

By: Senator(s) Jordan

To: Finance

SENATE BILL NO. 2977

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$8,700,000.00 IN STATE
 2 GENERAL OBLIGATION BONDS TO PROVIDE MATCHING FUNDS FOR FEDERAL
 3 FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING FUND; TO AMEND
 4 SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995, TO INCREASE FROM
 5 \$15,000,000.00 TO \$17,600,000.00 THE AMOUNT OF STATE GENERAL
 6 OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL GOVERNMENTS AND
 7 RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND; AND FOR
 8 RELATED PURPOSES.

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

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

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

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

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

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



31 of its resolution or resolutions to the commission. Upon receipt
32 of such resolution, the commission, in its discretion, may act as
33 the issuing agent, prescribe the form of the bonds, advertise for
34 and accept bids, issue and sell the bonds so authorized to be sold
35 and do any and all other things necessary and advisable in
36 connection with the issuance and sale of such bonds. The total
37 amount of bonds issued under Sections 1 through 16 of this act
38 shall not exceed Eight Million Seven Hundred Thousand Dollars
39 (\$8,700,000.00).

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

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

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



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

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

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



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

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

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

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

121 **SECTION 8.** Upon the issuance and sale of bonds under the
122 provisions of Sections 1 through 16 of this act, the commission
123 shall transfer the proceeds of any such sale or sales to the Water
124 Pollution Control Revolving Fund created in Section 49-17-85. The
125 proceeds of such bonds shall be disbursed solely upon the order of
126 the Commission on Environmental Quality under such restrictions,
127 if any, as may be contained in the resolution providing for the
128 issuance of the bonds.



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

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

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

157 **SECTION 12.** All bonds issued under the provisions of
158 Sections 1 through 16 of this act shall be legal investments for
159 trustees and other fiduciaries, and for savings banks, trust
160 companies and insurance companies organized under the laws of the
161 State of Mississippi, and such bonds shall be legal securities



162 which may be deposited with and shall be received by all public
163 officers and bodies of this state and all municipalities and
164 political subdivisions for the purpose of securing the deposit of
165 public funds.

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

169 **SECTION 14.** The proceeds of the bonds issued under Sections
170 1 through 16 of this act shall be used solely for the purposes
171 therein provided, including the costs incident to the issuance and
172 sale of such bonds.

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

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

189 **SECTION 17.** Sections 6 through 20, Chapter 521, Laws of
190 1995, are amended as follows:

191 Section 6. The board created in Section 41-3-16, at one
192 time, or from time to time, may declare by resolution the
193 necessity for issuance of general obligation bonds of the State of
194 Mississippi to provide funds for all costs incurred or to be



195 incurred by the board in constructing new water systems or
196 repairing existing water systems described in Section 41-3-16.
197 Upon the adoption of a resolution by the board, declaring the
198 necessity for the issuance of any part or all of the general
199 obligation bonds authorized by this section, the board shall
200 deliver a certified copy of its resolution or resolutions to the
201 State Bond Commission. Upon receipt of such resolution, the State
202 Bond Commission, in its discretion, may act as the issuing agent,
203 prescribe the form of the bonds, advertise for and accept bids,
204 issue and sell the tax exempt or taxable bonds so authorized to be
205 sold, and do any and all other things necessary and advisable in
206 connection with the issuance and sale of such bonds. The amount
207 of bonds issued under Sections 6 through 20 of this act shall not
208 exceed Seventeen Million Six Hundred Thousand Dollars
209 (\$17,600,000.00), the proceeds of which shall be deposited in the
210 revolving fund and Five Million Dollars (\$5,000,000.00), the
211 proceeds of which shall be deposited in the emergency fund.

212 Section 7. The principal of and interest on the bonds
213 authorized under Section 6 of this act shall be payable in the
214 manner provided in this section. Such bonds shall bear such date
215 or dates, be in such denomination or denominations, bear interest
216 at such rate or rates (not to exceed the limits set forth in
217 Section 75-17-101), be payable at such place or places within or
218 without the State of Mississippi, shall mature absolutely at such
219 time or times not to exceed twenty-five (25) years from date of
220 issue, be redeemable before maturity at such time or times and
221 upon such terms, with or without premium, shall bear such
222 registration privileges, and shall be substantially in such form,
223 all as shall be determined by resolution of the State Bond
224 Commission.

225 Section 8. The bonds authorized by Section 6 of this act
226 shall be signed by the Chairman of the State Bond Commission, or
227 by his facsimile signature, and the official seal of the State



228 Bond Commission shall be affixed thereto, attested by the
229 Secretary of the State Bond Commission. The interest coupons, if
230 any, to be attached to such bonds may be executed by the facsimile
231 signatures of such officers. Whenever any such bonds shall have
232 been signed by the officials designated to sign the bonds who were
233 in office at the time of such signing but who may have ceased to
234 be such officers before the sale and delivery of such bonds, or
235 who may not have been in office on the date such bonds may bear,
236 the signatures of such officers upon such bonds and coupons shall
237 nevertheless be valid and sufficient for all purposes and have the
238 same effect as if the person so officially signing such bonds had
239 remained in office until their delivery to the purchaser, or had
240 been in office on the date such bonds may bear. However,
241 notwithstanding anything herein to the contrary, such bonds may be
242 issued as provided in the Registered Bond Act of the State of
243 Mississippi.

244 Section 9. All bonds and interest coupons issued under the
245 provisions of Sections 6 through 20 of this act have all the
246 qualities and incidents of negotiable instruments under the
247 provisions of the Mississippi Uniform Commercial Code, and in
248 exercising the powers granted by Sections 6 through 20 of this
249 act, the State Bond Commission shall not be required to and need
250 not comply with the provisions of the Mississippi Uniform
251 Commercial Code.

252 Section 10. The State Bond Commission shall act as the
253 issuing agent for the bonds authorized under Sections 6 through 20
254 of this act, prescribe the form of the bonds, advertise for and
255 accept bids, issue and sell the bonds so authorized to be sold,
256 pay all fees and costs incurred in such issuance and sale, and do
257 all other things necessary and advisable in connection with the
258 issuance and sale of the bonds. The State Bond Commission may pay
259 the costs that are incident to the sale, issuance and delivery of
260 the bonds authorized under Sections 6 through 20 of this act from



261 the proceeds derived from the sale of the bonds. The State Bond
262 Commission shall sell such bonds on sealed bids at public sale,
263 and for such price as it may determine to be for the best interest
264 of the State of Mississippi, but no such sale may be made at a
265 price less than par plus accrued interest to the date of delivery
266 of the bonds to the purchaser. All interest accruing on such
267 bonds so issued shall be payable semiannually or annually;
268 however, the first interest payment may be for any period of not
269 more than one (1) year.

270 Notice of the sale of any such bond shall be published at
271 least one time, not less than ten (10) days before the date of
272 sale, and shall be so published in one or more newspapers
273 published or having a general circulation in the City of Jackson,
274 Mississippi, and in one or more other newspapers or financial
275 journals with a national circulation, to be selected by the State
276 Bond Commission.

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

282 Section 11. The bonds issued under the provisions of
283 Sections 6 through 20 of this act are general obligations of the
284 State of Mississippi, and for the payment thereof the full faith
285 and credit of the State of Mississippi is irrevocably pledged. If
286 the funds appropriated by the Legislature are insufficient to pay
287 the principal of and interest on such bonds as they become due,
288 then the deficiency shall be paid by the State Treasurer from any
289 funds in the State Treasury not otherwise appropriated. All such
290 bonds shall contain recitals on their faces substantially covering
291 the provisions of this section.

292 Section 12. The State Treasurer is authorized, without
293 further process of law, to certify to the Department of Finance



294 and Administration the necessity for warrants, and the Department
295 of Finance and Administration is authorized and directed to issue
296 such warrants, in such amounts as may be necessary to pay when due
297 the principal of, premium, if any, and interest on, or the
298 accreted value of, all bonds issued under this act; and the State
299 Treasurer shall forward the necessary amount to the designated
300 place or places of payment of such bonds in ample time to
301 discharge such bonds, or the interest on the bonds, on their due
302 dates.

303 Section 13. Upon the issuance and sale of bonds under the
304 provisions of Sections 6 through 20 of this act, the State Bond
305 Commission shall transfer the proceeds of any sale or sales of
306 bonds to the revolving fund and the emergency fund in the amounts
307 specified in Section 6 of this act. The proceeds of such bonds
308 shall be disbursed solely upon the order of the board created in
309 Section 1 of this act under such restrictions, if any, as may be
310 contained in the resolution providing for the issuance of the
311 bonds.

312 Section 14. The bonds authorized under Sections 6 through 20
313 of this act may be issued without any other proceedings or the
314 happening of any other conditions or things other than those
315 proceedings, conditions and things which are specified or required
316 by Sections 6 through 20 of this act. Any resolution providing
317 for the issuance of bonds under the provisions of Sections 6
318 through 20 of this act shall become effective immediately upon its
319 adoption by the State Bond Commission, and any such resolution may
320 be adopted at any regular or special meeting of the State Bond
321 Commission by a majority of its members.

322 Section 15. The bonds authorized under the authority of
323 Sections 6 through 20 of this act may be validated in the Chancery
324 Court of the First Judicial District of Hinds County, Mississippi,
325 in the manner and with the force and effect provided by Chapter
326 13, Title 31, Mississippi Code of 1972, for the validation of



327 county, municipal, school district and other bonds. The notice to
328 taxpayers required by such statutes shall be published in a
329 newspaper published or having a general circulation in the City of
330 Jackson, Mississippi.

331 Section 16. Any holder of bonds issued under the provisions
332 of Sections 6 through 20 of this act or of any of the interest
333 coupons pertaining thereto may, either at law or in equity, by
334 suit, action, mandamus or other proceeding, protect and enforce
335 all rights granted under Sections 6 through 20 of this act, or
336 under such resolution, and may enforce and compel performance of
337 all duties required by Sections 6 through 20 of this act to be
338 performed, in order to provide for the payment of bonds and
339 interest thereon.

340 Section 17. All bonds issued under the provisions of
341 Sections 6 through 20 of this act shall be legal investments for
342 trustees and other fiduciaries, and for savings banks, trust
343 companies and insurance companies organized under the laws of the
344 State of Mississippi, and such bonds shall be legal securities
345 which may be deposited with and shall be received by all public
346 officers and bodies of this state and all municipalities and
347 political subdivisions for the purpose of securing the deposit of
348 public funds.

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

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

356 Section 20. Sections 6 through 20 of this act shall be
357 deemed to be full and complete authority for the exercise of the
358 powers granted, but Sections 6 through 20 of this act shall not be



359 deemed to repeal or to be in derogation of any existing law of
360 this state.

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

