

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.