

By: Representative Holloway (27th)

To: Ways and Means

HOUSE BILL NO. 1670

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE EAST MADISON WATER
3 ASSOCIATION IN PAYING COSTS ASSOCIATED WITH CONSTRUCTION OF A NEW
4 WATER WELL AND RELATED FACILITIES AND INSTALLATION OF AN AUTOMATIC
5 METER READING SYSTEM; AND FOR RELATED PURPOSES.

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

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

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

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

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



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

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

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



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

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

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



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

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

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

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



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

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

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

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



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

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

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

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



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

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

151 **SECTION 2.** (1) (a) (i) A special fund, to be designated
152 as the "2025 East Madison Water Association System Fund", is
153 created within the State Treasury. The fund shall be maintained
154 by the State Treasurer as a separate and special fund, separate
155 and apart from the General Fund of the state. Unexpended amounts
156 remaining in the fund at the end of a fiscal year shall not lapse
157 into the State General Fund, and any interest earned or investment
158 earnings on amounts in the fund shall be deposited into such fund.

159 (ii) Monies deposited into the fund shall be
160 disbursed, in the discretion of the Department of Finance and
161 Administration, to assist the East Madison Water Association in
162 paying costs associated with construction of a new water well and
163 related facilities and installation of an automatic meter reading
164 system.

165 (b) Amounts deposited into such special fund shall be
166 disbursed to pay the costs of the projects described in paragraph
167 (a) of this subsection. Promptly after the commission has
168 certified, by resolution duly adopted, that the projects described



in paragraph (a) of this subsection shall have been completed, abandoned, or cannot be completed in a timely fashion, any amounts remaining in such special fund shall be applied to pay debt service on the bonds issued under this section, in accordance with the proceedings authorizing the issuance of such bonds and as directed by the commission.

(2) (a) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (1) of this section. Upon the adoption of a resolution by the Department of Finance and Administration, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission is authorized to proceed under the provisions of Section 1(5) of this act. The total amount of bonds issued under this section shall not exceed Four Hundred Twenty-five Thousand Dollars (\$425,000.00). No bonds shall be issued under this section after July 1, 2029.

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



193 accordance with the proceedings authorizing issuance of such
194 bonds.

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

197 **SECTION 3.** This act shall take effect and be in force from
198 and after July 1, 2025.

