

By: Senator(s) Farris

To: Finance

SENATE BILL NO. 2776

1 AN ACT TO AMEND SECTIONS 1 THROUGH 14, CHAPTER 589, LAWS OF
2 1999, TO CLARIFY CERTAIN PROVISIONS REGARDING THE ISSUANCE OF
3 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR IMPROVEMENT TO
4 WALTHALL SCHOOL BUILDING IN HATTIESBURG, MISSISSIPPI; TO AUTHORIZE
5 SUCH BONDS TO BE ISSUED IN INCREMENTS OF NOT LESS THAN \$250,000.00
6 UNDER CERTAIN CIRCUMSTANCES; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Sections 1 through 14, Chapter 589, Laws of 1999,
9 are amended as follows:

10 Section 1. (1) Upon the receipt of matching funds or
11 verification that the matching funds described in this subsection
12 are forthcoming, the Department of Finance and Administration, at
13 one time or from time to time, may declare by resolution the
14 necessity for issuance of general obligation bonds of the State of
15 Mississippi in an amount not to exceed Two Million Five Hundred
16 Thousand Dollars (\$2,500,000.00) to provide funds for necessary
17 improvements to convert the Walthall School Building in
18 Hattiesburg, Mississippi, into a regional children's discovery
19 center to be known as the "Interaction Factory." Such
20 improvements shall include the repair and renovation of the
21 Walthall School Building, improvement of parking facilities at the
22 Walthall School Building and other necessary improvements to such
23 facility and the grounds of such facility that are necessary to
24 convert such facility into a regional children's discovery center
25 including, but not limited to, the construction of additions, the
26 creation and installation of exhibits, and the purchase of
27 necessary furnishings, equipment and fixtures. The issuance of
28 the bonds described in this subsection and the allocation of such

29 funds are conditioned upon the private sector or local or federal
30 government providing matching funds as provided in this section.
31 The bonds authorized to be issued pursuant to this section may be
32 issued in increments of not less than Two Hundred Fifty Thousand
33 Dollars (\$250,000.00) upon matching funds being provided in the
34 amount of the bonds to be issued. The matching funds required
35 pursuant to this subsection may be provided in the form of cash or
36 in kind contributions or any combination of cash or in kind
37 contributions. Title to the Walthall School Building shall be
38 vested in the "Interaction Factory" and the fair market value of
39 the land and buildings, as determined by a "value in use" or other
40 appraisal, may be utilized as an in kind contribution.

41 (2) Upon the adoption of a resolution by the Department of
42 Finance and Administration, declaring the necessity for the
43 issuance of any part or all of the general obligation bonds
44 authorized by this section, the department shall deliver a
45 certified copy of its resolution or resolutions to the State Bond
46 Commission. Upon receipt of such resolution, the State Bond
47 Commission, in its discretion, may act as the issuing agent,
48 prescribe the form of the bonds, advertise for and accept bids,
49 issue and sell the bonds so authorized to be sold, and do any and
50 all other things necessary and advisable in connection with the
51 issuance and sale of such bonds.

52 (3) The amount of bonds issued under Sections 1 through 14
53 of this act shall not exceed Two Million Five Hundred Thousand
54 Dollars (\$2,500,000.00) for the project described in subsection
55 (1) of this section.

56 Section 2. The principal of and interest on the bonds
57 authorized under Sections 1 through 14 of this act shall be
58 payable in the manner provided in this section. Such bonds shall
59 bear such date or dates, be in such denomination or denominations,
60 bear interest at such rate or rates not exceeding the limits set
61 forth in Section 75-17-101, be payable at such place or places

62 within or without the State of Mississippi, shall mature
63 absolutely at such time or times not to exceed twenty (20) years
64 from date of issue, be redeemable before maturity at such time or
65 times and upon such terms, with or without premium, shall bear
66 such registration privileges, and shall be substantially in such
67 form, all as determined by resolution of the State Bond
68 Commission.

69 Section 3. The bonds authorized under Sections 1 through 14
70 of this act shall be signed by the Chairman of the State Bond
71 Commission, or by his facsimile signature, and the official seal
72 of the State Bond Commission shall be affixed thereto, attested by
73 the Secretary of the State Bond Commission. The interest coupons,
74 if any, to be attached to such bonds may be executed by the
75 facsimile signatures of such officers. Whenever any such bonds
76 shall have been signed by the officials designated to sign the
77 bonds who were in office at the time of such signing but who may
78 have ceased to be such officers before the sale and delivery of
79 such bonds, or who may not have been in office on the date such
80 bonds may bear, the signatures of such officers upon such bonds
81 and coupons shall nevertheless be valid and sufficient for all
82 purposes and have the same effect as if the person so officially
83 signing such bonds had remained in office until their delivery to
84 the purchaser, or had been in office on the date such bonds may
85 bear. However, notwithstanding anything in Sections 1 through 14
86 of this act to the contrary, such bonds may be issued as provided
87 in the Registered Bond Act of the State of Mississippi.

88 Section 4. All bonds and interest coupons issued under the
89 provisions of Sections 1 through 14 of this act have all the
90 qualities and incidents of negotiable instruments under the
91 provisions of the Uniform Commercial Code, and in exercising the
92 powers granted by Sections 1 through 14 of this act, the State
93 Bond Commission shall not be required to and need not comply with
94 the provisions of the Uniform Commercial Code.

95 Section 5. The State Bond Commission shall act as the
96 issuing agent for the bonds authorized under Sections 1 through 14
97 of this act, prescribe the form of the bonds, advertise for and
98 accept bids, issue and sell the bonds so authorized to be sold,
99 pay all fees and costs incurred in such issuance and sale, and do
100 all other things necessary and advisable in connection with the
101 issuance and sale of the bonds. The State Bond Commission may pay
102 the costs that are incident to the sale, issuance and delivery of
103 the bonds authorized under Sections 1 through 14 of this act from
104 the proceeds derived from the sale of the bonds. The State Bond
105 Commission shall sell such bonds on sealed bids at public sale,
106 and for such price as it may determine to be for the best interest
107 of the State of Mississippi, but no such sale may be made at a
108 price less than par plus accrued interest to the date of delivery
109 of the bonds to the purchaser. All interest accruing on such
110 bonds so issued shall be payable semiannually or annually;
111 however, the first interest payment may be for any period of not
112 more than one (1) year.

113 Notice of the sale of any such bond shall be published at
114 least one (1) time, not less than ten (10) days before the date of
115 sale, and shall be so published in one or more newspapers
116 published or having a general circulation in the City of Jackson,
117 Mississippi, and in one or more other newspapers or financial
118 journals with a national circulation, to be selected by the State
119 Bond Commission.

120 The State Bond Commission, when issuing any bonds under the
121 authority of Sections 1 through 14 of this act, may provide that
122 the bonds, at the option of the State of Mississippi, may be
123 called in for payment and redemption at the call price named
124 therein and accrued interest on such date or dates named therein.

125 Section 6. The bonds issued under the provisions of Sections
126 1 through 14 of this act are general obligations of the State of
127 Mississippi, and for the payment thereof the full faith and credit

128 of the State of Mississippi is irrevocably pledged. If the funds
129 appropriated by the Legislature are insufficient to pay the
130 principal of and the interest on such bonds as they become due,
131 then the deficiency shall be paid by the State Treasurer from any
132 funds in the State Treasury not otherwise appropriated. All such
133 bonds shall contain recitals on their faces substantially covering
134 the provisions of this section.

135 Section 7. The State Treasurer is authorized to certify to
136 the Executive Director of the Department of Finance and
137 Administration the necessity for warrants, and the Executive
138 Director of the Department of Finance and Administration is
139 authorized and directed to issue such warrants, in such amounts as
140 may be necessary to pay when due the principal of, premium, if
141 any, and interest on, or the accreted value of, all bonds issued
142 under Sections 1 through 14 of this act; and the State Treasurer
143 shall forward the necessary amount to the designated place or
144 places of payment of such bonds in ample time to discharge such
145 bonds, or the interest on the bonds, on their due dates.

146 Section 8. Upon the issuance and sale of bonds under
147 Sections 1 through 14 of this act, the State Bond Commission shall
148 deposit the proceeds of any such sale or sales in a special fund
149 created in the State Treasury to be known as the "Regional
150 Children's Discovery Center Fund." Such fund shall be maintained
151 by the State Treasurer as a separate and special fund, separate
152 and apart from the General Fund of the state, and investment
153 earnings on amounts in the fund shall be deposited into such fund.
154 The proceeds of such bonds shall be used solely for the purposes
155 provided in Sections 1 through 14 of this act, including the costs
156 incident to the issuance and sale of such bonds. The costs
157 incident to the issuance and sale of such bonds shall be disbursed
158 by warrant upon requisition of the State Bond Commission, signed
159 by the chairman of the commission. The remaining monies in the
160 fund shall be expended solely under the direction of the

161 Department of Finance and Administration under such restrictions,
162 if any, as may be contained in the resolution providing for the
163 issuance of the bonds, and such funds shall be paid by the State
164 Treasurer upon warrants issued by the Executive Director of the
165 Department of Finance and Administration.

166 Section 9. The bonds authorized under Sections 1 through 14
167 of this act may be issued without any other proceedings or the
168 happening of any other conditions or things other than those
169 proceedings, conditions and things that are specified or required
170 by Sections 1 through 14 of this act. Any resolution providing
171 for the issuance of bonds under Sections 1 through 14 of this act
172 shall become effective immediately upon its adoption by the State
173 Bond Commission, and any such resolution may be adopted at any
174 regular or special meeting of the State Bond Commission by a
175 majority of its members.

176 Section 10. The bonds authorized under the authority of
177 Sections 1 through 14 of this act may be validated in the Chancery
178 Court of the First Judicial District of Hinds County, Mississippi,
179 in the manner and with the force and effect provided by Chapter
180 13, Title 31, Mississippi Code of 1972, for the validation of
181 county, municipal, school district and other bonds. The notice to
182 taxpayers required by such statutes shall be published in a
183 newspaper published or having a general circulation in the City of
184 Jackson, Mississippi.

185 Section 11. Any holder of bonds issued under Sections 1
186 through 14 of this act or of any of the interest coupons
187 pertaining to the bonds may, either at law or in equity, by suit,
188 action, mandamus or other proceeding, protect and enforce all
189 rights granted under Sections 1 through 14 of this act, or under
190 such resolution, and may enforce and compel performance of all
191 duties required by Sections 1 through 14 of this act to be
192 performed, in order to provide for the payment of bonds and
193 interest on the bonds.

194 Section 12. All bonds issued under Sections 1 through 14 of
195 this act shall be legal investments for trustees and other
196 fiduciaries, and for savings banks, trust companies and insurance
197 companies organized under the laws of the State of Mississippi,
198 and such bonds shall be legal securities that may be deposited
199 with and shall be received by all public officers and bodies of
200 this state and all municipalities and political subdivisions for
201 the purpose of securing the deposit of public funds.

202 Section 13. Bonds issued under Sections 1 through 14 of this
203 act and income from the bonds shall be exempt from all taxation in
204 the State of Mississippi.

205 Section 14. Sections 1 through 14 of this act shall be
206 deemed to be full and complete authority for the exercise of the
207 powers granted, but Sections 1 through 14 of this act shall not be
208 deemed to repeal or to be in derogation of any existing law of
209 this state.

210 SECTION 2. This act shall take effect and be in force from
211 and after its passage.