

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1767

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
 2 BONDS IN THE AMOUNT OF \$5,541,000.00 TO PROVIDE MATCHING FUNDS FOR  
 3 FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO  
 4 PROVIDE THAT NOT MORE THAN \$1,284,000.00 OF SUCH BONDS MAY BE  
 5 ISSUED TO MATCH THE ANNUAL CLEAN WATER STATE REVOLVING FUND  
 6 APPROPRIATIONS AND THAT NOT MORE THAN \$4,257,000.00 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 Five Million Five Hundred  
50 Forty-one Thousand Dollars (\$5,541,000.00); however, not more than  
51 One Million Two Hundred Eighty-four Thousand Dollars  
52 (\$1,284,000.00) of such bonds may be issued to match the annual  
53 CWSRF appropriations and not more than Four Million Two Hundred  
54 Fifty-seven Thousand Dollars (\$4,257,000.00) of such bonds may be  
55 issued to 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, 2024.

