

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1530

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS IN THE AMOUNT OF \$4,490,000.00 TO PROVIDE MATCHING FUNDS FOR
 3 FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO
 4 PROVIDE THAT NOT MORE THAN \$2,870,000.00 OF SUCH BONDS MAY BE
 5 ISSUED TO MATCH THE ANNUAL CLEAN WATER STATE REVOLVING FUND
 6 APPROPRIATIONS AND THAT NOT MORE THAN \$1,620,000.00 OF SUCH BONDS
 7 MAY BE ISSUED TO MATCH THE SUPPLEMENTAL INFRASTRUCTURE AND
 8 INVESTMENT JOBS ACT APPROPRIATIONS; TO AMEND SECTION 49-17-85,
 9 MISSISSIPPI CODE OF 1972, TO AUTHORIZE INTEREST AND INVESTMENT
 10 EARNINGS ON MONEY IN THE WATER POLLUTION CONTROL REVOLVING FUND TO
 11 BE UTILIZED TO PAY DEBT SERVICE ON THE BONDS AUTHORIZED TO BE
 12 ISSUED BY THIS ACT; AND FOR RELATED PURPOSES.

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

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

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



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

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

26 (2) (a) The Commission on Environmental Quality, at one
27 time, or from time to time, may declare by resolution the
28 necessity for issuance of general obligation bonds of the State of
29 Mississippi to provide funds for the Water Pollution Control
30 Revolving Fund established in Section 49-17-85, Mississippi Code
31 of 1972. Upon the adoption of a resolution by the Commission on
32 Environmental Quality declaring the necessity for the issuance of
33 any part or all of the general obligation bonds authorized by this
34 subsection, the Commission on Environmental Quality shall deliver
35 a certified copy of its resolution or resolutions to the
36 commission; however, the Commission on Environmental Quality shall
37 declare the necessity for the issuance of bonds only in the amount
38 necessary to match projected federal funds available through the
39 following federal fiscal year from the annual Clean Water State
40 Revolving Fund (CWSRF) appropriations and from the supplemental
41 Infrastructure Investment and Jobs Act (IIJA) appropriations.
42 Upon receipt of such resolution, the commission, in its
43 discretion, may act as the issuing agent, prescribe the form of
44 the bonds, determine the appropriate method for sale of the bonds,
45 advertise for and accept bids or negotiate the sale of the bonds,
46 issue and sell the bonds so authorized to be sold, and do any and
47 all other things necessary and advisable in connection with the
48 issuance and sale of such bonds. The total amount of bonds issued



49 under this section shall not exceed Four Million Four Hundred
50 Ninety Thousand Dollars (\$4,490,000.00); however, not more than
51 Two Million Eight Hundred Seventy Thousand Dollars (\$2,870,000.00)
52 of such bonds may be issued to match the annual CWSRF
53 appropriations and not more than One Million Six Hundred Twenty
54 Thousand Dollars (\$1,620,000.00) of such bonds may be issued to
55 match the supplemental IIJA appropriations.

56 (b) The proceeds of bonds issued pursuant to this
57 subsection shall be deposited into the Water Pollution Control
58 Revolving Fund created pursuant to Section 49-17-85, Mississippi
59 Code of 1972.

60 (3) The principal of and interest on the bonds authorized
61 under this section shall be payable in the manner provided in this
62 section. Such bonds shall bear such date or dates, be in such
63 denomination or denominations, bear interest at such rate or rates
64 (not to exceed the limits set forth in Section 75-17-101,
65 Mississippi Code of 1972), be payable at such place or places
66 within or without the State of Mississippi, shall mature
67 absolutely at such time or times not to exceed twenty-five (25)
68 years from date of issue, be redeemable before maturity at such
69 time or times and upon such terms, with or without premium, shall
70 bear such registration privileges, and shall be substantially in
71 such form, all as shall be determined by resolution of the
72 commission.



73 (4) The bonds authorized by this section shall be signed by
74 the chairman of the commission, or by his facsimile signature, and
75 the official seal of the commission shall be affixed thereto,
76 attested by the secretary of the commission. The interest
77 coupons, if any, to be attached to such bonds may be executed by
78 the facsimile signatures of such officers. Whenever any such
79 bonds shall have been signed by the officials designated to sign
80 the bonds who were in office at the time of such signing but who
81 may have ceased to be such officers before the sale and delivery
82 of such bonds, or who may not have been in office on the date such
83 bonds may bear, the signatures of such officers upon such bonds
84 and coupons shall nevertheless be valid and sufficient for all
85 purposes and have the same effect as if the person so officially
86 signing such bonds had remained in office until their delivery to
87 the purchaser, or had been in office on the date such bonds may
88 bear. However, notwithstanding anything herein to the contrary,
89 such bonds may be issued as provided in the Registered Bond Act of
90 the State of Mississippi.

91 (5) All bonds and interest coupons issued under the
92 provisions of this section have all the qualities and incidents of
93 negotiable instruments under the provisions of the Uniform
94 Commercial Code, and in exercising the powers granted by this
95 section, the commission shall not be required to and need not
96 comply with the provisions of the Uniform Commercial Code.



97 (6) The commission shall act as the issuing agent for the
98 bonds authorized under this section, prescribe the form of the
99 bonds, determine the appropriate method for sale of the bonds,
100 advertise for and accept bids or negotiate the sale of the bonds,
101 issue and sell the bonds so authorized to be sold, pay all fees
102 and costs incurred in such issuance and sale, and do any and all
103 other things necessary and advisable in connection with the
104 issuance and sale of such bonds. The commission is authorized and
105 empowered to pay the costs that are incident to the sale, issuance
106 and delivery of the bonds authorized under this section from the
107 proceeds derived from the sale of such bonds. The commission may
108 sell such bonds on sealed bids at public sale or may negotiate the
109 sale of the bonds for such price as it may determine to be for the
110 best interest of the State of Mississippi. All interest accruing
111 on such bonds so issued shall be payable semiannually or annually.

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

118 The commission, when issuing any bonds under the authority of
119 this section, may provide that bonds, at the option of the State
120 of Mississippi, may be called in for payment and redemption at the



121 call price named therein and accrued interest on such date or
122 dates named therein.

123 (7) The bonds issued under the provisions of this section
124 are general obligations of the State of Mississippi, and for the
125 payment thereof the full faith and credit of the State of
126 Mississippi is irrevocably pledged. Interest and investment
127 earnings on money in the Water Pollution Control Revolving Fund
128 shall be utilized to pay the principal and interest on such bonds
129 as they become due. If the interest and investment earnings of
130 the fund and any funds appropriated by the Legislature are
131 insufficient to pay the principal of and the interest on such
132 bonds as they become due, then the deficiency shall be paid by the
133 State Treasurer from any funds in the State Treasury not otherwise
134 appropriated. All such bonds shall contain recitals on their
135 faces substantially covering the provisions of this section.

136 (8) Upon the issuance and sale of bonds under the provisions
137 of this section, the commission shall transfer the proceeds of any
138 such sale or sales to the Water Pollution Control Revolving Fund
139 created in Section 49-17-85, Mississippi Code of 1972. After the
140 transfer of the proceeds of any such sale or sales to the Water
141 Pollution Control Revolving Fund, any investment earnings or
142 interest earned on the proceeds of such bonds shall be deposited
143 to the credit of the Water Pollution Control Revolving Fund and
144 shall be used only for the purposes provided in Section 49-17-85,
145 Mississippi Code of 1972. The proceeds of such bonds shall be



146 disbursed solely upon the order of the Commission on Environmental
147 Quality under such restrictions, if any, as may be contained in
148 the resolution providing for the issuance of the bonds.

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

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

166 (11) Any holder of bonds issued under the provisions of this
167 section or of any of the interest coupons pertaining thereto may,
168 either at law or in equity, by suit, action, mandamus or other
169 proceeding, protect and enforce any and all rights granted under
170 this section, or under such resolution, and may enforce and compel



171 performance of all duties required by this section to be
172 performed, in order to provide for the payment of bonds and
173 interest thereon.

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

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

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

188 (15) The State Treasurer is authorized, without further
189 process of law, to certify to the Department of Finance and
190 Administration the necessity for warrants, and the Department of
191 Finance and Administration is authorized and directed to issue
192 such warrants, in such amounts as may be necessary to pay when due
193 the principal of, premium, if any, and interest on, or the
194 accreted value of, all bonds issued under this section; and the
195 State Treasurer shall forward the necessary amount to the



196 designated place or places of payment of such bonds in ample time
197 to discharge such bonds, or the interest thereon, on the due dates
198 thereof.

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

203 **SECTION 2.** Section 49-17-85, Mississippi Code of 1972, is
204 amended as follows:

205 49-17-85. (1) There is established in the State Treasury a
206 fund to be known as the "Water Pollution Control Revolving Fund,"
207 which shall be administered by the commission acting through the
208 department. The revolving fund may receive bond proceeds and
209 funds appropriated or otherwise made available by the Legislature
210 in any manner and funds from any other source, public or private.
211 The revolving fund shall be maintained in perpetuity for the
212 purposes established in this section.

213 (2) There is established in the State Treasury a fund to be
214 known as the "Water Pollution Control Hardship Grants Fund," which
215 shall be administered by the commission acting through the
216 department. The grants fund shall be maintained in perpetuity for
217 the purposes established in this section. Any interest earned on
218 monies in the grants fund shall be credited to that fund.

219 (3) The commission shall promulgate regulations for the
220 administration of the revolving fund program, the hardship grants



221 program and for related programs authorized under this section.
222 The regulations shall be in accordance with the federal Water
223 Quality Act of 1987, as amended, and regulations and guidance
224 issued under that act. The commission may enter into
225 capitalization grant agreements with the United States
226 Environmental Protection Agency and may accept capitalization
227 grant awards made under Title VI of the Water Quality Act of 1987,
228 as amended.

229 (4) The commission shall establish a loan program which
230 shall commence after October 1, 1988, to assist political
231 subdivisions in the construction of water pollution control
232 projects. Loans from the revolving fund may be made to political
233 subdivisions as set forth in a loan agreement in amounts not
234 exceeding one hundred percent (100%) of eligible project costs as
235 established by the commission. Notwithstanding loan amount
236 limitations set forth in Section 49-17-61, the commission may
237 require local participation or funding from other sources, or
238 otherwise limit the percentage of costs covered by loans from the
239 revolving fund. The commission may establish a maximum amount for
240 any loan in order to provide for broad and equitable participation
241 in the program.

242 (5) The commission shall establish a hardship grants program
243 for rural communities, which shall commence after July 1, 1997, to
244 assist severely economically disadvantaged small rural political
245 subdivisions in the construction of water pollution control



246 projects. The commission may receive and administer state or
247 federal funds, or both, appropriated for the operation of this
248 grants program and may take all actions necessary to implement the
249 program in accordance with the federal hardship grants program.
250 The hardship grants program shall operate in conjunction with the
251 revolving loan program administered under this section.

252 (6) The commission shall act for the state in all matters
253 and with respect to all determinations under Title VI of the
254 federal Water Quality Act of 1987, as amended, and the federal
255 Omnibus Appropriations and Recision Act of 1996.

256 (7) Except as otherwise provided in this section, the
257 revolving fund may be used only:

258 (a) To make loans on the condition that:

259 (i) The loans are made at or below market interest
260 rates, at terms not to exceed the maximum time allowed by federal
261 law after project completion; the interest rate and term may vary
262 from time to time and from loan to loan at the discretion of the
263 commission;

264 (ii) Periodic principal and interest payments will
265 commence when required by the commission but not later than one
266 (1) year after project completion and all loans will be fully
267 amortized when required by the commission but not later than the
268 maximum time allowed by federal law after project completion;

269 (iii) The recipient of a loan will establish a
270 dedicated source of revenue for repayment of loans;



271 (b) To buy or refinance the debt obligation of
272 political subdivisions at or below market rates, where the debt
273 obligations were incurred after March 7, 1985, and where the
274 projects were constructed in compliance with applicable federal
275 and state regulations;

276 (c) To guarantee, or purchase insurance for,
277 obligations of political subdivisions where the action would
278 improve credit market access or reduce interest rates;

279 (d) To provide loan guarantees for similar revolving
280 funds established by municipalities or intermunicipal agencies;

281 (e) To earn interest on fund accounts;

282 (f) To establish nonpoint source pollution control
283 management programs;

284 (g) To establish estuary conservation and management
285 programs;

286 (h) For the reasonable costs of administering the
287 revolving fund and conducting activities under this act, subject
288 to the limitations established in Section 603(d)(7) of Title VI of
289 the federal Clean Water Act, as amended, and subject to annual
290 appropriation by the Legislature;

291 (i) In connection with the issuance, sale and purchase
292 of bonds under Section 31-25-1 et seq., related to the funding of
293 projects, to provide security or a pledge of revenues for the
294 repayment of the bonds; and



295 (j) To pay the principal and interest on bonds issued
296 pursuant to Section 11 of Chapter 580, Laws of 2007, Section 1 of
297 Chapter 492, Laws of 2008, Section 47 of Chapter 557, Laws of
298 2009, Section 45 of Chapter 533, Laws of 2010, Section 3 of
299 Chapter 480, Laws of 2011, Section 36 of Chapter 569, Laws of
300 2013, Section 9 of Chapter 452, Laws of 2018, Section 1 of Chapter
301 415, Laws of 2019, Section 16 of Chapter 492, Laws of 2020, * * *
302 Section 137 of Chapter 480, Laws of 2021, and Section 1 of this
303 act, as they become due; however, only interest and investment
304 earnings on money in the fund may be utilized for this purpose.

305 (8) The hardship grants program shall be used only to
306 provide hardship grants consistent with the federal hardship
307 grants program for rural communities, regulations and guidance
308 issued by the United States Environmental Protection Agency,
309 subsections (3) and (5) of this section and regulations
310 promulgated and guidance issued by the commission under this
311 section.

312 (9) The commission shall establish by regulation a system of
313 priorities and a priority list of projects eligible for funding
314 with loans from the revolving fund.

315 (10) The commission may provide a loan from the revolving
316 fund only with respect to a project if that project is on the
317 priority list established by the commission.

318 (11) The revolving fund shall be credited with all payments
319 of principal and interest derived from the fund uses described in



320 subsection (7) of this section. However, notwithstanding any
321 other provision of law to the contrary, all or any portion of
322 payments of principal and interest derived from the fund uses
323 described in subsection (7) of this section may be designated or
324 pledged for repayment of a loan as provided in Section 31-25-28 in
325 connection with a loan from the Mississippi Development Bank.

326 (12) The commission may establish and collect fees to defray
327 the reasonable costs of administering the revolving fund if it
328 determines that the administrative costs will exceed the
329 limitations established in Section 603(d)(7) of Title VI of the
330 federal Clean Water Act, as amended. The administration fees may
331 be included in loan amounts to political subdivisions for the
332 purpose of facilitating payment to the commission. The fees may
333 not exceed five percent (5%) of the loan amount.

334 (13) Except as otherwise provided in this section, the
335 commission may, on a case-by-case basis and to the extent allowed
336 by federal law, renegotiate the payment of principal and interest
337 on loans made under this section to the six (6) most southern
338 counties of the state covered by the Presidential Declaration of
339 Major Disaster for the State of Mississippi (FEMA-1604-DR) dated
340 August 29, 2005, and to political subdivisions located in such
341 counties; however, the interest on the loans shall not be forgiven
342 for a period of more than twenty-four (24) months and the maturity
343 of the loans shall not be extended for a period of more than
344 forty-eight (48) months.



345 (14) The commission may, on a case-by-case basis and to the
346 extent allowed by federal law, renegotiate the payment of
347 principal and interest on loans made under this section to Hancock
348 County as a result of coverage under the Presidential Declaration
349 of Major Disaster for the State of Mississippi (FEMA-1604-DR)
350 dated August 29, 2005, and to political subdivisions located in
351 Hancock County.

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

