HOUSE BILL NO. 324

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR IMPROVEMENTS TO PUBLIC HIGH SCHOOLS THAT ARE ACCREDITED BY THE STATE DEPARTMENT OF EDUCATION AT LEVEL I OR LEVEL II; AND FOR RELATED PURPOSES.

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

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

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

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

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

SECTION 2. (1) (a) A special fund, to be designated as the "Level I and Level II Public High Schools Improvements Fund" is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund.

(b) Monies deposited into the fund shall be disbursed, in the discretion of the Department of Finance and Administration,
to the State Department of Education for the purpose of providing funds to pay the costs of capital improvements, renovation, repair, furnishing and/or equipping of facilities for public high schools that are accredited by the State Department of Education at Level I or Level II. Funds provided under this act for the projects described in this subsection (1) shall be in addition to funds provided by any other source for such projects.

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

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

SECTION 3. (1) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in Section 2 of this act. Upon the adoption of a
resolution by the Department of Finance and Administration,

declaring the necessity for the issuance of any part or all of the
general obligation bonds authorized by this section, the

Department of Finance and Administration shall deliver a certified
copy of its resolution or resolutions to the commission. Upon
receipt of such resolution, the commission, in its discretion, may
act as the issuing agent, prescribe the form of the bonds,
advertise for and accept bids, issue and sell the bonds so
authorized to be sold and do any and all other things necessary
and advisable in connection with the issuance and sale of such
bonds. The total amount of bonds issued under this act shall not exceed Fifty-eight Million Dollars ($58,000,000.00).

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

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

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

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

SECTION 7. The commission shall act as the issuing agent for
the bonds authorized under this act, prescribe the form of the
bonds, advertise for and accept bids, issue and sell the bonds so
authorized to be sold, pay all fees and costs incurred in such
issuance and sale, and do any and all other things necessary and
advisable in connection with the issuance and sale of such bonds.
The commission is authorized and empowered to pay the costs that
are incident to the sale, issuance and delivery of the bonds
authorized under this act from the proceeds derived from the sale
of such bonds. The commission shall sell such bonds on sealed
bids at public sale, and for such price as it may determine to be
for the best interest of the State of Mississippi, but no such
sale shall be made at a price less than par plus accrued interest to the date of delivery of the bonds to the purchaser. All interest accruing on such bonds so issued shall be payable semiannually or annually; however, the first interest payment may be for any period of not more than one (1) year.

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

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

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

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

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

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

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

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

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

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

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

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

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