

By: Senator(s) Nunnelee

To: Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2418

1 AN ACT TO AMEND SECTIONS 1 THROUGH 16, CHAPTER 503, LAWS OF  
2 2003, AS AMENDED BY SECTION 1, CHAPTER 477, LAWS OF 2004, TO  
3 INCREASE FROM \$6,070,000.00 TO \$7,303,000.00 THE AMOUNT OF STATE  
4 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED TO PROVIDE MATCHING  
5 FUNDS FOR FEDERAL FUNDS FOR THE WATER POLLUTION CONTROL REVOLVING  
6 FUND; TO AMEND SECTIONS 6 THROUGH 20, CHAPTER 521, LAWS OF 1995,  
7 AS LAST AMENDED BY SECTION 2, CHAPTER 477, LAWS OF 2004, TO  
8 INCREASE FROM \$16,743,000.00 TO \$18,743,000.00 THE AMOUNT OF STATE  
9 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL  
10 GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN  
11 FUND; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Sections 1 through 16, Chapter 503, Laws of 2003,  
14 as amended by Section 1, Chapter 477, Laws of 2004, are amended as  
15 follows:

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

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

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

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

28 Section 2. (1) The Commission on Environmental Quality, at  
29 one time, or from time to time, may declare by resolution the  
30 necessity for issuance of general obligation bonds of the State of  
31 Mississippi to provide funds for the Water Pollution Control

32 Revolving Fund established in Section 49-17-85. Upon the adoption  
33 of a resolution by the Commission on Environmental Quality,  
34 declaring the necessity for the issuance of any part or all of the  
35 general obligation bonds authorized by this section, the  
36 Commission on Environmental Quality shall deliver a certified copy  
37 of its resolution or resolutions to the commission. Upon receipt  
38 of such resolution, the commission, in its discretion, may act as  
39 the issuing agent, prescribe the form of the bonds, advertise for  
40 and accept bids, issue and sell the bonds so authorized to be sold  
41 and do any and all other things necessary and advisable in  
42 connection with the issuance and sale of such bonds. The total  
43 amount of bonds issued under Sections 1 through 16 of this act  
44 shall not exceed Seven Million Three Hundred Three Thousand  
45 Dollars (\$7,303,000.00).

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

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

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

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

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

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

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

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

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

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

127 Section 8. Upon the issuance and sale of bonds under the  
128 provisions of Sections 1 through 16 of this act, the commission  
129 shall transfer the proceeds of any such sale or sales to the Water  
130 Pollution Control Revolving Fund created in Section 49-17-85.

131 After the transfer of the proceeds of any such sale or sales to  
132 the Water Pollution Control Revolving Fund, any investment  
133 earnings or interest earned on the proceeds of such bonds shall be  
134 deposited to the credit of the Water Pollution Control Revolving  
135 Fund and shall be used only for the purposes provided in Section  
136 49-17-85. The proceeds of such bonds shall be disbursed solely  
137 upon the order of the Commission on Environmental Quality under  
138 such restrictions, if any, as may be contained in the resolution  
139 providing for the issuance of the bonds.

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

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

159 Section 11. Any holder of bonds issued under the provisions  
160 of Sections 1 through 16 of this act or of any of the interest  
161 coupons pertaining thereto may, either at law or in equity, by  
162 suit, action, mandamus or other proceeding, protect and enforce  
163 any and all rights granted under Sections 1 through 16 of this

164 act, or under such resolution, and may enforce and compel  
165 performance of all duties required by Sections 1 through 16 of  
166 this act to be performed, in order to provide for the payment of  
167 bonds and interest thereon.

168 Section 12. All bonds issued under the provisions of  
169 Sections 1 through 16 of this act shall be legal investments for  
170 trustees and other fiduciaries, and for savings banks, trust  
171 companies and insurance companies organized under the laws of the  
172 State of Mississippi, and such bonds shall be legal securities  
173 which may be deposited with and shall be received by all public  
174 officers and bodies of this state and all municipalities and  
175 political subdivisions for the purpose of securing the deposit of  
176 public funds.

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

180 Section 14. The proceeds of the bonds issued under Sections  
181 1 through 16 of this act shall be used solely for the purposes  
182 therein provided, including the costs incident to the issuance and  
183 sale of such bonds.

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

195 Section 16. Sections 1 through 16 of this act shall be  
196 deemed to be full and complete authority for the exercise of the

197 powers therein granted, but Sections 1 through 16 of this act  
198 shall not be deemed to repeal or to be in derogation of any  
199 existing law of this state.

200         **SECTION 2.** Sections 6 through 20, Chapter 521, Laws of 1995,  
201 as amended by Section 17, Chapter 503, Laws of 2003, as amended by  
202 Section 2, Chapter 477, Laws of 2004, are amended as follows:

203         Section 6. The board created in Section 41-3-16, at one  
204 time, or from time to time, may declare by resolution the  
205 necessity for issuance of general obligation bonds of the State of  
206 Mississippi to provide funds for all costs incurred or to be  
207 incurred by the board in constructing new water systems or  
208 repairing existing water systems described in Section 41-3-16.  
209 Upon the adoption of a resolution by the board, declaring the  
210 necessity for the issuance of any part or all of the general  
211 obligation bonds authorized by this section, the board shall  
212 deliver a certified copy of its resolution or resolutions to the  
213 State Bond Commission. Upon receipt of such resolution, the State  
214 Bond Commission, in its discretion, may act as the issuing agent,  
215 prescribe the form of the bonds, advertise for and accept bids,  
216 issue and sell the tax exempt or taxable bonds so authorized to be  
217 sold, and do any and all other things necessary and advisable in  
218 connection with the issuance and sale of such bonds. The amount  
219 of bonds issued under Sections 6 through 20 of this act shall not  
220 exceed Eighteen Million Seven Hundred Forty-three Thousand Dollars  
221 (\$18,743,000.00), the proceeds of which shall be deposited in the  
222 revolving fund and Five Million Dollars (\$5,000,000.00), the  
223 proceeds of which shall be deposited in the emergency fund.

224         Section 7. The principal of and interest on the bonds  
225 authorized under Section 6 of this act shall be payable in the  
226 manner provided in this section. Such bonds shall bear such date  
227 or dates, be in such denomination or denominations, bear interest  
228 at such rate or rates (not to exceed the limits set forth in  
229 Section 75-17-101), be payable at such place or places within or

230 without the State of Mississippi, shall mature absolutely at such  
231 time or times not to exceed twenty-five (25) years from date of  
232 issue, be redeemable before maturity at such time or times and  
233 upon such terms, with or without premium, shall bear such  
234 registration privileges, and shall be substantially in such form,  
235 all as shall be determined by resolution of the State Bond  
236 Commission.

237       Section 8. The bonds authorized by Section 6 of this act  
238 shall be signed by the Chairman of the State Bond Commission, or  
239 by his facsimile signature, and the official seal of the State  
240 Bond Commission shall be affixed thereto, attested by the  
241 Secretary of the State Bond Commission. The interest coupons, if  
242 any, to be attached to such bonds may be executed by the facsimile  
243 signatures of such officers. Whenever any such bonds shall have  
244 been signed by the officials designated to sign the bonds who were  
245 in office at the time of such signing but who may have ceased to  
246 be such officers before the sale and delivery of such bonds, or  
247 who may not have been in office on the date such bonds may bear,  
248 the signatures of such officers upon such bonds and coupons shall  
249 nevertheless be valid and sufficient for all purposes and have the  
250 same effect as if the person so officially signing such bonds had  
251 remained in office until their delivery to the purchaser, or had  
252 been in office on the date such bonds may bear. However,  
253 notwithstanding anything herein to the contrary, such bonds may be  
254 issued as provided in the Registered Bond Act of the State of  
255 Mississippi.

256       Section 9. All bonds and interest coupons issued under the  
257 provisions of Sections 6 through 20 of this act have all the  
258 qualities and incidents of negotiable instruments under the  
259 provisions of the Uniform Commercial Code, and in exercising the  
260 powers granted by Sections 6 through 20 of this act, the State  
261 Bond Commission shall not be required to and need not comply with  
262 the provisions of the Uniform Commercial Code.



263           Section 10. The State Bond Commission shall act as the  
264 issuing agent for the bonds authorized under Sections 6 through 20  
265 of this act, prescribe the form of the bonds, advertise for and  
266 accept bids, issue and sell the bonds so authorized to be sold,  
267 pay all fees and costs incurred in such issuance and sale, and do  
268 all other things necessary and advisable in connection with the  
269 issuance and sale of the bonds. The State Bond Commission may pay  
270 the costs that are incident to the sale, issuance and delivery of  
271 the bonds authorized under Sections 6 through 20 of this act from  
272 the proceeds derived from the sale of the bonds. The State Bond  
273 Commission shall sell such bonds on sealed bids at public sale,  
274 and for such price as it may determine to be for the best interest  
275 of the State of Mississippi, but no such sale may be made at a  
276 price less than par plus accrued interest to the date of delivery  
277 of the bonds to the purchaser. All interest accruing on such  
278 bonds so issued shall be payable semiannually or annually;  
279 however, the first interest payment may be for any period of not  
280 more than one (1) year.

281           Notice of the sale of any such bond shall be published at  
282 least one time, not less than ten (10) days before the date of  
283 sale, and shall be so published in one or more newspapers  
284 published or having a general circulation in the City of Jackson,  
285 Mississippi, and in one or more other newspapers or financial  
286 journals with a national circulation, to be selected by the State  
287 Bond Commission.

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

293           Section 11. The bonds issued under the provisions of  
294 Sections 6 through 20 of this act are general obligations of the  
295 State of Mississippi, and for the payment thereof the full faith

296 and credit of the State of Mississippi is irrevocably pledged. If  
297 the funds appropriated by the Legislature are insufficient to pay  
298 the principal of and interest on such bonds as they become due,  
299 then the deficiency shall be paid by the State Treasurer from any  
300 funds in the State Treasury not otherwise appropriated. All such  
301 bonds shall contain recitals on their faces substantially covering  
302 the provisions of this section.

303 Section 12. The State Treasurer is authorized, without  
304 further process of law, to certify to the Department of Finance  
305 and Administration the necessity for warrants, and the Department  
306 of Finance and Administration is authorized and directed to issue  
307 such warrants, in such amounts as may be necessary to pay when due  
308 the principal of, premium, if any, and interest on, or the  
309 accreted value of, all bonds issued under Sections 6 through 20 of  
310 this act; and the State Treasurer shall forward the necessary  
311 amount to the designated place or places of payment of such bonds  
312 in ample time to discharge such bonds, or the interest on the  
313 bonds, on their due dates.

314 Section 13. Upon the issuance and sale of bonds under the  
315 provisions of Sections 6 through 20 of this act, the State Bond  
316 Commission shall transfer the proceeds of any sale or sales of  
317 bonds to the revolving fund and the emergency fund in the amounts  
318 specified in Section 6 of this act. After such transfer, all  
319 investment earnings or interest earned on the proceeds of such  
320 bonds shall be deposited to the credit of the revolving fund and  
321 the emergency fund, and shall be used only for the purposes  
322 established in Section 41-3-16. The proceeds of such bonds shall  
323 be disbursed solely upon the order of the board created in Section  
324 1 of this act under such restrictions, if any, as may be contained  
325 in the resolution providing for the issuance of the bonds.

326 Section 14. The bonds authorized under Sections 6 through 20  
327 of this act may be issued without any other proceedings or the  
328 happening of any other conditions or things other than those

329 proceedings, conditions and things which are specified or required  
330 by Sections 6 through 20 of this act. Any resolution providing  
331 for the issuance of bonds under the provisions of Sections 6  
332 through 20 of this act shall become effective immediately upon its  
333 adoption by the State Bond Commission, and any such resolution may  
334 be adopted at any regular or special meeting of the State Bond  
335 Commission by a majority of its members.

336 Section 15. The bonds authorized under the authority of  
337 Sections 6 through 20 of this act may be validated in the Chancery  
338 Court of the First Judicial District of Hinds County, Mississippi,  
339 in the manner and with the force and effect provided by Chapter  
340 13, Title 31, Mississippi Code of 1972, for the validation of  
341 county, municipal, school district and other bonds. The notice to  
342 taxpayers required by such statutes shall be published in a  
343 newspaper published or having a general circulation in the City of  
344 Jackson, Mississippi.

345 Section 16. Any holder of bonds issued under the provisions  
346 of Sections 6 through 20 of this act or of any of the interest  
347 coupons pertaining thereto may, either at law or in equity, by  
348 suit, action, mandamus or other proceeding, protect and enforce  
349 all rights granted under Sections 6 through 20 of this act, or  
350 under such resolution, and may enforce and compel performance of  
351 all duties required by Sections 6 through 20 of this act to be  
352 performed, in order to provide for the payment of bonds and  
353 interest thereon.

354 Section 17. All bonds issued under the provisions of  
355 Sections 6 through 20 of this act shall be legal investments for  
356 trustees and other fiduciaries, and for savings banks, trust  
357 companies and insurance companies organized under the laws of the  
358 State of Mississippi, and such bonds shall be legal securities  
359 which may be deposited with and shall be received by all public  
360 officers and bodies of this state and all municipalities and

361 political subdivisions for the purpose of securing the deposit of  
362 public funds.

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

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

370       Section 20. Sections 6 through 20 of this act shall be  
371 deemed to be full and complete authority for the exercise of the  
372 powers granted, but Sections 6 through 20 of this act shall not be  
373 deemed to repeal or to be in derogation of any existing law of  
374 this state.

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