribe the form of the bonds,
81 determine the appropriate method for sale of the bonds, advertise
82 for and accept bids or negotiate the sale of the bonds, issue and
83 sell the bonds so authorized to be sold, pay all fees and costs
84 incurred in such issuance and sale, and do any and all other
85 things necessary and advisable in connection with the issuance and
86 sale of such bonds. The commission is authorized and empowered to
87 pay the costs that are incident to the sale, issuance and delivery
88 of the bonds authorized under this section from the proceeds
89 derived from the sale of such bonds. The commission may sell such
90 bonds on sealed bids at public sale or may negotiate the sale of
91 the bonds for such price as it may determine to be for the best
92 interest of the State of Mississippi. All interest accruing on
93 such bonds so issued shall be payable semiannually or annually.



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

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

105 (7) The bonds issued under the provisions of this section
106 are general obligations of the State of Mississippi, and for the
107 payment thereof the full faith and credit of the State of
108 Mississippi is irrevocably pledged. If the funds appropriated by
109 the Legislature are insufficient to pay the principal of and the
110 interest on such bonds as they become due, then the deficiency
111 shall be paid by the State Treasurer from any funds in the State
112 Treasury not otherwise appropriated. All such bonds shall contain
113 recitals on their faces substantially covering the provisions of
114 this subsection.

115 (8) Upon the issuance and sale of bonds under the provisions
116 of this section, the commission shall transfer the proceeds of any
117 such sale or sales to the Emergency Road and Bridge Repair Fund
118 created in Section 67-1-179.



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

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

136 (11) Any holder of bonds issued under the provisions of this
137 section or of any of the interest coupons pertaining thereto may,
138 either at law or in equity, by suit, action, mandamus or other
139 proceeding, protect and enforce any and all rights granted under
140 this section, or under such resolution, and may enforce and compel
141 performance of all duties required by this section to be
142 performed, in order to provide for the payment of bonds and
143 interest thereon.



144 (12) All bonds issued under the provisions of this section
145 shall be legal investments for trustees and other fiduciaries, and
146 for savings banks, trust companies and insurance companies
147 organized under the laws of the State of Mississippi, and such
148 bonds shall be legal securities which may be deposited with and
149 shall be received by all public officers and bodies of this state
150 and all municipalities and political subdivisions for the purpose
151 of securing the deposit of public funds.

152 (13) Bonds issued under the provisions of this section and
153 income therefrom shall be exempt from all taxation in the State of
154 Mississippi.

155 (14) The proceeds of the bonds issued under this section
156 shall be used solely for the purposes therein provided, including
157 the costs incident to the issuance and sale of such bonds.

158 (15) The State Treasurer is authorized, without further
159 process of law, to certify to the Department of Finance and
160 Administration the necessity for warrants, and the Department of
161 Finance and Administration is authorized and directed to issue
162 such warrants, in such amounts as may be necessary to pay when due
163 the principal of, premium, if any, and interest on, or the
164 accreted value of, all bonds issued under this section; and the
165 State Treasurer shall forward the necessary amount to the
166 designated place or places of payment of such bonds in ample time
167 to discharge such bonds, or the interest thereon, on the due dates
168 thereof.



169 (16) This section shall be deemed to be full and complete
170 authority for the exercise of the powers therein granted, but this
171 section shall not be deemed to repeal or to be in derogation of
172 any existing law of this state.

173 **SECTION 2.** This act shall take effect and be in force from
174 and after July 1, 2022.

