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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3119

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF CAPITAL
3 IMPROVEMENTS FOR THE STATE DEPARTMENT OF MENTAL HEALTH; AND FOR
4 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 "1999 Department of Mental Health Capital Improvements Fund" is
20 created within the State Treasury. The fund shall be maintained
21 by the State Treasurer as a separate and special fund, separate
22 and apart from the General Fund of the state and investment
23 earnings on amounts in the fund shall be deposited into such fund.

24 (b) Monies deposited into the fund shall be disbursed,
25 in the discretion of the Department of Finance and Administration,
26 to pay the costs of the following projects for the State
27 Department of Mental Health as hereinafter described:

28

29 (i) Completion of construction of

30 an adolescent psychiatric hospital at East

31 Mississippi State Hospital that was initially

32 authorized and partially funded pursuant to

33 Chapter 532, 1995 Regular Session..... \$ 2,000,000.00

34 (ii) Completion of the funding

35 necessary to construct a facility to serve

36 emotionally disturbed juvenile offenders that was

37 initially authorized and partially funded pursuant

38 to Chapter 528, Laws of 1995..... 7,500,000.00

39 (iii) Construction of three (3)

40 mental health crisis intervention centers..... 7,500,000.00

41 (iv) Preplanning for the facilities

42 at the Mississippi State Hospital to meet the

43 requirements of the Joint Commission on

44 Accreditation of Healthcare Organizations and

45 preplanning of renovation and repair or construction

46 of one or more receiving units at the Mississippi

47 State Hospital..... 500,000.00

48 **GRAND TOTAL..... \$17,500,000.00**

49 (2) Amounts deposited into such special fund shall be

50 disbursed to pay the costs of projects described in subsection (1)

51 of this section. Promptly after the commission has certified, by

52 resolution duly adopted, that the projects described in subsection

53 (1) shall have been completed, abandoned, or cannot be completed

54 in a timely fashion, any amounts remaining in such special fund

55 shall be applied to pay debt service on the bonds issued under

56 this act, in accordance with the proceedings authorizing the

57 issuance of such bonds and as directed by the commission.

58 (3) The Department of Finance and Administration, acting

59 through the Bureau of Building, Grounds and Real Property

60 Management, is expressly authorized and empowered to receive and

61 expend any local or other source funds in connection with the

62 expenditure of funds provided for in this section. The

63 expenditure of monies deposited into the special fund shall be

64 under the direction of the Department of Finance and

65 Administration, and such funds shall be paid by the State
66 Treasurer upon warrants issued by such department, which warrants
67 shall be issued upon requisitions signed by the Executive Director
68 of the Department of Finance and Administration or his designee.

69 (4) The Department of Finance and Administration is
70 authorized to pay for the purchase of real estate and the
71 construction, repair, renovation, furnishing and equipping of
72 facilities.

73 SECTION 3. (1) The commission, at one time, or from time to
74 time, may declare by resolution the necessity for issuance of
75 general obligation bonds of the State of Mississippi to provide
76 funds for all costs incurred or to be incurred for the purposes
77 described in Section 2 of this act. Upon the adoption of a
78 resolution by the Department of Finance and Administration,
79 declaring the necessity for the issuance of any part or all of the
80 general obligation bonds authorized by this section, the
81 Department of Finance and Administration shall deliver a certified
82 copy of its resolution or resolutions to the commission. Upon
83 receipt of such resolution, the commission, in its discretion, may
84 act as the issuing agent, prescribe the form of the bonds,
85 advertise for and accept bids, issue and sell the bonds so
86 authorized to be sold and do any and all other things necessary
87 and advisable in connection with the issuance and sale of such
88 bonds. The total amount of bonds issued under this act shall not
89 exceed Seventeen Million Five Hundred Thousand Dollars
90 (\$17,500,000.00).

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

95 SECTION 4. The principal of and interest on the bonds
96 authorized under this act shall be payable in the manner provided
97 in this section. Such bonds shall bear such date or dates, be in

98 such denomination or denominations, bear interest at such rate or
99 rates (not to exceed the limits set forth in Section 75-17-101,
100 Mississippi Code of 1972), be payable at such place or places
101 within or without the State of Mississippi, shall mature
102 absolutely at such time or times not to exceed twenty-five (25)
103 years from date of issue, be redeemable before maturity at such
104 time or times and upon such terms, with or without premium, shall
105 bear such registration privileges, and shall be substantially in
106 such form, all as shall be determined by resolution of the
107 commission.

108 SECTION 5. The bonds authorized by this act shall be signed
109 by the chairman of the commission, or by his facsimile signature,
110 and the official seal of the commission shall be affixed thereto,
111 attested by the secretary of the commission. The interest coupons,
112 if any, to be attached to such bonds may be executed by the
113 facsimile signatures of such officers. Whenever any such bonds
114 shall have been signed by the officials designated to sign the
115 bonds who were in office at the time of such signing but who may
116 have ceased to be such officers before the sale and delivery of
117 such bonds, or who may not have been in office on the date such
118 bonds may bear, the signatures of such officers upon such bonds
119 and coupons shall nevertheless be valid and sufficient for all
120 purposes and have the same effect as if the person so officially
121 signing such bonds had remained in office until their delivery to
122 the purchaser, or had been in office on the date such bonds may
123 bear. However, notwithstanding anything herein to the contrary,
124 such bonds may be issued as provided in the Registered Bond Act of
125 the State of Mississippi.

126 SECTION 6. All bonds and interest coupons issued under the
127 provisions of this act have all the qualities and incidents of
128 negotiable instruments under the provisions of the Mississippi
129 Uniform Commercial Code, and in exercising the powers granted by
130 this act, the commission shall not be required to and need not

131 comply with the provisions of the Mississippi Uniform Commercial
132 Code.

133 SECTION 7. The commission shall act as the issuing agent for
134 the bonds authorized under this act, prescribe the form of the
135 bonds, advertise for and accept bids, issue and sell the bonds so
136 authorized to be sold, pay all fees and costs incurred in such
137 issuance and sale, and do any and all other things necessary and
138 advisable in connection with the issuance and sale of such bonds.

139 The commission is authorized and empowered to pay the costs that
140 are incident to the sale, issuance and delivery of the bonds
141 authorized under this act from the proceeds derived from the sale
142 of such bonds. The commission shall sell such bonds on sealed
143 bids at public sale, and for such price as it may determine to be
144 for the best interest of the State of Mississippi, but no such
145 sale shall be made at a price less than par plus accrued interest
146 to the date of delivery of the bonds to the purchaser. All
147 interest accruing on such bonds so issued shall be payable
148 semiannually or annually; however, the first interest payment may
149 be for any period of not more than one (1) year.

150 Notice of the sale of any such bonds shall be published at
151 least one (1) time, not less than ten (10) days before the date of
152 sale, and shall be so published in one or more newspapers
153 published or having a general circulation in the City of Jackson,
154 Mississippi, and in one or more other newspapers or financial
155 journals with a national circulation, to be selected by the
156 commission.

157 The commission, when issuing any bonds under the authority of
158 this act, may provide that bonds, at the option of the State of
159 Mississippi, may be called in for payment and redemption at the
160 call price named therein and accrued interest on such date or
161 dates named therein.

162 SECTION 8. The bonds issued under the provisions of this act
163 are general obligations of the State of Mississippi, and for the

164 payment thereof the full faith and credit of the State of
165 Mississippi is irrevocably pledged. If the funds appropriated by
166 the Legislature are insufficient to pay the principal of and the
167 interest on such bonds as they become due, then the deficiency
168 shall be paid by the State Treasurer from any funds in the State
169 Treasury not otherwise appropriated. All such bonds shall contain
170 recitals on their faces substantially covering the provisions of
171 this section.

172 SECTION 9. Upon the issuance and sale of bonds under the
173 provisions of this act, the commission shall transfer the proceeds
174 of any such sale or sales to the special fund created in Section 2
175 of this act. The proceeds of such bonds shall be disbursed solely
176 upon the order of the Department of Finance and Administration
177 under such restrictions, if any, as may be contained in the
178 resolution providing for the issuance of the bonds.

179 SECTION 10. The bonds authorized under this act may be
180 issued without any other proceedings or the happening of any other
181 conditions or things other than those proceedings, conditions and
182 things which are specified or required by this act. Any
183 resolution providing for the issuance of bonds under the
184 provisions of this act shall become effective immediately upon its
185 adoption by the commission, and any such resolution may be adopted
186 at any regular or special meeting of the commission by a majority
187 of its members.

188 SECTION 11. The bonds authorized under the authority of this
189 act may be validated in the Chancery Court of the First Judicial
190 District of Hinds County, Mississippi, in the manner and with the
191 force and effect provided by Chapter 13, Title 31, Mississippi
192 Code of 1972, for the validation of county, municipal, school
193 district and other bonds. The notice to taxpayers required by
194 such statutes shall be published in a newspaper published or
195 having a general circulation in the City of Jackson, Mississippi.

196 SECTION 12. Any holder of bonds issued under the provisions

197 of this act or of any of the interest coupons pertaining thereto
198 may, either at law or in equity, by suit, action, mandamus or
199 other proceeding, protect and enforce any and all rights granted
200 under this act, or under such resolution, and may enforce and
201 compel performance of all duties required by this act to be
202 performed, in order to provide for the payment of bonds and
203 interest thereon.

204 SECTION 13. All bonds issued under the provisions of this
205 act shall be legal investments for trustees and other fiduciaries,
206 and for savings banks, trust companies and insurance companies
207 organized under the laws of the State of Mississippi, and such
208 bonds shall be legal securities which may be deposited with and
209 shall be received by all public officers and bodies of this state
210 and all municipalities and political subdivisions for the purpose
211 of securing the deposit of public funds.

212 SECTION 14. Bonds issued under the provisions of this act
213 and income therefrom shall be exempt from all taxation in the
214 State of Mississippi.

215 SECTION 15. The proceeds of the bonds issued under this act
216 shall be used solely for the purposes herein provided, including
217 the costs incident to the issuance and sale of such bonds.

218 SECTION 16. The State Treasurer is authorized, without
219 further process of law, to certify to the Department of Finance
220 and Administration the necessity for warrants, and the Department
221 of Finance and Administration is authorized and directed to issue
222 such warrants, in such amounts as may be necessary to pay when due
223 the principal of, premium, if any, and interest on, or the
224 accreted value of, all bonds issued under this act; and the State
225 Treasurer shall forward the necessary amount to the designated
226 place or places of payment of such bonds in ample time to
227 discharge such bonds, or the interest thereon, on the due dates
228 thereof.

229 SECTION 17. This act shall be deemed to be full and complete

230 authority for the exercise of the powers herein granted, but this
231 act shall not be deemed to repeal or to be in derogation of any
232 existing law of this state.

233 SECTION 18. This act shall take effect and be in force from
234 and after its passage.