

By: Representative Rushing

To: Ways and Means

HOUSE BILL NO. 371

1 AN ACT TO AMEND SECTION 74, CHAPTER 492, LAWS OF 2020, TO
2 REVISE THE PURPOSES FOR WHICH THE PROCEEDS OF BONDS AUTHORIZED TO
3 BE ISSUED TO ASSIST THE CITY OF UNION, MISSISSIPPI, IN PAYING
4 COSTS ASSOCIATED WITH REPAIRS AND OVERLAY OF INDUSTRIAL CIRCLE IN
5 THE CITY OF UNION, MAY BE USED; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 74, Chapter 492, Laws of 2020, is amended
8 as follows:

9 Section 74. (1) As used in this section, the following
10 words shall have the meanings ascribed herein unless the context
11 clearly requires otherwise:

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

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



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

21 (2) (a) (i) A special fund, to be designated the "2020
22 City of Union - Industrial Circle Improvements Fund," is created
23 within the State Treasury. The fund shall be maintained by the
24 State Treasurer as a separate and special fund, separate and apart
25 from the General Fund of the state. Unexpended amounts remaining
26 in the fund at the end of a fiscal year shall not lapse into the
27 State General Fund, and any interest earned or investment earnings
28 on amounts in the fund shall be deposited into such fund.

29 (ii) Monies deposited into the fund shall be
30 disbursed, in the discretion of the Department of Finance and
31 Administration, to assist the City of Union, Mississippi, in
32 paying costs associated with repairs and overlay of Industrial
33 Circle in the City of Union and repairs, resurfacing and other
34 improvements and upgrades to roads in the City of Union.

35 (b) Amounts deposited into such special fund shall be
36 disbursed to pay the costs of the projects described in paragraph
37 (a) of this subsection. Promptly after the commission has
38 certified, by resolution duly adopted, that the projects described
39 in paragraph (a) of this subsection shall have been completed,
40 abandoned, or cannot be completed in a timely fashion, any amounts
41 remaining in such special fund shall be applied to pay debt
42 service on the bonds issued under this section, in accordance with
43 the proceedings authorizing the issuance of such bonds and as
44 directed by the commission.



45 (3) (a) The commission, at one time, or from time to time,
46 may declare by resolution the necessity for issuance of general
47 obligation bonds of the State of Mississippi to provide funds for
48 all costs incurred or to be incurred for the purposes described in
49 subsection (2) of this section. Upon the adoption of a resolution
50 by the Department of Finance and Administration, declaring the
51 necessity for the issuance of any part or all of the general
52 obligation bonds authorized by this subsection, the department
53 shall deliver a certified copy of its resolution or resolutions to
54 the commission. Upon receipt of such resolution, the commission,
55 in its discretion, may act as the issuing agent, prescribe the
56 form of the bonds, determine the appropriate method for sale of
57 the bonds, advertise for and accept bids or negotiate the sale of
58 the bonds, issue and sell the bonds so authorized to be sold and
59 do any and all other things necessary and advisable in connection
60 with the issuance and sale of such bonds. The total amount of
61 bonds issued under this section shall not exceed Three Hundred
62 Thousand Dollars (\$300,000.00). No bonds shall be issued under
63 this section after July 1, 2024.

64 (b) Any investment earnings on amounts deposited into
65 the special fund created in subsection (2) of this section shall
66 be used to pay debt service on bonds issued under this section, in
67 accordance with the proceedings authorizing issuance of such
68 bonds.



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

82 (5) The bonds authorized by this section shall be signed by
83 the chairman of the commission, or by his facsimile signature, and
84 the official seal of the commission shall be affixed thereto,
85 attested by the secretary of the commission. The interest
86 coupons, if any, to be attached to such bonds may be executed by
87 the facsimile signatures of such officers. Whenever any such
88 bonds shall have been signed by the officials designated to sign
89 the bonds who were in office at the time of such signing but who
90 may have ceased to be such officers before the sale and delivery
91 of such bonds, or who may not have been in office on the date such
92 bonds may bear, the signatures of such officers upon such bonds
93 and coupons shall nevertheless be valid and sufficient for all



94 purposes and have the same effect as if the person so officially
95 signing such bonds had remained in office until their delivery to
96 the purchaser, or had been in office on the date such bonds may
97 bear. However, notwithstanding anything herein to the contrary,
98 such bonds may be issued as provided in the Registered Bond Act of
99 the State of Mississippi.

100 (6) All bonds and interest coupons issued under the
101 provisions of this section have all the qualities and incidents of
102 negotiable instruments under the provisions of the Uniform
103 Commercial Code, and in exercising the powers granted by this
104 section, the commission shall not be required to and need not
105 comply with the provisions of the Uniform Commercial Code.

106 (7) The commission shall act as issuing agent for the bonds
107 authorized under this section, prescribe the form of the bonds,
108 determine the appropriate method for sale of the bonds, advertise
109 for and accept bids or negotiate the sale of the bonds, issue and
110 sell the bonds so authorized to be sold, pay all fees and costs
111 incurred in such issuance and sale, and do any and all other
112 things necessary and advisable in connection with the issuance and
113 sale of such bonds. The commission is authorized and empowered to
114 pay the costs that are incident to the sale, issuance and delivery
115 of the bonds authorized under this section from the proceeds
116 derived from the sale of such bonds. The commission may sell such
117 bonds on sealed bids at public sale or may negotiate the sale of
118 the bonds for such price as it may determine to be for the best



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

121 If such bonds are sold by sealed bids at public sale, notice
122 of the sale shall be published at least one (1) time, not less
123 than ten (10) days before the date of sale, and shall be so
124 published in one or more newspapers published or having a general
125 circulation in the City of Jackson, Mississippi, selected by the
126 commission.

127 The commission, when issuing any bonds under the authority of
128 this section, may provide that bonds, at the option of the State
129 of Mississippi, may be called in for payment and redemption at the
130 call price named therein and accrued interest on such date or
131 dates named therein.

132 (8) The bonds issued under the provisions of this section
133 are general obligations of the State of Mississippi, and for the
134 payment thereof the full faith and credit of the State of
135 Mississippi is irrevocably pledged. If the funds appropriated by
136 the Legislature are insufficient to pay the principal of and the
137 interest on such bonds as they become due, then the deficiency
138 shall be paid by the State Treasurer from any funds in the State
139 Treasury not otherwise appropriated. All such bonds shall contain
140 recitals on their faces substantially covering the provisions of
141 this subsection.

142 (9) Upon the issuance and sale of bonds under the provisions
143 of this section, the commission shall transfer the proceeds of any



144 such sale or sales to the special fund created in subsection (2)
145 of this section. The proceeds of such bonds shall be disbursed
146 solely upon the order of the Department of Finance and
147 Administration under such restrictions, if any, as may be
148 contained in the resolution providing for the issuance of the
149 bonds.

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

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

167 (12) Any holder of bonds issued under the provisions of this
168 section or of any of the interest coupons pertaining thereto may,



169 either at law or in equity, by suit, action, mandamus or other
170 proceeding, protect and enforce any and all rights granted under
171 this section, or under such resolution, and may enforce and compel
172 performance of all duties required by this section to be
173 performed, in order to provide for the payment of bonds and
174 interest thereon.

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

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

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

189 (16) The State Treasurer is authorized, without further
190 process of law, to certify to the Department of Finance and
191 Administration the necessity for warrants, and the Department of
192 Finance and Administration is authorized and directed to issue
193 such warrants, in such amounts as may be necessary to pay when due



194 the principal of, premium, if any, and interest on, or the
195 accreted value of, all bonds issued under this section; and the
196 State Treasurer shall forward the necessary amount to the
197 designated place or places of payment of such bonds in ample time
198 to discharge such bonds, or the interest thereon, on the due dates
199 thereof.

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

204 **SECTION 2.** This act shall take effect and be in force from
205 and after its passage.

