

By: Representative Harness

To: Ways and Means

HOUSE BILL NO. 1577

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS TO ASSIST THE CITY OF PORT GIBSON,
 3 MISSISSIPPI, IN PAYING COSTS ASSOCIATED WITH THE REPLACEMENT OF
 4 WATER LINES AND SEWER LINES AND OTHER UPGRADES AND IMPROVEMENTS TO
 5 THE CITY'S WATER SYSTEM AND SEWER SYSTEM AND RELATED
 6 INFRASTRUCTURE AND FACILITIES; AND FOR RELATED PURPOSES.

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

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

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

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

13 (2) The principal of and interest on the bonds authorized
 14 under this act shall be payable in the manner provided in this
 15 subsection. Such bonds shall bear such date or dates, be in such
 16 denomination or denominations, bear interest at such rate or rates
 17 (not to exceed the limits set forth in Section 75-17-101,
 18 Mississippi Code of 1972), be payable at such place or places
 19 within or without the State of Mississippi, shall mature
 20 absolutely at such time or times not to exceed twenty-five (25)



21 years from date of issue, be redeemable before maturity at such
22 time or times and upon such terms, with or without premium, shall
23 bear such registration privileges, and shall be substantially in
24 such form, all as shall be determined by resolution of the
25 commission.

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

44 (4) All bonds and interest coupons issued under the
45 provisions of this act have all the qualities and incidents of



46 negotiable instruments under the provisions of the Uniform
47 Commercial Code, and in exercising the powers granted by this act,
48 the commission shall not be required to and need not comply with
49 the provisions of the Uniform Commercial Code.

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

65 If such bonds are sold by sealed bids at public sale, notice
66 of the sale shall be published at least one time, not less than
67 ten (10) days before the date of sale, and shall be so published
68 in one or more newspapers published or having a general
69 circulation in the City of Jackson, Mississippi, selected by the
70 commission.



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

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

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

92 (8) The bonds authorized under this act may be issued
93 without any other proceedings or the happening of any other
94 conditions or things other than those proceedings, conditions and
95 things which are specified or required by this act. Any



96 resolution providing for the issuance of bonds under the
97 provisions of this act shall become effective immediately upon its
98 adoption by the commission, and any such resolution may be adopted
99 at any regular or special meeting of the commission by a majority
100 of its members.

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

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

116 (11) All bonds issued under the provisions of this act shall
117 be legal investments for trustees and other fiduciaries, and for
118 savings banks, trust companies and insurance companies organized
119 under the laws of the State of Mississippi, and such bonds shall
120 be legal securities which may be deposited with and shall be



121 received by all public officers and bodies of this state and all
122 municipalities and political subdivisions for the purpose of
123 securing the deposit of public funds.

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

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

130 (14) The State Treasurer is authorized, without further
131 process of law, to certify to the Department of Finance and
132 Administration the necessity for warrants, and the Department of
133 Finance and Administration is authorized and directed to issue
134 such warrants, in such amounts as may be necessary to pay when due
135 the principal of, premium, if any, and interest on, or the
136 accreted value of, all bonds issued under this act; and the State
137 Treasurer shall forward the necessary amount to the designated
138 place or places of payment of such bonds in ample time to
139 discharge such bonds, or the interest thereon, on the due dates
140 thereof. As used in this section, the "accreted value" of any
141 bond means, as of any date of computation, an amount equal to the
142 sum of (i) the stated initial value of such bond, plus (ii) the
143 interest accrued thereon from the issue date to the date of
144 computation at the rate, compounded semiannually, that is



145 necessary to produce the approximate yield to maturity shown for
146 bonds of the same maturity.

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

152 **SECTION 2.** (1) (a) (i) A special fund, to be designated
153 as the "2023 City of Port Gibson Water and Sewer Improvements
154 Fund," is created within the State Treasury. The fund shall be
155 maintained by the State Treasurer as a separate and special fund,
156 separate and apart from the General Fund of the state. Unexpended
157 amounts remaining in the fund at the end of a fiscal year shall
158 not lapse into the State General Fund, and any interest earned or
159 investment earnings on amounts in the fund shall be deposited into
160 such fund.

161 (ii) Monies deposited into the fund shall be
162 disbursed, in the discretion of the Department of Finance and
163 Administration, to assist the City of Port Gibson, Mississippi, in
164 paying costs associated with the replacement of water lines and
165 sewer lines and other upgrades and improvements to the city's
166 water system and sewer systems and related infrastructure and
167 facilities.

168 (b) Amounts deposited into such special fund shall be
169 disbursed to pay the costs of the projects described in paragraph
170 (a) of this subsection. Promptly after the commission has



171 certified, by resolution duly adopted, that the projects described
172 in paragraph (a) of this subsection shall have been completed,
173 abandoned, or cannot be completed in a timely fashion, any amounts
174 remaining in such special fund shall be applied to pay debt
175 service on the bonds issued under this section, in accordance with
176 the proceedings authorizing the issuance of such bonds and as
177 directed by the commission.

178 (2) (a) The commission, at one time, or from time to time,
179 may declare by resolution the necessity for issuance of general
180 obligation bonds of the State of Mississippi to provide funds for
181 all costs incurred or to be incurred for the purposes described in
182 subsection (1) of this section. Upon the adoption of a resolution
183 by the Department of Finance and Administration, declaring the
184 necessity for the issuance of any part or all of the general
185 obligation bonds authorized by this section, the department shall
186 deliver a certified copy of its resolution or resolutions to the
187 commission. Upon receipt of such resolution, the commission is
188 authorized to proceed under the provisions of Section 1(5) of this
189 act. The total amount of bonds issued under this section shall
190 not exceed Eight Million Dollars (\$8,000,000.00). No bonds shall
191 be issued under this section after July 1, 2027.

192 (b) Any investment earnings on amounts deposited into
193 the special fund created in subsection (1) of this section shall
194 be used to pay debt service on bonds issued under this section, in



195 accordance with the proceedings authorizing issuance of such
196 bonds.

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

199 **SECTION 3.** This act shall take effect and be in force from
200 and after July 1, 2023.

