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To: Finance

SENATE BILL NO. 3173

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$20,000,000.00 IN STATE  
 2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE LOCAL SYSTEM  
 3 BRIDGE REPLACEMENT AND REHABILITATION FUND; TO AMEND SECTION  
 4 65-37-13, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE  
 5 LEGISLATURE SHALL NOT BE REQUIRED TO APPROPRIATE FUNDS DURING THE  
 6 2004 REGULAR SESSION FOR DEPOSIT INTO THE LOCAL SYSTEM BRIDGE  
 7 REPLACEMENT AND REHABILITATION FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

21 **SECTION 2.** (1) The Department of Finance and  
 22 Administration, at one time, or from time to time, may declare by  
 23 resolution the necessity for issuance of general obligation bonds  
 24 of the State of Mississippi to provide funds for the Local System  
 25 Bridge Replacement and Rehabilitation Fund created under Section  
 26 65-37-13. Upon the adoption of a resolution by the Department of  
 27 Finance and Administration, declaring the necessity for the  
 28 issuance of any part or all of the general obligation bonds  
 29 authorized by this section, the Department of Finance and

30 Administration shall deliver a certified copy of its resolution or  
31 resolutions to the commission. Upon receipt of such resolution,  
32 the commission, in its discretion, may act as the issuing agent,  
33 prescribe the form of the bonds, advertise for and accept bids,  
34 issue and sell the bonds so authorized to be sold and do any and  
35 all other things necessary and advisable in connection with the  
36 issuance and sale of such bonds. The total amount of bonds issued  
37 under Sections 1 through 16 of this act shall not exceed Twenty  
38 Million Dollars (\$20,000,000.00).

39 (2) The proceeds of bonds issued pursuant to Sections 1  
40 through 16 of this act shall be deposited into the Local System  
41 Bridge Replacement and Rehabilitation Fund created under Section  
42 65-37-13. Any investment earnings on bonds issued pursuant to  
43 Sections 1 through 16 of this act shall be used to pay debt  
44 service on bonds issued under Sections 1 through 16 of this act,  
45 in accordance with the proceedings authorizing issuance of such  
46 bonds.

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

60 **SECTION 4.** The bonds authorized by Sections 1 through 16 of  
61 this act shall be signed by the chairman of the commission, or by  
62 his facsimile signature, and the official seal of the commission

63 shall be affixed thereto, attested by the secretary of the  
64 commission. The interest coupons, if any, to be attached to such  
65 bonds may be executed by the facsimile signatures of such  
66 officers. Whenever any such bonds shall have been signed by the  
67 officials designated to sign the bonds who were in office at the  
68 time of such signing but who may have ceased to be such officers  
69 before the sale and delivery of such bonds, or who may not have  
70 been in office on the date such bonds may bear, the signatures of  
71 such officers upon such bonds and coupons shall nevertheless be  
72 valid and sufficient for all purposes and have the same effect as  
73 if the person so officially signing such bonds had remained in  
74 office until their delivery to the purchaser, or had been in  
75 office on the date such bonds may bear. However, notwithstanding  
76 anything herein to the contrary, such bonds may be issued as  
77 provided in the Registered Bond Act of the State of Mississippi.

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

85       **SECTION 6.** The commission shall act as the issuing agent for  
86 the bonds authorized under Sections 1 through 16 of this act,  
87 prescribe the form of the bonds, advertise for and accept bids,  
88 issue and sell the bonds so authorized to be sold, pay all fees  
89 and costs incurred in such issuance and sale, and do any and all  
90 other things necessary and advisable in connection with the  
91 issuance and sale of such bonds. The commission is authorized and  
92 empowered to pay the costs that are incident to the sale, issuance  
93 and delivery of the bonds authorized under Sections 1 through 16  
94 of this act from the proceeds derived from the sale of such bonds.  
95 The commission shall sell such bonds on sealed bids at public

96 sale, and for such price as it may determine to be for the best  
97 interest of the State of Mississippi, but no such sale shall be  
98 made at a price less than par plus accrued interest to the date of  
99 delivery of the bonds to the purchaser. All interest accruing on  
100 such bonds so issued shall be payable semiannually or annually;  
101 however, the first interest payment may be for any period of not  
102 more than one (1) year.

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

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

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

125 **SECTION 8.** Upon the issuance and sale of bonds under the  
126 provisions of Sections 1 through 16 of this act, the commission  
127 shall transfer the proceeds of any such sale or sales to the Local  
128 System Bridge Replacement and Rehabilitation Fund created in

129 Section 65-37-13. The proceeds of such bonds shall be disbursed  
130 solely upon the order of the Department of Finance and  
131 Administration under such restrictions, if any, as may be  
132 contained in the resolution providing for the issuance of the  
133 bonds.

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

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

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

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

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

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

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

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

194           **SECTION 17.** Section 65-37-13, Mississippi Code of 1972, is  
195 amended as follows:

196           65-37-13. (1) There is created in the State Treasury a  
197 special fund to be designated as the "Local System Bridge  
198 Replacement and Rehabilitation Fund." The fund shall consist of  
199 such monies as the Legislature appropriates pursuant to subsection  
200 (2) of this section and such other monies as the Legislature may  
201 designate for deposit in the fund. Monies in the fund may be  
202 expended upon legislative appropriation in accordance with the  
203 provisions of Sections 65-37-1 through 65-37-15.

204           (2) (a) During each regular legislative session held in  
205 calendar years 1995, 1996, 1997 and 1998, if the official General  
206 Fund revenue estimate for the succeeding fiscal year for which  
207 appropriations are being made reflects a growth in General Fund  
208 revenues of three percent (3%) or more for that succeeding fiscal  
209 year, then the Legislature shall appropriate Twenty-five Million  
210 Dollars (\$25,000,000.00) from the State General Fund for deposit  
211 into the Local System Bridge Replacement and Rehabilitation Fund.

212           (b) During the regular legislative session held in  
213 calendar year 1999, if the official General Fund revenue estimate  
214 for the succeeding fiscal year for which appropriations are being  
215 made reflects a growth in General Fund revenues of two percent  
216 (2%) or more for the succeeding fiscal year, then the Legislature  
217 shall appropriate Ten Million Dollars (\$10,000,000.00) from the  
218 State General Fund for deposit into the Local System Bridge  
219 Replacement and Rehabilitation Fund.

220           (c) Except as otherwise provided in this paragraph (c),  
221 during each regular legislative session held in calendar years  
222 2001 through 2008, if the official General Fund revenue estimate  
223 for the succeeding fiscal year for which appropriations are being  
224 made reflects a growth in General Fund revenues of two percent  
225 (2%) or more for the succeeding fiscal year, then the Legislature  
226 shall appropriate Twenty Million Dollars (\$20,000,000.00) from the

227 State General Fund for deposit into the Local System Bridge  
228 Replacement and Rehabilitation Fund. However, during the regular  
229 legislative sessions held in calendar years 2003 and 2004, the  
230 Legislature shall not be required to appropriate funds for deposit  
231 into the Local System Bridge Replacement and Rehabilitation Fund.

232 (3) Such monies as are deposited in the fund under the  
233 provisions of this section may be expended upon requisition  
234 therefor by the State Aid Engineer in accordance with the  
235 provisions of Sections 65-37-1 through 65-37-15. The Office of  
236 State Aid Road Construction shall be entitled to reimbursement  
237 from monies in the fund, upon requisitions therefor by the State  
238 Aid Engineer, for the actual expenses incurred by the office in  
239 administering the provisions of the local system bridge  
240 replacement and rehabilitation program. Unexpended amounts  
241 remaining in the fund at the end of a fiscal year shall not lapse  
242 into the State General Fund, and any interest earned on amounts in  
243 the fund shall be deposited to the credit of the fund.

244 (4) Monies in the Local System Bridge Replacement and  
245 Rehabilitation Fund shall be allocated and become available for  
246 distribution to counties in accordance with the formula prescribed  
247 in Section 65-37-4 beginning January 1, 1995, on a  
248 project-by-project basis. Monies in the Local System Bridge  
249 Replacement and Rehabilitation Fund may not be used or expended  
250 for any purpose except as authorized under Sections 65-37-1  
251 through 65-37-15.

252 (5) Monies in the Local System Bridge Replacement and  
253 Rehabilitation Fund may be credited to a county in advance of the  
254 normal accrual to finance certain projects, subject to the  
255 approval of the State Aid Engineer and subject further to the  
256 following limitations:

257 (a) That the maximum amount of such monies that may be  
258 advanced to any county shall not exceed ninety percent (90%) of



259 the funds estimated to accrue to such county during the remainder  
260 of the term of office of the board of supervisors of such county;

261 (b) That no advance credit of funds will be made to any  
262 county when the unobligated balance in the Local System Bridge  
263 Replacement and Rehabilitation Fund is less than One Million  
264 Dollars (\$1,000,000.00); and

265 (c) That such advance crediting of funds be effected by  
266 the State Aid Engineer at the time of the approval of the plans  
267 and specifications for the proposed projects.

268 It is the intent of this provision to utilize to the fullest  
269 practicable extent the balance of monies in the Local System  
270 Bridge Replacement and Rehabilitation Fund on hand at all times.

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