

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 11

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
 2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR
 3 CAPITAL IMPROVEMENTS AT ALCORN STATE UNIVERSITY, JACKSON STATE
 4 UNIVERSITY AND MISSISSIPPI VALLEY STATE UNIVERSITY; TO PROVIDE
 5 THAT THE PROCEEDS OF THE BONDS SHALL BE ALLOCATED EQUALLY AMONG
 6 SUCH INSTITUTIONS OF HIGHER LEARNING AND USED TO PAY THE COSTS OF
 7 CAPITAL IMPROVEMENTS AT EACH INSTITUTION AS DETERMINED APPROPRIATE
 8 BY THE RESPECTIVE PRESIDENT OF EACH INSTITUTION OF HIGHER
 9 LEARNING; AND FOR RELATED PURPOSES.

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

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

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

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

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

23 **SECTION 2.** (1) (a) A special fund, to be designated as the
 24 "Mississippi Historically Black Public Universities Improvements
 25 Fund" is created within the State Treasury. The fund shall be
 26 maintained by the State Treasurer as a separate and special fund,
 27 separate and apart from the General Fund of the state. Unexpended
 28 amounts remaining in the fund at the end of a fiscal year shall
 29 not lapse into the State General Fund, and any interest earned or



30 investment earnings on amounts in the fund shall be deposited into
31 such fund.

32 (b) Monies deposited into the fund shall be disbursed,
33 in the discretion of the Department of Finance and Administration,
34 to pay the costs of capital improvements, renovation and/or repair
35 of existing facilities, furnishings and/or equipping facilities
36 for public facilities for Alcorn State University, Jackson State
37 University and Mississippi Valley State University. Monies in the
38 special fund shall be allocated and disbursed equally among such
39 institutions of higher learning and used to pay the costs of
40 projects at each institution as determined appropriate by the
41 respective president of each institution of higher learning.

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

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



63 **SECTION 3.** (1) The commission, at one time, or from time to
64 time, may declare by resolution the necessity for issuance of
65 general obligation bonds of the State of Mississippi to provide
66 funds for all costs incurred or to be incurred for the purposes
67 described in Section 2 of this act. Upon the adoption of a
68 resolution by the Department of Finance and Administration,
69 declaring the necessity for the issuance of any part or all of the
70 general obligation bonds authorized by this section, the
71 Department of Finance and Administration shall deliver a certified
72 copy of its resolution or resolutions to the commission. Upon
73 receipt of such resolution, the commission, in its discretion, may
74 act as the issuing agent, prescribe the form of the bonds,
75 advertise for and accept bids, issue and sell the bonds so
76 authorized to be sold and do any and all other things necessary
77 and advisable in connection with the issuance and sale of such
78 bonds. The total amount of bonds issued under this act shall not
79 exceed Five Hundred Million Dollars (\$500,000,000.00). The bonds
80 authorized by act shall be issued on an annual basis in increments
81 of not more than Twenty-five Million Dollars (\$25,000,000.00) per
82 fiscal year.

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

87 **SECTION 4.** The principal of and interest on the bonds
88 authorized under this act shall be payable in the manner provided
89 in this section. Such bonds shall bear such date or dates, be in
90 such denomination or denominations, bear interest at such rate or
91 rates (not to exceed the limits set forth in Section 75-17-101,
92 Mississippi Code of 1972), be payable at such place or places
93 within or without the State of Mississippi, shall mature
94 absolutely at such time or times not to exceed twenty-five (25)
95 years from date of issue, be redeemable before maturity at such



96 time or times and upon such terms, with or without premium, shall
97 bear such registration privileges, and shall be substantially in
98 such form, all as shall be determined by resolution of the
99 commission.

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

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

125 **SECTION 7.** The commission shall act as the issuing agent for
126 the bonds authorized under this act, prescribe the form of the
127 bonds, advertise for and accept bids, issue and sell the bonds so
128 authorized to be sold, pay all fees and costs incurred in such



129 issuance and sale, and do any and all other things necessary and
130 advisable in connection with the issuance and sale of such bonds.
131 The commission is authorized and empowered to pay the costs that
132 are incident to the sale, issuance and delivery of the bonds
133 authorized under this act from the proceeds derived from the sale
134 of such bonds. The commission shall sell such bonds on sealed
135 bids at public sale, and for such price as it may determine to be
136 for the best interest of the State of Mississippi, but no such
137 sale shall be made at a price less than par plus accrued interest
138 to the date of delivery of the bonds to the purchaser. All
139 interest accruing on such bonds so issued shall be payable
140 semiannually or annually; however, the first interest payment may
141 be for any period of not more than one (1) year.

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

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

154 **SECTION 8.** The bonds issued under the provisions of this act
155 are general obligations of the State of Mississippi, and for the
156 payment thereof the full faith and credit of the State of
157 Mississippi is irrevocably pledged. If the funds appropriated by
158 the Legislature are insufficient to pay the principal of and the
159 interest on such bonds as they become due, then the deficiency
160 shall be paid by the State Treasurer from any funds in the State
161 Treasury not otherwise appropriated. All such bonds shall contain



162 recitals on their faces substantially covering the provisions of
163 this section.

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

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

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

188 **SECTION 12.** Any holder of bonds issued under the provisions
189 of this act or of any of the interest coupons pertaining thereto
190 may, either at law or in equity, by suit, action, mandamus or
191 other proceeding, protect and enforce any and all rights granted
192 under this act, or under such resolution, and may enforce and
193 compel performance of all duties required by this act to be



194 performed, in order to provide for the payment of bonds and
195 interest thereon.

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

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

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

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

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

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

