

By: Senator(s) Bryan

To: Finance

SENATE BILL NO. 3166

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
 2 BONDS TO PROVIDE FUNDS TO ASSIST THE DEPARTMENT OF ENVIRONMENTAL  
 3 QUALITY IN PAYING THE COSTS ASSOCIATED WITH THE ADMINISTRATION OF  
 4 THE MISSISSIPPI WATER INFRASTRUCTURE GRANT PROGRAM ACT OF 2022,  
 5 WHICH PROVIDES DRINKING WATER, WASTEWATER, AND STORMWATER  
 6 INFRASTRUCTURE REIMBURSABLE GRANTS TO MUNICIPALITIES, COUNTIES,  
 7 RURAL WATER ASSOCIATIONS, AND UTILITY AUTHORITIES, AND OTHER  
 8 OPERATIONAL EXPENSES ALLOWABLE UNDER THE AMERICAN RESCUE PLAN ACT;  
 9 TO AMEND SECTION 27-103-203, MISSISSIPPI CODE OF 1972, TO PROVIDE  
 10 THAT INTEREST EARNED ON SUMS INVESTED IN THE WORKING  
 11 CASH-STABILIZATION RESERVE FUND SHALL BE DEPOSITED IN THE WORKING  
 12 CASH-STABILIZATION RESERVE FUND UNTIL THE BALANCE OF PRINCIPAL AND  
 13 INTEREST IN THE FUND REACHES \$1,000,000,000.00; AND FOR RELATED  
 14 PURPOSES.

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

16 **SECTION 1.** (1) The provisions of this section shall apply  
 17 to every section of this act that relates to the issuance of bonds  
 18 unless otherwise provided in this act.

19 (2) As used in this act, the following words shall have the  
 20 meanings ascribed herein unless the context clearly requires  
 21 otherwise:

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

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



24           (3) The principal of and interest on the bonds authorized  
25 under this act shall be payable in the manner provided in this  
26 subsection. Such bonds shall bear such date or dates, be in such  
27 denomination or denominations, bear interest at such rate or rates  
28 (not to exceed the limits set forth in Section 75-17-101,  
29 Mississippi Code of 1972), be payable at such place or places  
30 within or without the State of Mississippi, shall mature  
31 absolutely at such time or times not to exceed twenty-five (25)  
32 years from date of issue, be redeemable before maturity at such  
33 time or times and upon such terms, with or without premium, shall  
34 bear such registration privileges, and shall be substantially in  
35 such form, all as shall be determined by resolution of the  
36 commission.

37           (4) The bonds authorized by this act shall be signed by the  
38 chairman of the commission, or by his facsimile signature, and the  
39 official seal of the commission shall be affixed thereto, attested  
40 by the secretary of the commission. The interest coupons, if any,  
41 to be attached to such bonds may be executed by the facsimile  
42 signatures of such officers. Whenever any such bonds shall have  
43 been signed by the officials designated to sign the bonds who were  
44 in office at the time of such signing but who may have ceased to  
45 be such officers before the sale and delivery of such bonds, or  
46 who may not have been in office on the date such bonds may bear,  
47 the signatures of such officers upon such bonds and coupons shall  
48 nevertheless be valid and sufficient for all purposes and have the



49 same effect as if the person so officially signing such bonds had  
50 remained in office until their delivery to the purchaser, or had  
51 been in office on the date such bonds may bear. However,  
52 notwithstanding anything herein to the contrary, such bonds may be  
53 issued as provided in the Registered Bond Act of the State of  
54 Mississippi.

55 (5) All bonds and interest coupons issued under the  
56 provisions of this act have all the qualities and incidents of  
57 negotiable instruments under the provisions of the Uniform  
58 Commercial Code, and in exercising the powers granted by this act,  
59 the commission shall not be required to and need not comply with  
60 the provisions of the Uniform Commercial Code.

61 (6) The commission shall act as issuing agent for the bonds  
62 authorized under this act, prescribe the form of the bonds,  
63 determine the appropriate method for sale of the bonds, advertise  
64 for and accept bids or negotiate the sale of the bonds, issue and  
65 sell the bonds so authorized to be sold, pay all fees and costs  
66 incurred in such issuance and sale, and do any and all other  
67 things necessary and advisable in connection with the issuance and  
68 sale of such bonds. The commission is authorized and empowered to  
69 pay the costs that are incident to the sale, issuance and delivery  
70 of the bonds authorized under this act from the proceeds derived  
71 from the sale of such bonds. The commission may sell such bonds  
72 on sealed bids at public sale or may negotiate the sale of the  
73 bonds for such price as it may determine to be for the best



74 interest of the State of Mississippi. All interest accruing on  
75 such bonds so issued shall be payable semiannually or annually.

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

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

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

97 (8) Upon the issuance and sale of bonds under the provisions  
98 of this act, the commission shall transfer the proceeds of any



99 such sale or sales to the special fund created in subsection (1)  
100 of the applicable section of this act. The proceeds of such bonds  
101 shall be disbursed from the special fund under such restrictions,  
102 if any, as may be contained in the resolution providing for the  
103 issuance of the bonds.

104 (9) The bonds authorized under this act may be issued  
105 without any other proceedings or the happening of any other  
106 conditions or things other than those proceedings, conditions and  
107 things which are specified or required by this act. Any  
108 resolution providing for the issuance of bonds under the  
109 provisions of this act shall become effective immediately upon its  
110 adoption by the commission, and any such resolution may be adopted  
111 at any regular or special meeting of the commission by a majority  
112 of its members.

113 (10) The bonds authorized under the authority of this act  
114 may be validated in the Chancery Court of the First Judicial  
115 District of Hinds County, Mississippi, in the manner and with the  
116 force and effect provided by Title 31, Chapter 13, Mississippi  
117 Code of 1972, for the validation of county, municipal, school  
118 district and other bonds. The notice to taxpayers required by  
119 such statutes shall be published in a newspaper published or  
120 having a general circulation in the City of Jackson, Mississippi.

121 (11) Any holder of bonds issued under the provisions of this  
122 act or of any of the interest coupons pertaining thereto may,  
123 either at law or in equity, by suit, action, mandamus or other



124 proceeding, protect and enforce any and all rights granted under  
125 this act, or under such resolution, and may enforce and compel  
126 performance of all duties required by this act to be performed, in  
127 order to provide for the payment of bonds and interest thereon.

128 (12) All bonds issued under the provisions of this act shall  
129 be legal investments for trustees and other fiduciaries, and for  
130 savings banks, trust companies and insurance companies organized  
131 under the laws of the State of Mississippi, and such bonds shall  
132 be legal securities which may be deposited with and shall be  
133 received by all public officers and bodies of this state and all  
134 municipalities and political subdivisions for the purpose of  
135 securing the deposit of public funds.

136 (13) Bonds issued under the provisions of this act and  
137 income therefrom shall be exempt from all taxation in the State of  
138 Mississippi.

139 (14) The proceeds of the bonds issued under this act shall  
140 be used solely for the purposes herein provided, including the  
141 costs incident to the issuance and sale of such bonds.

142 (15) The State Treasurer is authorized, without further  
143 process of law, to certify to the Department of Finance and  
144 Administration the necessity for warrants, and the Department of  
145 Finance and Administration is authorized and directed to issue  
146 such warrants, in such amounts as may be necessary to pay when due  
147 the principal of, premium, if any, and interest on, or the  
148 accreted value of, all bonds issued under this act; and the State



149 Treasurer shall forward the necessary amount to the designated  
150 place or places of payment of such bonds in ample time to  
151 discharge such bonds, or the interest thereon, on the due dates  
152 thereof. As used in this section, the "accreted value" of any  
153 bond means, as of any date of computation, an amount equal to the  
154 sum of (a) the stated initial value of such bond, plus (b) the  
155 interest accrued thereon from the issue date to the date of  
156 computation at the rate, compounded semiannually, that is  
157 necessary to produce the approximate yield to maturity shown for  
158 bonds of the same maturity.

159 (16) This act shall be deemed to be full and complete  
160 authority for the exercise of the powers granted in this act that  
161 relate to the issuance of bonds, but this act shall not be deemed  
162 to repeal or to be in derogation of any existing law of this state  
163 that relates to the issuance of bonds.

164 **SECTION 2.** (1) (a) (i) A special fund, to be designated  
165 as the "2022 Water Infrastructure Grant Program Act Administration  
166 Fund," is created within the State Treasury. The fund shall be  
167 maintained by the State Treasurer as a separate and special fund,  
168 separate and apart from the General Fund of the state. Unexpended  
169 amounts remaining in the fund at the end of a fiscal year shall  
170 not lapse into the State General Fund, and any interest earned or  
171 investment earnings on amounts in the fund shall be deposited into  
172 such fund.



173 (ii) Monies deposited into the fund shall be  
174 disbursed, in the discretion of the Department of Finance and  
175 Administration, to assist the Department of Environmental Quality  
176 in paying the costs associated with the administration of the  
177 Mississippi Water Infrastructure Grant Program Act of 2022, Senate  
178 Bill No. 2822, 2022 Regular Session, which establishes programs to  
179 provide reimbursable grants to municipalities, counties, rural  
180 water associations, and utility authorities for drinking water,  
181 wastewater, and stormwater projects that are allowable under  
182 Section 9901 of the American Rescue Plan Act of 2021 (ARPA) or any  
183 guidance or regulation issued by the United States Department of  
184 the Treasury in conformity therewith.

185 (b) Amounts deposited into such special fund shall be  
186 disbursed to pay the costs of the projects described in paragraph  
187 (a) of this subsection. Promptly after the commission has  
188 certified, by resolution duly adopted, that the projects described  
189 in paragraph (a) of this subsection shall have been completed,  
190 abandoned, or cannot be completed in a timely fashion, any amounts  
191 remaining in such special fund shall be applied to pay debt  
192 service on the bonds issued under this section, in accordance with  
193 the proceedings authorizing the issuance of such bonds and as  
194 directed by the commission.

195 (2) (a) The commission, at one time, or from time to time,  
196 may declare by resolution the necessity for issuance of general  
197 obligation bonds of the State of Mississippi to provide funds for





198 all costs incurred or to be incurred for the purposes described in  
199 subsection (1) of this section. Upon the adoption of a resolution  
200 by the Department of Finance and Administration, declaring the  
201 necessity for the issuance of any part or all of the general  
202 obligation bonds authorized by this section, the department shall  
203 deliver a certified copy of its resolution or resolutions to the  
204 commission. Upon receipt of such resolution, the commission is  
205 authorized to proceed under the provisions of Section 1(6) of this  
206 act. The total amount of bonds issued under this section shall  
207 not exceed Seven Hundred Fifty Million Dollars (\$750,000,000.00).  
208 No bonds shall be issued under this section after July 1, 2026.

209 (b) Any investment earnings on amounts deposited into  
210 the special fund created in subsection (1) of this section shall  
211 be used to pay debt service on bonds issued under this section, in  
212 accordance with the proceedings authorizing issuance of such  
213 bonds.

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

216 **SECTION 3.** Section 27-103-203, Mississippi Code of 1972, is  
217 amended as follows:

218 27-103-203. (1) There is created in the State Treasury a  
219 special fund, separate and apart from any other fund, to be  
220 designated the Working Cash-Stabilization Reserve Fund.

221 (2) The Working Cash-Stabilization Reserve Fund shall not be  
222 considered as a surplus or available funds when adopting a



223 balanced budget as required by law. The State Treasurer shall  
224 invest all sums in the Working Cash-Stabilization Reserve Fund not  
225 needed for the purposes provided for in this section in  
226 certificates of deposit, repurchase agreements and other  
227 securities as authorized in Section 27-105-33(d) or Section  
228 7-9-103, as the State Treasurer may determine to yield the highest  
229 market rate available. If the Ayers Settlement Fund is created  
230 under Section 37-101-27(5), the first Five Million Dollars  
231 (\$5,000,000.00) of interest earned on those sums each fiscal year  
232 shall be deposited into that fund until a total of Seventy Million  
233 Dollars (\$70,000,000.00) has been deposited into the fund. The  
234 interest, or the remaining interest if the Ayers Settlement Fund  
235 is created, that is earned on those sums shall be deposited in the  
236 Working Cash-Stabilization Reserve Fund until the balance of  
237 principal and interest in the fund reaches \* \* \* One Billion  
238 Dollars (\$1,000,000,000.00), and all interest earned in excess of  
239 amounts necessary to maintain the \* \* \* fund balance requirement  
240 of One Billion Dollars (\$1,000,000,000.00) shall be deposited by  
241 the State Treasurer into the State General Fund.

242 (3) The Working Cash-Stabilization Reserve Fund, except for  
243 Fifteen Million Dollars (\$15,000,000.00) and the amount of the  
244 interest and income earned on the principal of the Ayers Endowment  
245 Trust created by Section 37-101-27, shall be used by the State  
246 Treasurer for cash flow needs throughout the year when the  
247 Executive Director of the Department of Finance and Administration



248 certifies that in his opinion there will be cash flow deficiencies  
249 in the State General Fund. No borrowing of monies from other  
250 special funds for such purposes as authorized by Section 31-17-101  
251 et seq., shall be made as long as an unencumbered balance in  
252 excess of Fifteen Million Dollars (\$15,000,000.00) and the  
253 interest and income earned on the principal of the Ayers Endowment  
254 Trust created by Section 37-101-27 remains in the fund. The State  
255 Treasurer shall reimburse the fund for all sums borrowed for those  
256 purposes from General Fund revenues collected during the fiscal  
257 year in which those funds are used. The State Treasurer shall  
258 immediately notify the Legislative Budget Office and the State  
259 Department of Finance and Administration of each transfer into and  
260 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the  
261 Working Cash-Stabilization Reserve Fund shall remain available for  
262 exclusive use of the Ayers Endowment Trust created by Section  
263 37-101-27. If the Ayers Settlement Fund is created under Section  
264 37-101-27(5), beginning when a total of Fifty-five Million Dollars  
265 (\$55,000,000.00) has been deposited into the fund, for each annual  
266 deposit of interest to that fund under subsection (2) of this  
267 section, the Ayers Endowment Trust created under Section  
268 37-101-27(1) shall be reduced by an equal amount annually until  
269 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which  
270 time any requirements concerning the Ayers Endowment Trust in this  
271 section shall be null and void.



272 (4) The Working Cash-Stabilization Reserve Fund, except for  
273 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
274 purpose of covering any projected deficits that may occur in the  
275 General Fund at the end of a fiscal year as a result of revenue  
276 shortfalls. If the Governor determines that a deficit in revenues  
277 from all sources may occur, it shall be the duty of the Executive  
278 Director of the Department of Finance and Administration to  
279 transfer such funds as necessary to the General Fund to alleviate  
280 the deficit in accordance with Sections 27-104-13 and 31-17-123;  
281 however, not more than Fifty Million Dollars (\$50,000,000.00) may  
282 be transferred from the fund for that purpose in any one (1)  
283 fiscal year.

284 (5) The Working Cash-Stabilization Reserve Fund also shall  
285 be used to provide funds for the Disaster Assistance Trust Fund  
286 when those funds are immediately needed to provide for disaster  
287 assistance under Sections 33-15-301 through 33-15-317. Any  
288 transfer of funds from the Working Cash-Stabilization Reserve Fund  
289 to the Disaster Assistance Trust Fund shall be made in accordance  
290 with the provisions of subsection (5) of Section 33-15-307.

291 (6) The Department of Finance and Administration shall  
292 immediately send notice of any transfers made, or other action  
293 taken under authority of this section, to the Legislative Budget  
294 Office.

295 (7) Funds deposited in the Working Cash-Stabilization  
296 Reserve Fund shall be used only for the purposes specified in this



297 section, and as long as the provisions of this section remain in  
298 effect, no other expenditure, appropriation or transfer of funds  
299 in the Working Cash-Stabilization Reserve Fund shall be made  
300 except by act of the Legislature making specific reference to the  
301 Working Cash-Stabilization Reserve Fund as the source of those  
302 funds.

303 (8) Any funds appropriated from the Working  
304 Cash-Stabilization Reserve Fund that are unexpended at the end of  
305 a fiscal year shall lapse into the Working Cash-Stabilization  
306 Reserve Fund.

307 **SECTION 4.** This act shall take effect and be in force from  
308 and after its passage.

