

By: Representatives Barnett (92nd), Green
(96th), Hudson, Moak, Nettles, Scott (17th),
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To: Ways and Means

HOUSE BILL NO. 1566

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI IN THE AMOUNT OF \$11,900,000.00 FOR
3 THE PURPOSE OF CONSTRUCTING THE MISSISSIPPI SCHOOL OF FINE ARTS;
4 AND FOR RELATED PURPOSES.

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

6 SECTION 1. As used in this act, the following words shall
7 have the meanings ascribed herein unless the context clearly
8 requires otherwise:

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

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

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

18 SECTION 2. (1) (a) A special fund, to be designated as the
19 "Mississippi School of Fine Arts Construction Fund," is created
20 within the State Treasury. The fund shall be maintained by the
21 State Treasurer as a separate and special fund, separate and apart
22 from the General Fund of the state. Unexpended amounts remaining
23 in the fund at the end of a fiscal year shall not lapse into the
24 State General Fund, and any interest earned or investment earnings
25 on amounts in the fund shall be deposited to the credit of the
26 fund. Monies in the fund may not be used or expended for any
27 purpose except as authorized under this act.

28 (b) Monies deposited into the fund shall be disbursed,
29 in the discretion of the Department of Finance and Administration,
30 to pay the costs of constructing the Mississippi School of Fine
31 Arts on the campus of Whitworth College in Brookhaven,
32 Mississippi.

33 (2) Amounts deposited into such special fund shall be
34 disbursed to pay the costs of the project described in subsection
35 (1) of this section. Promptly after the commission has certified,
36 by resolution duly adopted, that the project described in
37 subsection (1) shall have been completed, abandoned, or cannot be
38 completed in a timely fashion, any amounts remaining in such
39 special fund shall be applied to pay debt service on the bonds
40 issued under this act, in accordance with the proceedings
41 authorizing the issuance of such bonds and as directed by the
42 commission.

43 (3) The Department of Finance and Administration, acting
44 through the Bureau of Building, Grounds and Real Property
45 Management, is expressly authorized and empowered to receive and
46 expend any local or other source funds in connection with the
47 expenditure of funds provided for in this section. The
48 expenditure of monies deposited into the special fund shall be
49 under the direction of the Department of Finance and
50 Administration, and such funds shall be paid by the State
51 Treasurer upon warrants issued by such department, which warrants
52 shall be issued upon requisitions signed by the Executive Director
53 of the Department of Finance and Administration, or his designee.

54 (4) The Department of Finance and Administration is
55 authorized to pay for constructing, furnishing and equipping the
56 Mississippi School of Fine Arts on the campus of Whitworth College
57 in Brookhaven, Mississippi.

58 SECTION 3. (1) The commission, at one (1) time, or from
59 time to time, may declare by resolution the necessity for issuance
60 of general obligation bonds of the State of Mississippi to provide

61 funds for all costs incurred or to be incurred for the purposes
62 described in Section 2 of this act. Upon the adoption of a
63 resolution by the Department of Finance and Administration,
64 declaring the necessity for the issuance of any part or all of the
65 general obligation bonds authorized by this section, the
66 Department of Finance and Administration shall deliver a certified
67 copy of its resolution or resolutions to the commission. Upon
68 receipt of such resolution, the commission, in its discretion, may
69 act as the issuing agent, prescribe the form of the bonds,
70 advertise for and accept bids, issue and sell the bonds so
71 authorized to be sold and do any and all other things necessary
72 and advisable in connection with the issuance and sale of such
73 bonds. The total amount of bonds issued under this act shall not
74 exceed Eleven Million Nine Hundred Thousand Dollars
75 (\$11,900,000.00).

76 (2) Any investment earnings on amounts deposited into the
77 special fund created in Section 2 of this act shall be used to pay
78 debt service on bonds issued under this act, in accordance with
79 the proceedings authorizing issuance of such bonds.

80 SECTION 4. The principal of and interest on the bonds
81 authorized under this act shall be payable in the manner provided
82 in this section. Such bonds shall bear such date or dates, be in
83 such denomination or denominations, bear interest at such rate or
84 rates (not to exceed the limits set forth in Section 75-17-101,
85 Mississippi Code of 1972), be payable at such place or places
86 within or without the State of Mississippi, shall mature
87 absolutely at such time or times not to exceed twenty-five (25)
88 years from date of issue, be redeemable before maturity at such
89 time or times and upon such terms, with or without premium, shall
90 bear such registration privileges, and shall be substantially in
91 such form, all as shall be determined by resolution of the
92 commission.

93 SECTION 5. The bonds authorized by this act shall be signed

94 by the chairman of the commission, or by his facsimile signature,
95 and the official seal of the commission shall be affixed thereto,
96 attested by the secretary of the commission. The interest
97 coupons, if any, to be attached to such bonds may be executed by
98 the facsimile signatures of such officers. Whenever any such
99 bonds shall have been signed by the officials designated to sign
100 the bonds who were in office at the time of such signing but who
101 may have ceased to be such officers before the sale and delivery
102 of such bonds, or who may not have been in office on the date such
103 bonds may bear, the signatures of such officers upon such bonds
104 and coupons shall nevertheless be valid and sufficient for all
105 purposes and have the same effect as if the person so officially
106 signing such bonds had remained in office until their delivery to
107 the purchaser, or had been in office on the date such bonds may
108 bear. However, notwithstanding anything herein to the contrary,
109 such bonds may be issued as provided in the Registered Bond Act of
110 the State of Mississippi.

111 SECTION 6. All bonds and interest coupons issued under the
112 provisions of this act have all the qualities and incidents of
113 negotiable instruments under the provisions of the Uniform
114 Commercial Code, and in exercising the powers granted by this act,
115 the commission shall not be required to and need not comply with
116 the provisions of the Uniform Commercial Code.

117 SECTION 7. The commission shall act as the issuing agent for
118 the bonds authorized under this act, prescribe the form of the
119 bonds, advertise for and accept bids, issue and sell the bonds so
120 authorized to be sold, pay all fees and costs incurred in such
121 issuance and sale, and do any and all other things necessary and
122 advisable in connection with the issuance and sale of such bonds.
123 The commission is authorized and empowered to pay the costs that
124 are incident to the sale, issuance and delivery of the bonds
125 authorized under this act from the proceeds derived from the sale
126 of such bonds. The commission shall sell such bonds on sealed

127 bids at public sale, and for such price as it may determine to be
128 for the best interest of the State of Mississippi, but no such
129 sale shall be made at a price less than par plus accrued interest
130 to the date of delivery of the bonds to the purchaser. All
131 interest accruing on such bonds so issued shall be payable
132 semiannually or annually; however, the first interest payment may
133 be for any period of not more than one (1) year.

134 Notice of the sale of any such bond shall be published at
135 least one (1) time, not less than ten (10) days before the date of
136 sale, and shall be so published in one or more newspapers
137 published or having a general circulation in the City of Jackson,
138 Mississippi, and in one or more other newspapers or financial
139 journals with a national circulation, to be selected by the
140 commission.

141 The commission, when issuing any bonds under the authority of
142 this act, may provide that bonds, at the option of the State of
143 Mississippi, may be called in for payment and redemption at the
144 call price named therein and accrued interest on such date or
145 dates named therein.

146 SECTION 8. The bonds issued under the provisions of this act
147 are general obligations of the State of Mississippi, and for the
148 payment thereof the full faith and credit of the State of
149 Mississippi is irrevocably pledged. If the funds appropriated by
150 the Legislature are insufficient to pay the principal of and the
151 interest on such bonds as they become due, then the deficiency
152 shall be paid by the State Treasurer from any funds in the State
153 Treasury not otherwise appropriated. All such bonds shall contain
154 recitals on their faces substantially covering the provisions of
155 this section.

156 SECTION 9. Upon the issuance and sale of bonds under the
157 provisions of this act, the commission shall transfer the proceeds
158 of any such sale or sales to the special fund created in Section 2
159 of this act. The proceeds of such bonds shall be disbursed solely

160 upon the order of the Department of Finance and Administration
161 under such restrictions, if any, as may be contained in the
162 resolution providing for the issuance of the bonds.

163 SECTION 10. The bonds authorized under this act may be
164 issued without any other proceedings or the happening of any other
165 conditions or things other than those proceedings, conditions and
166 things which are specified or required by this act. Any
167 resolution providing for the issuance of bonds under the
168 provisions of this act shall become effective immediately upon its
169 adoption by the commission, and any such resolution may be adopted
170 at any regular or special meeting of the commission by a majority
171 of its members.

172 SECTION 11. The bonds authorized under the authority of this
173 act may be validated in the Chancery Court of the First Judicial
174 District of Hinds County, Mississippi, in the manner and with the
175 force and effect provided by Chapter 13, Title 31, Mississippi
176 Code of 1972, for the validation of county, municipal, school
177 district and other bonds. The notice to taxpayers required by
178 such statutes shall be published in a newspaper published or
179 having a general circulation in the City of Jackson, Mississippi.

180 SECTION 12. Any holder of bonds issued under the provisions
181 of this act or of any of the interest coupons pertaining thereto
182 may, either at law or in equity, by suit, action, mandamus or
183 other proceeding, protect and enforce any and all rights granted
184 under this act, or under such resolution, and may enforce and
185 compel performance of all duties required by this act to be
186 performed, in order to provide for the payment of bonds and
187 interest thereon.

188 SECTION 13. All bonds issued under the provisions of this
189 act shall be legal investments for trustees and other fiduciaries,
190 and for savings banks, trust companies and insurance companies
191 organized under the laws of the State of Mississippi, and such
192 bonds shall be legal securities which may be deposited with and

193 shall be received by all public officers and bodies of this state
194 and all municipalities and political subdivisions for the purpose
195 of securing the deposit of public funds.

196 SECTION 14. Bonds issued under the provisions of this act
197 and income therefrom shall be exempt from all taxation in the
198 State of Mississippi.

199 SECTION 15. The proceeds of the bonds issued under this act
200 shall be used solely for the purposes therein provided, including
201 the costs incident to the issuance and sale of such bonds.

202 SECTION 16. The State Treasurer is authorized, without
203 further process of law, to certify to the Department of Finance
204 and Administration the necessity for warrants, and the Department
205 of Finance and Administration is authorized and directed to issue
206 such warrants, in such amounts as may be necessary to pay when due
207 the principal of, premium, if any, and interest on, or the
208 accreted value of, all bonds issued under this act; and the State
209 Treasurer shall forward the necessary amount to the designated
210 place or places of payment of such bonds in ample time to
211 discharge such bonds, or the interest thereon, on the due dates
212 thereof.

213 SECTION 17. This act shall be deemed to be full and complete
214 authority for the exercise of the powers therein granted, but this
215 act shall not be deemed to repeal or to be in derogation of any
216 existing law of this state.

217 SECTION 18. This act shall take effect and be in force from
218 and after July 1, 1999.