

By: Representative Aguirre

To: Ways and Means

HOUSE BILL NO. 1359

1 AN ACT TO AMEND SECTION 31-19-1, 19-9-19, 21-33-315 AND
2 19-9-7, MISSISSIPPI CODE OF 1972, TO CLARIFY MUNICIPALITIES AND
3 COUNTIES MAY ISSUE ANY BONDS AS SERIAL BONDS PAYABLE ANNUALLY OR
4 AS A SINGLE TERM BOND PAYABLE ANNUALLY; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 31-19-1, Mississippi Code of 1972, is
7 amended as follows:

8 31-19-1. * * * Except as otherwise provided, any county or
9 municipality * * * may issue any bonds * * * as serial * * * bonds
10 or as a single term bond.

11 **SECTION 2.** Section 19-9-19, Mississippi Code of 1972, is
12 amended as follows:

13 19-9-19. All serial bonds issued by a county shall mature
14 annually, with all maturities not longer than twenty (20) years,
15 with not less than one-fiftieth (1/50) of the total issue to
16 mature each year during the first five (5) years of the life of
17 such bonds, not less than one-twenty-fifth (1/25) of the total
18 issue to mature each year during the succeeding ten-year period of
19 the life of such bonds, and the remainder to be amortized, as to



20 principal and interest, into approximately equal annual payments,
21 one (1) payment to mature each year for the remaining life of such
22 bonds. However, in cases where bonds shall be issued or dated
23 subsequent to the date fixed for making the county tax levy in the
24 year in which such bonds are to be issued, the first maturity date
25 of not less than one-fiftieth (1/50) of the total issue, may be
26 fixed for any period not exceeding two (2) years from the date of
27 the bonds with the same schedule of subsequent maturities as
28 hereinabove set forth. Such bonds shall not bear a greater
29 overall maximum interest rate to maturity than that allowed in
30 Section 75-17-101 * * *. No bond shall bear more than one (1)
31 rate of interest; each bond shall bear interest from its date to
32 its stated maturity date at the interest rate specified in the
33 bid; all bonds of the same maturity shall bear the same rate of
34 interest from date to maturity; all interest accruing on such
35 bonds so issued shall be payable semiannually or annually, except
36 that the first interest coupon attached to any such bond may be
37 for any period not exceeding one (1) year.

38 No interest payment shall be evidenced by more than one (1)
39 coupon and neither cancelled nor supplemental coupons shall be
40 permitted; the lowest interest rate specified for any bonds issued
41 shall not be less than seventy percent (70%) of the highest
42 interest rate specified for the same bond issue. The interest
43 rate of any one (1) interest coupon shall not exceed the maximum
44 interest rate allowed on such bonds.



45 Each interest rate specified in any bid must be in multiples
46 of one-eighth of one percent (1/8 of 1%) or in multiples of
47 one-tenth of one percent (1/10 of 1%), and a zero rate of interest
48 cannot be named. The denomination, form, and place, or places, of
49 payment of such bonds shall be fixed in the resolution or order of
50 the board of supervisors issuing such bonds. Such bonds shall be
51 executed by the manual or facsimile signature of the president of
52 the board of supervisors, or the vice president in the absence or
53 disability of the president, and countersigned by the manual or
54 facsimile signature of the clerk thereof, with the official seal
55 of the county affixed thereto. At least one (1) signature on each
56 bond shall be a manual signature, as specified in the issuing
57 resolution. The coupons may bear only the facsimile signatures of
58 such president, or vice president and clerk. No bonds shall be
59 issued and sold under the provisions of Sections 19-9-1 to 19-9-31
60 for less than par and accrued interest.

61 Notwithstanding any law to the contrary, any county may issue
62 a single term bond payable annually which amortizes as described
63 under this section, complies with the other requirements described
64 under this section and with a final maturity not longer than
65 twenty (20) years.

66 **SECTION 3.** Section 21-33-315, Mississippi Code of 1972,
67 is amended as follows:

68 21-33-315. All serial bonds issued by a municipality shall
69 mature annually, with all maturities not longer than twenty (20)



70 years, with not less than one-fiftieth (1/50) of the total issue
71 to mature each year during the first five (5) years of the life of
72 such bonds, not less than one-twenty-fifth (1/25) of the total
73 issue to mature each year during the succeeding ten-year period of
74 the life of such bonds, and the remainder to be amortized, as to
75 principal and interest, into approximately equal annual payments,
76 one (1) payment to mature each year for the remaining life of such
77 bonds. However, in cases where bonds shall be issued or dated
78 subsequent to the date fixed for making the municipal tax levy in
79 the year in which such bonds are to be issued, the first maturity
80 date of not less than one-fiftieth (1/50) of the total issue, may
81 be fixed for any period not exceeding two (2) years from the date
82 of the bonds with the same schedule of subsequent maturities as
83 hereinabove set forth. Such bonds shall not bear a greater
84 overall maximum interest rate to maturity than that allowed in
85 Section 75-17-101 * * *. No bond shall bear more than one (1)
86 rate of interest. Each bond shall bear interest from its date to
87 its stated maturity date at the interest rate specified in the
88 bid. All bonds of the same maturity shall bear the same rate of
89 interest from date to maturity. All interest accruing on such
90 bonds so issued shall be payable semiannually or annually, except
91 that the first interest coupon attached to any such bond may be
92 for any period not exceeding one (1) year.

93 No interest payment shall be evidenced by more than one (1)
94 coupon and neither cancelled nor supplemental coupons shall be



95 permitted. The lowest interest rate specified for any bonds
96 issued shall not be less than seventy percent (70%) of the highest
97 interest rate specified for the same bond issue. The interest
98 rate of any one (1) interest coupon shall not exceed the maximum
99 interest rate allowed on such bonds.

100 Each interest rate specified in any bid must be in multiples
101 of one-eighth of one percent (1/8 of 1%) or in multiples of
102 one-tenth of one percent (1/10 of 1%). The denomination, form,
103 and place, or places, of payment of such bonds shall be fixed in
104 the resolution or ordinance of the governing authorities issuing
105 such bonds. Such bonds shall be executed by the manual or
106 facsimile signature of the mayor and clerk of such municipality,
107 with the seal of the municipality affixed thereto. At least one
108 (1) signature on each bond shall be a manual signature, as
109 specified in the resolution. The coupons may bear only the
110 facsimile signatures of such mayor and clerk. No bonds shall be
111 issued and sold under the provisions of this article for less than
112 par and accrued interest.

113 Notwithstanding any law to the contrary, any municipality may
114 issue a single term bond payable annually which amortizes as
115 described under this section, complies with the other requirements
116 described under this section and with a final maturity not longer
117 than twenty (20) years.

118 **SECTION 4.** Section 19-9-7, Mississippi Code of 1972, is
119 amended as follows:



120 19-9-7. All such bonds shall be lithographed or engraved,
121 and printed in two (2) or more colors, to prevent counterfeiting,
122 and shall be * * * in such denominations as shall be specified by
123 the governing authorities of the county and shall be registered as
124 issued, be numbered in a regular series from one (1) upward, and
125 every such bond shall specify on its face the purpose for which it
126 was issued and the total amount authorized to be issued, and each
127 shall be made payable to bearer, and interest shall be evidenced
128 by proper coupons thereto attached.

129 Notwithstanding the foregoing provisions of this section,
130 bonds referred to hereinabove may be issued pursuant to the
131 supplemental powers and authorizations conferred by the provisions
132 of the Registered Bond Act, being Sections 31-21-1 through
133 31-21-7.

134 **SECTION 5.** This act shall take effect and be in force from
135 and after its passage.

