

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 1830

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$1,110,000.00 IN STATE  
2 GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR FEDERAL  
3 FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO AMEND  
4 SECTION 49-17-85, MISSISSIPPI CODE OF 1972, TO CLARIFY THE TYPE OF  
5 FUNDS THAT MAY BE PLACED IN THE WATER POLLUTION CONTROL REVOLVING  
6 FUND; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** As used in Sections 1 through 16 of this act, the  
9 following words shall have the meanings ascribed herein unless the  
10 context clearly requires otherwise:

11 (a) "Accreted value" of any bonds means, as of any date  
12 of computation, an amount equal to the sum of (i) the stated  
13 initial value of such bond, plus (ii) the interest accrued thereon  
14 from the issue date to the date of computation at the rate,  
15 compounded semiannually, that is necessary to produce the  
16 approximate yield to maturity shown for bonds of the same  
17 maturity.

18 (b) "State" means the State of Mississippi.

19 (c) "Commission" means the State Bond Commission.

20 **SECTION 2.** (1) The Commission on Environmental Quality, at  
21 one time, or from time to time, may declare by resolution the  
22 necessity for issuance of general obligation bonds of the State of  
23 Mississippi to provide funds for the Water Pollution Control  
24 Revolving Fund established in Section 49-17-85. Upon the adoption  
25 of a resolution by the Commission on Environmental Quality,  
26 declaring the necessity for the issuance of any part or all of the  
27 general obligation bonds authorized by this section, the  
28 Commission on Environmental Quality shall deliver a certified copy  
29 of its resolution or resolutions to the commission. Upon receipt



30 of such resolution, the commission, in its discretion, may act as  
31 the issuing agent, prescribe the form of the bonds, advertise for  
32 and accept bids, issue and sell the bonds so authorized to be sold  
33 and do any and all other things necessary and advisable in  
34 connection with the issuance and sale of such bonds. The total  
35 amount of bonds issued under Sections 1 through 16 of this act  
36 shall not exceed One Million One Hundred Ten Thousand Dollars  
37 (\$1,110,000.00).

38 (2) The proceeds of bonds issued pursuant to Sections 1  
39 through 16 of this act shall be deposited into the Water Pollution  
40 Control Revolving Fund created pursuant to Section 49-17-85.

41 **SECTION 3.** The principal of and interest on the bonds  
42 authorized under Sections 1 through 16 of this act shall be  
43 payable in the manner provided in this section. Such bonds shall  
44 bear such date or dates, be in such denomination or denominations,  
45 bear interest at such rate or rates (not to exceed the limits set  
46 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
47 at such place or places within or without the State of  
48 Mississippi, shall mature absolutely at such time or times not to  
49 exceed twenty-five (25) years from date of issue, be redeemable  
50 before maturity at such time or times and upon such terms, with or  
51 without premium, shall bear such registration privileges, and  
52 shall be substantially in such form, all as shall be determined by  
53 resolution of the commission.

54 **SECTION 4.** The bonds authorized by Sections 1 through 16 of  
55 this act shall be signed by the chairman of the commission, or by  
56 his facsimile signature, and the official seal of the commission  
57 shall be affixed thereto, attested by the secretary of the  
58 commission. The interest coupons, if any, to be attached to such  
59 bonds may be executed by the facsimile signatures of such  
60 officers. Whenever any such bonds shall have been signed by the  
61 officials designated to sign the bonds who were in office at the  
62 time of such signing but who may have ceased to be such officers



63 before the sale and delivery of such bonds, or who may not have  
64 been in office on the date such bonds may bear, the signatures of  
65 such officers upon such bonds and coupons shall nevertheless be  
66 valid and sufficient for all purposes and have the same effect as  
67 if the person so officially signing such bonds had remained in  
68 office until their delivery to the purchaser, or had been in  
69 office on the date such bonds may bear. However, notwithstanding  
70 anything herein to the contrary, such bonds may be issued as  
71 provided in the Registered Bond Act of the State of Mississippi.

72       **SECTION 5.** All bonds and interest coupons issued under the  
73 provisions of Sections 1 through 16 of this act have all the  
74 qualities and incidents of negotiable instruments under the  
75 provisions of the Uniform Commercial Code, and in exercising the  
76 powers granted by Sections 1 through 16 of this act, the  
77 commission shall not be required to and need not comply with the  
78 provisions of the Uniform Commercial Code.

79       **SECTION 6.** The commission shall act as the issuing agent for  
80 the bonds authorized under Sections 1 through 16 of this act,  
81 prescribe the form of the bonds, advertise for and accept bids,  
82 issue and sell the bonds so authorized to be sold, pay all fees  
83 and costs incurred in such issuance and sale, and do any and all  
84 other things necessary and advisable in connection with the  
85 issuance and sale of such bonds. The commission is authorized and  
86 empowered to pay the costs that are incident to the sale, issuance  
87 and delivery of the bonds authorized under Sections 1 through 16  
88 of this act from the proceeds derived from the sale of such bonds.  
89 The commission shall sell such bonds on sealed bids at public  
90 sale, and for such price as it may determine to be for the best  
91 interest of the State of Mississippi, but no such sale shall be  
92 made at a price less than par plus accrued interest to the date of  
93 delivery of the bonds to the purchaser. All interest accruing on  
94 such bonds so issued shall be payable semiannually or annually;



95 however, the first interest payment may be for any period of not  
96 more than one (1) year.

97 Notice of the sale of any such bonds shall be published at  
98 least one time, not less than ten (10) days before the date of  
99 sale, and shall be so published in one or more newspapers  
100 published or having a general circulation in the City of Jackson,  
101 Mississippi, and in one or more other newspapers or financial  
102 journals with a national circulation, to be selected by the  
103 commission.

104 The commission, when issuing any bonds under the authority of  
105 Sections 1 through 16 of this act, may provide that bonds, at the  
106 option of the State of Mississippi, may be called in for payment  
107 and redemption at the call price named therein and accrued  
108 interest on such date or dates named therein.

109 **SECTION 7.** The bonds issued under the provisions of Sections  
110 1 through 16 of this act are general obligations of the State of  
111 Mississippi, and for the payment thereof the full faith and credit  
112 of the State of Mississippi is irrevocably pledged. If the funds  
113 appropriated by the Legislature are insufficient to pay the  
114 principal of and the interest on such bonds as they become due,  
115 then the deficiency shall be paid by the State Treasurer from any  
116 funds in the State Treasury not otherwise appropriated. All such  
117 bonds shall contain recitals on their faces substantially covering  
118 the provisions of this section.

119 **SECTION 8.** Upon the issuance and sale of bonds under the  
120 provisions of Sections 1 through 16 of this act, the commission  
121 shall transfer the proceeds of any such sale or sales to the Water  
122 Pollution Control Revolving Fund created in Section 49-17-85.  
123 After the transfer of the proceeds of any such sale or sales to  
124 the Water Pollution Control Revolving Fund, any investment  
125 earnings or interest earned on the proceeds of such bonds shall be  
126 deposited to the credit of the Water Pollution Control Revolving  
127 Fund and shall be used only for the purposes provided in Section



128 49-17-85. The proceeds of such bonds shall be disbursed solely  
129 upon the order of the Commission on Environmental Quality under  
130 such restrictions, if any, as may be contained in the resolution  
131 providing for the issuance of the bonds.

132 **SECTION 9.** The bonds authorized under Sections 1 through 16  
133 of this act may be issued without any other proceedings or the  
134 happening of any other conditions or things other than those  
135 proceedings, conditions and things which are specified or required  
136 by Sections 1 through 16 of this act. Any resolution providing  
137 for the issuance of bonds under the provisions of Sections 1  
138 through 16 of this act shall become effective immediately upon its  
139 adoption by the commission, and any such resolution may be adopted  
140 at any regular or special meeting of the commission by a majority  
141 of its members.

142 **SECTION 10.** The bonds authorized under the authority of  
143 Sections 1 through 16 of this act may be validated in the Chancery  
144 Court of the First Judicial District of Hinds County, Mississippi,  
145 in the manner and with the force and effect provided by Chapter  
146 13, Title 31, Mississippi Code of 1972, for the validation of  
147 county, municipal, school district and other bonds. The notice to  
148 taxpayers required by such statutes shall be published in a  
149 newspaper published or having a general circulation in the City of  
150 Jackson, Mississippi.

151 **SECTION 11.** Any holder of bonds issued under the provisions  
152 of Sections 1 through 16 of this act or of any of the interest  
153 coupons pertaining thereto may, either at law or in equity, by  
154 suit, action, mandamus or other proceeding, protect and enforce  
155 any and all rights granted under Sections 1 through 16 of this  
156 act, or under such resolution, and may enforce and compel  
157 performance of all duties required by Sections 1 through 16 of  
158 this act to be performed, in order to provide for the payment of  
159 bonds and interest thereon.



160           **SECTION 12.** All bonds issued under the provisions of  
161 Sections 1 through 16 of this act shall be legal investments for  
162 trustees and other fiduciaries, and for savings banks, trust  
163 companies and insurance companies organized under the laws of the  
164 State of Mississippi, and such bonds shall be legal securities  
165 which may be deposited with and shall be received by all public  
166 officers and bodies of this state and all municipalities and  
167 political subdivisions for the purpose of securing the deposit of  
168 public funds.

169           **SECTION 13.** Bonds issued under the provisions of Sections 1  
170 through 16 of this act and income therefrom shall be exempt from  
171 all taxation in the State of Mississippi.

172           **SECTION 14.** The proceeds of the bonds issued under Sections  
173 1 through 16 of this act shall be used solely for the purposes  
174 therein provided, including the costs incident to the issuance and  
175 sale of such bonds.

176           **SECTION 15.** The State Treasurer is authorized, without  
177 further process of law, to certify to the Department of Finance  
178 and Administration the necessity for warrants, and the Department  
179 of Finance and Administration is authorized and directed to issue  
180 such warrants, in such amounts as may be necessary to pay when due  
181 the principal of, premium, if any, and interest on, or the  
182 accreted value of, all bonds issued under Sections 1 through 16 of  
183 this act; and the State Treasurer shall forward the necessary  
184 amount to the designated place or places of payment of such bonds  
185 in ample time to discharge such bonds, or the interest thereon, on  
186 the due dates thereof.

187           **SECTION 16.** Sections 1 through 16 of this act shall be  
188 deemed to be full and complete authority for the exercise of the  
189 powers therein granted, but Sections 1 through 16 of this act  
190 shall not be deemed to repeal or to be in derogation of any  
191 existing law of this state.



192           **SECTION 17.** Section 49-17-85, Mississippi Code of 1972, is  
193 amended as follows:

194           49-17-85. (1) There is established in the State Treasury a  
195 fund to be known as the "Water Pollution Control Revolving Fund"  
196 which shall be administered by the commission acting through the  
197 department. The revolving fund may receive bond proceeds and  
198 funds appropriated or otherwise made available by the Legislature  
199 in any manner and funds from any other source, public or private.  
200 The revolving fund shall be maintained in perpetuity for the  
201 purposes established in this section.

202           (2) There is established in the State Treasury a fund to be  
203 known as the "Water Pollution Control Hardship Grants Fund," which  
204 shall be administered by the commission acting through the  
205 department. The grants fund shall be maintained in perpetuity for  
206 the purposes established in this section. Any interest earned on  
207 monies in the grants fund shall be credited to that fund.

208           (3) The commission shall promulgate regulations for the  
209 administration of the revolving fund program, the hardship grants  
210 program and for related programs authorized under this section.  
211 The regulations shall be in accordance with the federal Water  
212 Quality Act of 1987, as amended and regulations and guidance  
213 issued under that act. The commission may enter into  
214 capitalization grant agreements with the United States  
215 Environmental Protection Agency and may accept capitalization  
216 grant awards made under Title VI of the Water Quality Act of 1987,  
217 as amended.

218           (4) The commission shall establish a loan program which  
219 shall commence after October 1, 1988, to assist political  
220 subdivisions in the construction of water pollution control  
221 projects. Loans from the revolving fund may be made to political  
222 subdivisions as set forth in a loan agreement in amounts not  
223 exceeding one hundred percent (100%) of eligible project costs as  
224 established by the commission. Notwithstanding loan amount



225 limitations set forth in Section 49-17-61, the commission may  
226 require local participation or funding from other sources, or  
227 otherwise limit the percentage of costs covered by loans from the  
228 revolving fund. The commission may establish a maximum amount for  
229 any loan in order to provide for broad and equitable participation  
230 in the program.

231 (5) The commission shall establish a hardship grants program  
232 for rural communities, which shall commence after July 1, 1997, to  
233 assist severely economically disadvantaged small rural political  
234 subdivisions in the construction of water pollution control  
235 projects. The commission may receive and administer state or  
236 federal funds, or both, appropriated for the operation of this  
237 grants program and may take all actions necessary to implement the  
238 program in accordance with the federal hardship grants program.  
239 The hardship grants program shall operate in conjunction with the  
240 revolving loan program administered under this section.

241 (6) The commission shall act for the state in all matters  
242 and with respect to all determinations under Title VI of the  
243 federal Water Quality Act of 1987, as amended and the federal  
244 Omnibus Appropriations and Recision Act of 1996.

245 (7) The revolving fund may be used only:

246 (a) To make loans on the condition that:

247 (i) The loans are made at or below market interest  
248 rates, at terms not to exceed twenty (20) years after project  
249 completion; the interest rate and term may vary from time to time  
250 and from loan to loan at the discretion of the commission;

251 (ii) Periodic principal and interest payments will  
252 commence when required by the commission but not later than one  
253 (1) year after project completion and all loans will be fully  
254 amortized when required by the commission but not later than  
255 twenty (20) years after project completion;

256 (iii) The recipient of a loan will establish a  
257 dedicated source of revenue for repayment of loans;





258 (b) To buy or refinance the debt obligation of  
259 political subdivisions at or below market rates, where the debt  
260 obligations were incurred after March 7, 1985, and where the  
261 projects were constructed in compliance with applicable federal  
262 and state regulations;

263 (c) To guarantee, or purchase insurance for,  
264 obligations of political subdivisions where the action would  
265 improve credit market access or reduce interest rates;

266 (d) To provide loan guarantees for similar revolving  
267 funds established by municipalities or intermunicipal agencies;

268 (e) To earn interest on fund accounts;

269 (f) To establish nonpoint source pollution control  
270 management programs;

271 (g) To establish estuary conservation and management  
272 programs;

273 (h) For the reasonable costs of administering the  
274 revolving fund and conducting activities under this act, subject  
275 to the limitations established in Section 603(d)(7) of Title VI of  
276 the federal Clean Water Act, as amended, and subject to annual  
277 appropriation by the Legislature; and

278 (i) In connection with the issuance, sale and purchase  
279 of bonds under Section 31-25-1 et seq., related to the funding of  
280 projects, to provide security or a pledge of revenues for the  
281 repayment of the bonds.

282 (8) The hardship grants program shall be used only to  
283 provide hardship grants consistent with the federal hardship  
284 grants program for rural communities, regulations and guidance  
285 issued by the United States Environmental Protection Agency,  
286 subsections (3) and (5) of this section and regulations  
287 promulgated and guidance issued by the commission under this  
288 section.



289           (9) The commission shall establish by regulation a system of  
290 priorities and a priority list of projects eligible for funding  
291 with loans from the revolving fund.

292           (10) The commission may provide a loan from the revolving  
293 fund only with respect to a project if that project is on the  
294 priority list established by the commission.

295           (11) The revolving fund shall be credited with all payments  
296 of principal and interest derived from the fund uses described in  
297 subsection (7) of this section.

298           (12) The commission may establish and collect fees to defray  
299 the reasonable costs of administering the revolving fund if it  
300 determines that the administrative costs will exceed the  
301 limitations established in Section 603(d)(7) of Title VI of the  
302 federal Clean Water Act, as amended. The administration fees may  
303 be included in loan amounts to political subdivisions for the  
304 purpose of facilitating payment to the commission. The fees may  
305 not exceed five percent (5%) of the loan amount.

306           **SECTION 18.** This act shall take effect and be in force from  
307 and after its passage.

