

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2283
(As Passed the Senate)

1 AN ACT TO AMEND SECTIONS 1 THROUGH 16, CHAPTER 3, LAWS OF THE
2 2002 THIRD EXTRAORDINARY SESSION, TO AUTHORIZE THE PROCEEDS OF
3 CERTAIN BONDS AUTHORIZED TO BE ISSUED TO PROVIDE FUNDS FOR THE
4 STATE'S PORTION OF THE COST SHARE FOR PUBLIC ASSISTANCE UNDER A
5 MAJOR DISASTER DECLARATION FOR TORNADO OR OTHER STORM DAMAGE TO
6 PUBLIC FACILITIES AND INFRASTRUCTURE OCCURRING ON NOVEMBER 10,
7 2002, TO BE UTILIZED BY THE MISSISSIPPI EMERGENCY MANAGEMENT
8 AGENCY FOR OTHER PURPOSES AUTHORIZED IN SECTION 33-15-307; TO
9 AMEND SECTION 33-15-307, MISSISSIPPI CODE OF 1972, TO REMOVE THE
10 PROVISION THAT REQUIRES THAT EXCESS FUNDS IN THE DISASTER
11 ASSISTANCE TRUST FUND DERIVED FROM THE PROCEEDS OF STATE GENERAL
12 OBLIGATION BONDS SHALL BE UTILIZED TO PAY THE DEBT SERVICE ON THE
13 BONDS; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Sections 1 through 16, Chapter 3, Laws of the
16 2002 Third Extraordinary Session, are amended as follows:

17 Section 1. As used in Sections 1 through 16 of this act, the
18 following words shall have the meanings ascribed herein unless the
19 context clearly requires otherwise:

20 (a) "Accreted value" of any bonds means, as of any date
21 of computation, an amount equal to the sum of (i) the stated
22 initial value of such bond, plus (ii) the interest accrued thereon
23 from the issue date to the date of computation at the rate,
24 compounded semiannually, that is necessary to produce the
25 approximate yield to maturity shown for bonds of the same
26 maturity.

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

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

29 Section 2. (1) The commission, at one time, or from time to
30 time, may declare by resolution the necessity for issuance of
31 general obligation bonds of the State of Mississippi to provide
32 funds for the state's portion of the cost share for public

33 assistance under a major disaster declaration for tornado or other
34 storm damage to public facilities and infrastructure occurring on
35 November 10, 2002; however, if all the proceeds of the bonds
36 authorized to be issued pursuant to this act are not utilized for
37 such purposes, such proceeds may be utilized by the Mississippi
38 Emergency Management Agency for any of the other purposes
39 authorized in Section 33-15-307(4). Upon the adoption of a
40 resolution by the Mississippi Emergency Management Agency,
41 declaring the necessity for the issuance of any part or all of the
42 general obligation bonds authorized by this section, the
43 Mississippi Emergency Management Agency shall deliver a certified
44 copy of its resolution or resolutions to the commission. Upon
45 receipt of such resolution, the commission, in its discretion, may
46 act as the issuing agent, prescribe the form of the bonds,
47 advertise for and accept bids, issue and sell the bonds so
48 authorized to be sold and do any and all other things necessary
49 and advisable in connection with the issuance and sale of such
50 bonds. The total amount of bonds issued under Sections 1 through
51 16 of this act shall not exceed Ten Million Dollars
52 (\$10,000,000.00). No bonds authorized under Sections 1 through 16
53 of this act shall be issued after January 1, 2006.

54 (2) The proceeds of bonds issued pursuant to Sections 1
55 through 16 of this act shall be deposited into the Disaster
56 Assistance Trust Fund created pursuant to Section 33-15-307.

57 Section 3. The principal of and interest on the bonds
58 authorized under Sections 1 through 16 of this act shall be
59 payable in the manner provided in this section. Such bonds shall
60 bear such date or dates, be in such denomination or denominations,
61 bear interest at such rate or rates (not to exceed the limits set
62 forth in Section 75-17-101, Mississippi Code of 1972), be payable
63 at such place or places within or without the State of
64 Mississippi, shall mature absolutely at such time or times not to
65 exceed twenty-five (25) years from date of issue, be redeemable

66 before maturity at such time or times and upon such terms, with or
67 without premium, shall bear such registration privileges, and
68 shall be substantially in such form, all as shall be determined by
69 resolution of the commission.

70 Section 4. The bonds authorized by Sections 1 through 16 of
71 this act shall be signed by the chairman of the commission, or by
72 his facsimile signature, and the official seal of the commission
73 shall be affixed thereto, attested by the secretary of the
74 commission. The interest coupons, if any, to be attached to such
75 bonds may be executed by the facsimile signatures of such
76 officers. Whenever any such bonds shall have been signed by the
77 officials designated to sign the bonds who were in office at the
78 time of such signing but who may have ceased to be such officers
79 before the sale and delivery of such bonds, or who may not have
80 been in office on the date such bonds may bear, the signatures of
81 such officers upon such bonds and coupons shall nevertheless be
82 valid and sufficient for all purposes and have the same effect as
83 if the person so officially signing such bonds had remained in
84 office until their delivery to the purchaser, or had been in
85 office on the date such bonds may bear. However, notwithstanding
86 anything herein to the contrary, such bonds may be issued as
87 provided in the Registered Bond Act of the State of Mississippi.

88 Section 5. All bonds and interest coupons issued under the
89 provisions of Sections 1 through 16 of this act have all the
90 qualities and incidents of negotiable instruments under the
91 provisions of the Uniform Commercial Code, and in exercising the
92 powers granted by Sections 1 through 16 of this act, the
93 commission shall not be required to and need not comply with the
94 provisions of the Uniform Commercial Code.

95 Section 6. The commission shall act as the issuing agent for
96 the bonds authorized under Sections 1 through 16 of this act,
97 prescribe the form of the bonds, advertise for and accept bids,
98 issue and sell the bonds so authorized to be sold, pay all fees

99 and costs incurred in such issuance and sale, and do any and all
100 other things necessary and advisable in connection with the
101 issuance and sale of such bonds. The commission is authorized and
102 empowered to pay the costs that are incident to the sale, issuance
103 and delivery of the bonds authorized under Sections 1 through 16
104 of this act from the proceeds derived from the sale of such bonds.
105 The commission shall sell such bonds on sealed bids at public
106 sale, and for such price as it may determine to be for the best
107 interest of the State of Mississippi, but no such sale shall be
108 made at a price less than par plus accrued interest to the date of
109 delivery of the bonds to the purchaser. All interest accruing on
110 such bonds so issued shall be payable semiannually or annually;
111 however, the first interest payment may be for any period of not
112 more than one (1) year.

113 Notice of the sale of any such bonds shall be published at
114 least one time, not less than ten (10) days before the date of
115 sale, and shall be so published in one or more newspapers
116 published or having a general circulation in the City of Jackson,
117 Mississippi, and in one or more other newspapers or financial
118 journals with a national circulation, to be selected by the
119 commission.

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

125 Section 7. The bonds issued under the provisions of Sections
126 1 through 16 of this act are general obligations of the State of
127 Mississippi, and for the payment thereof the full faith and credit
128 of the State of Mississippi is irrevocably pledged. If the funds
129 appropriated by the Legislature are insufficient to pay the
130 principal of and the interest on such bonds as they become due,
131 then the deficiency shall be paid by the State Treasurer from any

132 funds in the State Treasury not otherwise appropriated. All such
133 bonds shall contain recitals on their faces substantially covering
134 the provisions of this section.

135 Section 8. Upon the issuance and sale of bonds under the
136 provisions of Sections 1 through 16 of this act, the commission
137 shall transfer the proceeds of any such sale or sales to the
138 Disaster Assistance Trust Fund created pursuant to Section
139 33-15-307. The proceeds of such bonds shall be disbursed solely
140 upon the order of the Mississippi Emergency Management Agency
141 under such restrictions, if any, as may be contained in the
142 resolution providing for the issuance of the bonds.

143 Section 9. The bonds authorized under Sections 1 through 16
144 of this act may be issued without any other proceedings or the
145 happening of any other conditions or things other than those
146 proceedings, conditions and things which are specified or required
147 by Sections 1 through 16 of this act. Any resolution providing
148 for the issuance of bonds under the provisions of Sections 1
149 through 16 of this act shall become effective immediately upon its
150 adoption by the commission, and any such resolution may be adopted
151 at any regular or special meeting of the commission by a majority
152 of its members.

153 Section 10. The bonds authorized under the authority of
154 Sections 1 through 16 of this act may be validated in the Chancery
155 Court of the First Judicial District of Hinds County, Mississippi,
156 in the manner and with the force and effect provided by Chapter
157 13, Title 31, Mississippi Code of 1972, for the validation of
158 county, municipal, school district and other bonds. The notice to
159 taxpayers required by such statutes shall be published in a
160 newspaper published or having a general circulation in the City of
161 Jackson, Mississippi.

162 Section 11. Any holder of bonds issued under the provisions
163 of Sections 1 through 16 of this act or of any of the interest
164 coupons pertaining thereto may, either at law or in equity, by

suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under Sections 1 through 16 of this act, or under such resolution, and may enforce and compel performance of all duties required by Sections 1 through 16 of this act to be performed, in order to provide for the payment of bonds and interest thereon.

Section 12. All bonds issued under the provisions of Sections 1 through 16 of this act shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and such bonds shall 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.

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

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

Section 15. 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 Sections 1 through 16 of 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.

198 Section 16. Sections 1 through 16 of this act shall be
199 deemed to be full and complete authority for the exercise of the
200 powers therein granted, but Sections 1 through 16 of this act
201 shall not be deemed to repeal or to be in derogation of any
202 existing law of this state.

203 **SECTION 2.** Section 33-15-307, Mississippi Code of 1972, is
204 amended as follows:

205 33-15-307. (1) The provisions of this article shall be
206 invoked only pursuant to a state of emergency declared by the
207 Governor or an emergency or major disaster declared by the
208 President, or pursuant to an executive order of the Governor, or
209 administrative order of the director, in order to provide state or
210 local government resources and personnel in compliance with the
211 provisions of the Emergency Management Assistance Compact, Section
212 45-18-1 et seq., or in nondeclared times for administrative and
213 training costs associated with state disaster response and
214 recovery programs. Each declaration shall cite the cause for the
215 declaration and define the area eligible for assistance and the
216 type of assistance to be provided.

217 (2) The Disaster Assistance Trust Fund is created as a
218 special fund in the State Treasury into which shall be paid any
219 funds appropriated or otherwise made available by the Legislature
220 for disaster assistance, any funds transferred from the Working
221 Cash-Stabilization Reserve Fund as provided under subsection (5)
222 of this section, any income from investment of the funds in the
223 trust fund, and federal reimbursement for administrative costs for
224 management of the Individual and Family Grant Program, the Public
225 Assistance Program, the Hazard Mitigation Program and Disaster
226 Reservist Program.

227 (3) Income from investment of the funds in the trust fund,
228 and all other funds deposited therein pursuant to law, shall be
229 available for expenditure, transfer and allocation pursuant to
230 this article.

(4) The Disaster Assistance Trust Fund shall be used only for the following purposes:

(a) The state's portion of the cost share for public assistance under a major disaster declaration.

(b) The state's cost share of the Individual and Family Grant (IFG) Program under the provisions of Section 43-41-1 et seq.

(c) Administrative costs for managing the IFG Program.

(d) Administrative costs for managing the Public Assistance Program.

(e) The Temporary Housing Program under provisions of Section 43-41-301 et seq.

(f) Out-of-pocket expenses, including travel, per diem, overtime and other similar expenses, of state or local agencies when so tasked by the Governor or the director for emergency response under the provisions of Section 33-15-11(b)(7) and current executive orders. This includes actual emergency response and recovery activities, and applies to mobilization and deployment of state or local agencies to another state under the provisions of the Emergency Management Assistance Compact.

(g) Costs incurred as a result of state active duty for the Mississippi National Guard when so tasked by the Governor to provide support to other agencies and local governments in a major disaster or emergency situation, or when tasked by the Governor to provide support to another state under the provisions of the Emergency Management Assistance Compact.

(h) The state's portion of the cost share for hazard mitigation under a major disaster declaration.

(i) Administrative costs of the Hazard Mitigation Program.

(j) Costs incurred as a result of the implementation of the Disaster Reservist Program under a major disaster declaration.

(k) Administrative costs of the Disaster Reservist Program.

(l) Costs incurred as a result of the implementation of public assistance, and/or individual assistance, and/or Disaster Reservist Program, and/or hazard mitigation, and/or temporary housing under a Governor's state of emergency.

(m) The state's portion of the cost share for public assistance under a major disaster declaration for tornado or other storm damage to public facilities and infrastructure occurring on November 10, 2002, as provided in Sections 1 through 16 of Chapter 3, Third Extraordinary Session 2002.

(5) Whenever the director determines that funds are immediately needed in the Disaster Assistance Trust Fund to provide for disaster assistance under this article, he shall notify the Executive Director of the Department of Finance and Administration of his determination and shall requisition the amount of funds from the Working Cash-Stabilization Fund that are needed in the trust fund, which shall be subject to the limitations set forth below in this subsection. At the same time he makes the requisition, the director shall notify the Lieutenant Governor, the Speaker of the House of Representatives and the respective Chairmen of the Senate Appropriations Committee, the Senate Finance Committee, the House Appropriations Committee and the House Ways and Means Committee of his determination of the need for the funds and the amount that he has requisitioned. Upon receipt of such a requisition from the director, the Executive Director of the Department of Finance and Administration shall ascertain if the amount requisitioned is available in the Working Cash-Stabilization Reserve Fund and is within the limitations set forth below in this subsection and, if it is, he shall transfer that amount from the Working Cash-Stabilization Reserve Fund to the trust fund. If the amount requisitioned is more than the amount available in the Working Cash-Stabilization Fund or above

296 the limitations set forth below in this subsection, the executive
297 director shall transfer the amount that is available within the
298 limitations. The maximum amount that may be transferred from the
299 Working Cash-Stabilization Reserve Fund to the trust fund for any
300 one (1) disaster occurrence shall be Five Hundred Thousand Dollars
301 (\$500,000.00) and the maximum amount that may be transferred
302 during any fiscal year shall be One Million Dollars
303 (\$1,000,000.00).

304 (6) Unexpended state funds in the Disaster Assistance Trust
305 Fund at the end of a fiscal year shall not lapse into the State
306 General Fund but shall remain in the trust fund for use under this
307 article for as long as the funds are needed for the particular
308 purpose for which they were appropriated, deposited or transferred
309 into the trust fund. After any state funds in the trust fund are
310 no longer needed for the particular purpose for which they were
311 appropriated, deposited or transferred into the trust fund, the
312 director may use those funds for any other purpose under this
313 article for which they currently are needed and for which other
314 funds are not available. If there is no current need for such
315 funds for any purpose under this article, the funds and the income
316 earned from the investment of the funds shall be transferred back
317 to the particular fund or funds in the State Treasury from which
318 they were appropriated or transferred into the trust fund, upon
319 certification of the director to the Executive Director of the
320 Department of Finance and Administration that the funds are not
321 currently needed * * *.

322 **SECTION 3.** This act shall take effect and be in force from
323 and after its passage.