

By: Representatives Harness, Johnson

To: Ways and Means

HOUSE BILL NO. 1507

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS TO ASSIST THE TOWN OF FAYETTE, MISSISSIPPI,
 3 IN PAYING COSTS ASSOCIATED WITH THE CONSTRUCTION, FURNISHING AND
 4 EQUIPPING OF A COVERED ARENA FACILITY, REPAIR AND RENOVATION OF
 5 AND UPGRADES AND IMPROVEMENTS TO THE FAYETTE TOWN HALL BUILDING
 6 AND THE JEFFERSON BANK BUILDING, CONSTRUCTION, FURNISHING AND
 7 EQUIPPING OF A FIRE STATION, REPAIR OF AND UPGRADES AND
 8 IMPROVEMENTS TO THE TOWN'S WATER SYSTEM AND SEWER SYSTEM AND
 9 RELATED INFRASTRUCTURE AND ACQUISITION AND INSTALLATION OF A NEW
 10 WATER METER READING SYSTEM; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** (1) As used in this act, the following words
 13 shall have the meanings ascribed herein unless the context clearly
 14 requires otherwise:

15 (a) "State" means the State of Mississippi.

16 (b) "Commission" means the State Bond Commission.

17 (2) The principal of and interest on the bonds authorized
 18 under this act shall be payable in the manner provided in this
 19 subsection. Such bonds shall bear such date or dates, be in such
 20 denomination or denominations, bear interest at such rate or rates
 21 (not to exceed the limits set forth in Section 75-17-101,
 22 Mississippi Code of 1972), be payable at such place or places



23 within or without the State of Mississippi, shall mature
24 absolutely at such time or times not to exceed twenty-five (25)
25 years from date of issue, be redeemable before maturity at such
26 time or times and upon such terms, with or without premium, shall
27 bear such registration privileges, and shall be substantially in
28 such form, all as shall be determined by resolution of the
29 commission.

30 (3) The bonds authorized by this act shall be signed by the
31 chairman of the commission, or by his facsimile signature, and the
32 official seal of the commission shall be affixed thereto, attested
33 by the secretary of the commission. The interest coupons, if any,
34 to be attached to such bonds may be executed by the facsimile
35 signatures of such officers. Whenever any such bonds shall have
36 been signed by the officials designated to sign the bonds who were
37 in office at the time of such signing but who may have ceased to
38 be such officers before the sale and delivery of such bonds, or
39 who may not have been in office on the date such bonds may bear,
40 the signatures of such officers upon such bonds and coupons shall
41 nevertheless be valid and sufficient for all purposes and have the
42 same effect as if the person so officially signing such bonds had
43 remained in office until their delivery to the purchaser, or had
44 been in office on the date such bonds may bear. However,
45 notwithstanding anything herein to the contrary, such bonds may be
46 issued as provided in the Registered Bond Act of the State of
47 Mississippi.



48 (4) All bonds and interest coupons issued under the
49 provisions of this act have all the qualities and incidents of
50 negotiable instruments under the provisions of the Uniform
51 Commercial Code, and in exercising the powers granted by this act,
52 the commission shall not be required to and need not comply with
53 the provisions of the Uniform Commercial Code.

54 (5) The commission shall act as issuing agent for the bonds
55 authorized under this act, prescribe the form of the bonds,
56 determine the appropriate method for sale of the bonds, advertise
57 for and accept bids or negotiate the sale of the bonds, issue and
58 sell the bonds so authorized to be sold, pay all fees and costs
59 incurred in such issuance and sale, and do any and all other
60 things necessary and advisable in connection with the issuance and
61 sale of such bonds. The commission is authorized and empowered to
62 pay the costs that are incident to the sale, issuance and delivery
63 of the bonds authorized under this act from the proceeds derived
64 from the sale of such bonds. The commission may sell such bonds
65 on sealed bids at public sale or may negotiate the sale of the
66 bonds for such price as it may determine to be for the best
67 interest of the State of Mississippi. All interest accruing on
68 such bonds so issued shall be payable semiannually or annually.

69 If such bonds are sold by sealed bids at public sale, notice
70 of the sale shall be published at least one time, not less than
71 ten (10) days before the date of sale, and shall be so published
72 in one or more newspapers published or having a general



73 circulation in the City of Jackson, Mississippi, selected by the
74 commission.

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

80 (6) The bonds issued under the provisions of this act are
81 general obligations of the State of Mississippi, and for the
82 payment thereof the full faith and credit of the State of
83 Mississippi is irrevocably pledged. If the funds appropriated by
84 the Legislature are insufficient to pay the principal of and the
85 interest on such bonds as they become due, then the deficiency
86 shall be paid by the State Treasurer from any funds in the State
87 Treasury not otherwise appropriated. All such bonds shall contain
88 recitals on their faces substantially covering the provisions of
89 this subsection.

90 (7) Upon the issuance and sale of bonds under the provisions
91 of this act, the commission shall transfer the proceeds of any
92 such sale or sales to the special fund created in subsection (1)
93 of Section 2 of this act. The proceeds of such bonds shall be
94 disbursed from the special fund under such restrictions, if any,
95 as may be contained in the resolution providing for the issuance
96 of the bonds.



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

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

114 (10) Any holder of bonds issued under the provisions of this
115 act or of any of the interest coupons pertaining thereto may,
116 either at law or in equity, by suit, action, mandamus or other
117 proceeding, protect and enforce any and all rights granted under
118 this act, or under such resolution, and may enforce and compel
119 performance of all duties required by this act to be performed, in
120 order to provide for the payment of bonds and interest thereon.



121 (11) All bonds issued under the provisions of this act shall
122 be legal investments for trustees and other fiduciaries, and for
123 savings banks, trust companies and insurance companies organized
124 under the laws of the State of Mississippi, and such bonds shall
125 be legal securities which may be deposited with and shall be
126 received by all public officers and bodies of this state and all
127 municipalities and political subdivisions for the purpose of
128 securing the deposit of public funds.

129 (12) Bonds issued under the provisions of this act and
130 income therefrom shall be exempt from all taxation in the State of
131 Mississippi.

132 (13) The proceeds of the bonds issued under this act shall
133 be used solely for the purposes herein provided, including the
134 costs incident to the issuance and sale of such bonds.

135 (14) The State Treasurer is authorized, without further
136 process of law, to certify to the Department of Finance and
137 Administration the necessity for warrants, and the Department of
138 Finance and Administration is authorized and directed to issue
139 such warrants, in such amounts as may be necessary to pay when due
140 the principal of, premium, if any, and interest on, or the
141 accreted value of, all bonds issued under this act; and the State
142 Treasurer shall forward the necessary amount to the designated
143 place or places of payment of such bonds in ample time to
144 discharge such bonds, or the interest thereon, on the due dates
145 thereof. As used in this section, the "accreted value" of any



146 bond means, as of any date of computation, an amount equal to the
147 sum of (i) the stated initial value of such bond, plus (ii) the
148 interest accrued thereon from the issue date to the date of
149 computation at the rate, compounded semiannually, that is
150 necessary to produce the approximate yield to maturity shown for
151 bonds of the same maturity.

152 (15) This act shall be deemed to be full and complete
153 authority for the exercise of the powers granted in this act that
154 relate to the issuance of bonds, but this act shall not be deemed
155 to repeal or to be in derogation of any existing law of this state
156 that relates to the issuance of bonds.

157 **SECTION 2.** (1) (a) (i) A special fund, to be designated
158 as the "2022 Town of Fayette Improvements Fund," is created within
159 the State Treasury. The fund shall be maintained by the State
160 Treasurer as a separate and special fund, separate and apart from
161 the General Fund of the state. Unexpended amounts remaining in
162 the fund at the end of a fiscal year shall not lapse into the
163 State General Fund, and any interest earned or investment earnings
164 on amounts in the fund shall be deposited into such fund.

165 (ii) Monies deposited into the fund shall be
166 disbursed, in the discretion of the Department of Finance and
167 Administration, as follows:

168 1. Not more than Seven Hundred Fifty Thousand
169 Dollars (\$750,000.00) shall be used to assist the Town of Fayette,
170 Mississippi, in paying costs associated with the construction,



171 furnishing and equipping of a covered arena facility in the Town
172 of Fayette;

173 2. Not more than Seven Hundred Fifty Thousand
174 Dollars (\$750,000.00) shall be used to assist the Town of Fayette,
175 Mississippi, in paying costs associated with repair and renovation
176 of and upgrades and improvements to the Fayette Town Hall building
177 and the Jefferson Bank building;

178 3. Not more than One Million Dollars
179 (\$1,000,000.00) shall be used to assist the Town of Fayette,
180 Mississippi, in paying costs associated with the construction,
181 furnishing and equipping of a fire station for the town's fire
182 department; and

183 4. Not more than Five Million Eight Hundred
184 Seventy-five Thousand Dollars (\$5,875,000.00) shall be used to
185 assist the Town of Fayette, Mississippi, in paying costs
186 associated with repair of and upgrades and improvements to the
187 town's water system and sewer system and related infrastructure
188 and acquisition and installation of a new water meter reading
189 system.

190 (b) Amounts deposited into such special fund shall be
191 disbursed to pay the costs of the projects described in paragraph
192 (a) of this subsection. Promptly after the commission has
193 certified, by resolution duly adopted, that the projects described
194 in paragraph (a) of this subsection shall have been completed,
195 abandoned, or cannot be completed in a timely fashion, any amounts



196 remaining in such special fund shall be applied to pay debt
197 service on the bonds issued under this section, in accordance with
198 the proceedings authorizing the issuance of such bonds and as
199 directed by the commission.

200 (2) (a) The commission, at one time, or from time to time,
201 may declare by resolution the necessity for issuance of general
202 obligation bonds of the State of Mississippi to provide funds for
203 all costs incurred or to be incurred for the purposes described in
204 subsection (1) of this section. Upon the adoption of a resolution
205 by the Department of Finance and Administration, declaring the
206 necessity for the issuance of any part or all of the general
207 obligation bonds authorized by this section, the department shall
208 deliver a certified copy of its resolution or resolutions to the
209 commission. Upon receipt of such resolution, the commission is
210 authorized to proceed under the provisions of Section 1(5) of this
211 act. The total amount of bonds issued under this section shall
212 not exceed Eight Million Three Hundred Seventy-five Thousand
213 Dollars (\$8,375,000.00). No bonds shall be issued under this
214 section after July 1, 2026.

215 (b) Any investment earnings on amounts deposited into
216 the special fund created in subsection (1) of this section shall
217 be used to pay debt service on bonds issued under this section, in
218 accordance with the proceedings authorizing issuance of such
219 bonds.



220 (3) The provisions of Section 1 of this act shall apply to
221 the issuance of bonds authorized under this section.

222 **SECTION 3.** This act shall take effect and be in force from
223 and after July 1, 2022.

