

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1856

1 AN ACT TO AMEND SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF  
2 1995, AS LAST AMENDED BY SECTION 25, CHAPTER 492, LAWS OF 2020, TO  
3 INCREASE FROM \$36,843,000.00 TO \$44,513,600.00 THE AMOUNT OF STATE  
4 GENERAL OBLIGATION BONDS AUTHORIZED TO BE ISSUED FOR THE LOCAL  
5 GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN  
6 FUND; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Sections 6 through 20, Chapter 521, Laws of 1995,  
9 as amended by Section 17, Chapter 503, Laws of 2003, as amended by  
10 Section 2, Chapter 477, Laws of 2004, as amended by Section 2,  
11 Chapter 456, Laws of 2006, as amended by Section 3, Chapter 492,  
12 Laws of 2008, as amended by Section 47, Chapter 533, Laws of 2010,  
13 as amended by Section 13, Chapter 480, Laws of 2011, as amended by  
14 Section 35, Chapter 569, Laws of 2013, as amended by Section 8,  
15 Chapter 452, Laws of 2018, as amended by Section 12, Chapter 454,  
16 Laws of 2019, as amended by Section 25, Chapter 492, Laws of 2020,  
17 are amended as follows:

18 Section 6. The board created in Section 41-3-16, at one  
19 time, or from time to time, may declare by resolution the  
20 necessity for issuance of general obligation bonds of the State of



21 Mississippi to provide funds for all costs incurred or to be  
22 incurred by the board in constructing new water systems or  
23 repairing existing water systems described in Section 41-3-16.  
24 Upon the adoption of a resolution by the board declaring the  
25 necessity for the issuance of any part or all of the general  
26 obligation bonds authorized by this section, the board shall  
27 deliver a certified copy of its resolution or resolutions to the  
28 State Bond Commission. Upon receipt of such resolution, the State  
29 Bond Commission, in its discretion, may act as the issuing agent,  
30 prescribe the form of the bonds, determine the appropriate method  
31 for the sale of the bonds, advertise for and accept bids or  
32 negotiate the sale of the bonds, issue and sell the tax exempt or  
33 taxable bonds so authorized to be sold, and do any and all other  
34 things necessary and advisable in connection with the issuance and  
35 sale of such bonds. The amount of bonds issued under Sections 6  
36 through 20 of this act shall not exceed \* \* \* Forty-four Million  
37 Five Hundred Thirteen Thousand Six Hundred Dollars  
38 (\$44,513,600.00), the proceeds of which shall be deposited in the  
39 revolving fund and Five Million Dollars (\$5,000,000.00), the  
40 proceeds of which shall be deposited in the emergency fund.

41 Section 7. The principal of and interest on the bonds  
42 authorized under Section 6 of this act shall be payable in the  
43 manner provided in this section. Such bonds shall bear such date  
44 or dates, be in such denomination or denominations, bear interest  
45 at such rate or rates (not to exceed the limits set forth in



46 Section 75-17-101), be payable at such place or places within or  
47 without the State of Mississippi, shall mature absolutely at such  
48 time or times not to exceed twenty-five (25) years from date of  
49 issue, be redeemable before maturity at such time or times and  
50 upon such terms, with or without premium, shall bear such  
51 registration privileges, and shall be substantially in such form,  
52 all as shall be determined by resolution of the State Bond  
53 Commission.

54 Section 8. The bonds authorized by Section 6 of this act  
55 shall be signed by the Chairman of the State Bond Commission, or  
56 by his facsimile signature, and the official seal of the State  
57 Bond Commission shall be affixed thereto, attested by the  
58 Secretary of the State Bond Commission. The interest coupons, if  
59 any, to be attached to such bonds may be executed by the facsimile  
60 signatures of such officers. Whenever any such bonds shall have  
61 been signed by the officials designated to sign the bonds who were  
62 in office at the time of such signing but who may have ceased to  
63 be such officers before the sale and delivery of such bonds, or  
64 who may not have been in office on the date such bonds may bear,  
65 the signatures of such officers upon such bonds and coupons shall  
66 nevertheless be valid and sufficient for all purposes and have the  
67 same effect as if the person so officially signing such bonds had  
68 remained in office until their delivery to the purchaser, or had  
69 been in office on the date such bonds may bear. However,  
70 notwithstanding anything herein to the contrary, such bonds may be



71 issued as provided in the Registered Bond Act of the State of  
72 Mississippi.

73 Section 9. All bonds and interest coupons issued under the  
74 provisions of Sections 6 through 20 of this act have all the  
75 qualities and incidents of negotiable instruments under the  
76 provisions of the Uniform Commercial Code, and in exercising the  
77 powers granted by Sections 6 through 20 of this act, the State  
78 Bond Commission shall not be required to and need not comply with  
79 the provisions of the Uniform Commercial Code.

80 Section 10. The State Bond Commission shall act as the  
81 issuing agent for the bonds authorized under Sections 6 through 20  
82 of this act, prescribe the form of the bonds, determine the  
83 appropriate method for sale of the bonds, advertise for and accept  
84 bids or negotiate the sale of the bonds, issue and sell the bonds  
85 so authorized to be sold, pay all fees and costs incurred in such  
86 issuance and sale, and do all other things necessary and advisable  
87 in connection with the issuance and sale of the bonds. The State  
88 Bond Commission may pay the costs that are incident to the sale,  
89 issuance and delivery of the bonds authorized under Sections 6  
90 through 20 of this act from the proceeds derived from the sale of  
91 the bonds. The State Bond Commission shall sell such bonds on  
92 sealed bids at public sale or may negotiate the sale of the bonds  
93 for such price as it may determine to be for the best interest of  
94 the State of Mississippi. All interest accruing on such bonds so  
95 issued shall be payable semiannually or annually.



96           If the bonds are sold on sealed bids at public sale, notice  
97 of the sale of any such bonds shall be published at least one  
98 time, not less than ten (10) days before the date of sale, and  
99 shall be so published in one or more newspapers published or  
100 having a general circulation in the City of Jackson, Mississippi,  
101 to be selected by the State Bond Commission.

102           The State Bond Commission, when issuing any bonds under the  
103 authority of Sections 6 through 20 of this act, may provide that  
104 bonds, at the option of the State of Mississippi, may be called in  
105 for payment and redemption at the call price named therein and  
106 accrued interest on such date or dates named therein.

107           Section 11. The bonds issued under the provisions of  
108 Sections 6 through 20 of this act are general obligations of the  
109 State of Mississippi, and for the payment thereof the full faith  
110 and credit of the State of Mississippi is irrevocably pledged. If  
111 the funds appropriated by the Legislature are insufficient to pay  
112 the principal of and interest on such bonds as they become due,  
113 then the deficiency shall be paid by the State Treasurer from any  
114 funds in the State Treasury not otherwise appropriated. All such  
115 bonds shall contain recitals on their faces substantially covering  
116 the provisions of this section.

117           Section 12. The State Treasurer is authorized, without  
118 further process of law, to certify to the Department of Finance  
119 and Administration the necessity for warrants, and the Department  
120 of Finance and Administration is authorized and directed to issue



121 such warrants, in such amounts as may be necessary to pay when due  
122 the principal of, premium, if any, and interest on, or the  
123 accreted value of, all bonds issued under Sections 6 through 20 of  
124 this act; and the State Treasurer shall forward the necessary  
125 amount to the designated place or places of payment of such bonds  
126 in ample time to discharge such bonds, or the interest on the  
127 bonds, on their due dates.

128 Section 13. Upon the issuance and sale of bonds under the  
129 provisions of Sections 6 through 20 of this act, the State Bond  
130 Commission shall transfer the proceeds of any sale or sales of  
131 bonds to the revolving fund and the emergency fund in the amounts  
132 specified in Section 6 of this act. After such transfer, all  
133 investment earnings or interest earned on the proceeds of such  
134 bonds shall be deposited to the credit of the revolving fund and  
135 the emergency fund, and shall be used only for the purposes  
136 established in Section 41-3-16. The proceeds of such bonds shall  
137 be disbursed solely upon the order of the board created in Section  
138 1 of this act under such restrictions, if any, as may be contained  
139 in the resolution providing for the issuance of the bonds.

140 Section 14. The bonds authorized under Sections 6 through 20  
141 of this act may be issued without any other proceedings or the  
142 happening of any other conditions or things other than those  
143 proceedings, conditions and things which are specified or required  
144 by Sections 6 through 20 of this act. Any resolution providing  
145 for the issuance of bonds under the provisions of Sections 6



146 through 20 of this act shall become effective immediately upon its  
147 adoption by the State Bond Commission, and any such resolution may  
148 be adopted at any regular or special meeting of the State Bond  
149 Commission by a majority of its members.

150 Section 15. The bonds authorized under the authority of  
151 Sections 6 through 20 of this act may be validated in the Chancery  
152 Court of the First Judicial District of Hinds County, Mississippi,  
153 in the manner and with the force and effect provided by Chapter  
154 13, Title 31, Mississippi Code of 1972, for the validation of  
155 county, municipal, school district and other bonds. The notice to  
156 taxpayers required by such statutes shall be published in a  
157 newspaper published or having a general circulation in the City of  
158 Jackson, Mississippi.

159 Section 16. Any holder of bonds issued under the provisions  
160 of Sections 6 through 20 of this act or of any of the interest  
161 coupons pertaining thereto may, either at law or in equity, by  
162 suit, action, mandamus or other proceeding, protect and enforce  
163 all rights granted under Sections 6 through 20 of this act, or  
164 under such resolution, and may enforce and compel performance of  
165 all duties required by Sections 6 through 20 of this act to be  
166 performed, in order to provide for the payment of bonds and  
167 interest thereon.

168 Section 17. All bonds issued under the provisions of  
169 Sections 6 through 20 of this act shall be legal investments for  
170 trustees and other fiduciaries, and for savings banks, trust



171 companies and insurance companies organized under the laws of the  
172 State of Mississippi, and such bonds shall be legal securities  
173 which may be deposited with and shall be received by all public  
174 officers and bodies of this state and all municipalities and  
175 political subdivisions for the purpose of securing the deposit of  
176 public funds.

177 Section 18. Bonds issued under the provisions of Sections 6  
178 through 20 of this act and income therefrom shall be exempt from  
179 all taxation in the State of Mississippi.

180 Section 19. The proceeds of the bonds issued under the  
181 provisions of Sections 6 through 20 of this act shall be used  
182 solely for the purposes herein provided, including the costs  
183 incident to the issuance and sale of such bonds.

184 Section 20. Sections 6 through 20 of this act shall be  
185 deemed to be full and complete authority for the exercise of the  
186 powers granted, but Sections 6 through 20 of this act shall not be  
187 deemed to repeal or to be in derogation of any existing law of  
188 this state.

189 **SECTION 2.** This act shall take effect and be in force from  
190 and after July 1, 2024.

