

By: Representatives Morgan, McCarty, Pigott, To: Ways and Means
Tubb

HOUSE BILL NO. 1508

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE PROGRESS COMMUNITY WATER
3 ASSOCIATION IN LAMAR COUNTY, MISSISSIPPI, IN PAYING THE COSTS
4 ASSOCIATED WITH CONSTRUCTION, REPAIR, REPLACEMENT AND EXPANSION OF
5 AND UPGRADES AND IMPROVEMENTS TO THE ASSOCIATION'S WATER SYSTEM
6 AND RELATED INFRASTRUCTURE IN LAMAR COUNTY AND FORREST COUNTY,
7 MISSISSIPPI, AND CONSTRUCTION, REPAIR AND REPLACEMENT OF AND
8 UPGRADES AND IMPROVEMENTS TO ASSOCIATION FACILITIES IN LAMAR
9 COUNTY AND FORREST COUNTY; AND FOR RELATED PURPOSES.

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

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

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

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

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



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

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



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

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

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



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

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

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

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



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

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

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



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

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

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

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



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

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

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

165 (ii) Monies deposited into the fund shall be
166 disbursed, in the discretion of the Department of Finance and
167 Administration, to assist the Progress Community Water Association
168 in Lamar County, Mississippi, in paying the costs associated with
169 construction, repair, replacement and expansion of and upgrades



170 and improvements to the association's water system and related
171 infrastructure in Lamar County and Forrest County, Mississippi,
172 and construction, repair and replacement of and upgrades and
173 improvements to association facilities in Lamar County and Forrest
174 County.

175 (b) Amounts deposited into such special fund shall be
176 disbursed to pay the costs of the projects described in paragraph
177 (a) of this subsection. Promptly after the commission has
178 certified, by resolution duly adopted, that the projects described
179 in paragraph (a) of this subsection shall have been completed,
180 abandoned, or cannot be completed in a timely fashion, any amounts
181 remaining in such special fund shall be applied to pay debt
182 service on the bonds issued under this section, in accordance with
183 the proceedings authorizing the issuance of such bonds and as
184 directed by the commission.

185 (2) (a) The commission, at one time, or from time to time,
186 may declare by resolution the necessity for issuance of general
187 obligation bonds of the State of Mississippi to provide funds for
188 all costs incurred or to be incurred for the purposes described in
189 subsection (1) of this section. Upon the adoption of a resolution
190 by the Department of Finance and Administration, declaring the
191 necessity for the issuance of any part or all of the general
192 obligation bonds authorized by this section, the department shall
193 deliver a certified copy of its resolution or resolutions to the
194 commission. Upon receipt of such resolution, the commission is



195 authorized to proceed under the provisions of Section 1(5) of this
196 act. The total amount of bonds issued under this section shall
197 not exceed Six Million Three Hundred Sixty Thousand Dollars
198 (\$6,360,000.00). No bonds shall be issued under this section
199 after July 1, 2026.

200 (b) Any investment earnings on amounts deposited into
201 the special fund created in subsection (1) of this section shall
202 be used to pay debt service on bonds issued under this section, in
203 accordance with the proceedings authorizing issuance of such
204 bonds.

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

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

