

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 214

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 IMPROVEMENTS TO PUBLIC HIGH SCHOOLS THAT ARE ACCREDITED BY THE
4 STATE DEPARTMENT OF EDUCATION AT LEVEL I OR LEVEL II; AND FOR
5 RELATED PURPOSES.

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

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

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

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

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

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

27 (b) Monies deposited into the fund shall be disbursed,
28 in the discretion of the Department of Finance and Administration,



29 to the State Department of Education for the purpose of providing
30 funds to pay the costs of capital improvements, renovation,
31 repair, furnishing and/or equipping of facilities for public high
32 schools that are accredited by the State Department of Education
33 at Level I or Level II. Funds provided under this act for the
34 projects described in this subsection (1) shall be in addition to
35 funds provided by any other source for such projects.

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

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

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



62 resolution by the Department of Finance and Administration,
63 declaring the necessity for the issuance of any part or all of the
64 general obligation bonds authorized by this section, the
65 Department of Finance and Administration shall deliver a certified
66 copy of its resolution or resolutions to the commission. Upon
67 receipt of such resolution, the commission, in its discretion, may
68 act as the issuing agent, prescribe the form of the bonds,
69 advertise for and accept bids, issue and sell the bonds so
70 authorized to be sold and do any and all other things necessary
71 and advisable in connection with the issuance and sale of such
72 bonds. The total amount of bonds issued under this act shall not
73 exceed Fifty-eight Million Dollars (\$58,000,000.00).

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

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

91 **SECTION 5.** The bonds authorized by this act shall be signed
92 by the chairman of the commission, or by his facsimile signature,
93 and the official seal of the commission shall be affixed thereto,
94 attested by the secretary of the commission. The interest



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

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

116 **SECTION 7.** The commission shall act as the issuing agent for
117 the bonds authorized under this act, prescribe the form of the
118 bonds, advertise for and accept bids, issue and sell the bonds so
119 authorized to be sold, pay all fees and costs incurred in such
120 issuance and sale, and do any and all other things necessary and
121 advisable in connection with the issuance and sale of such bonds.
122 The commission is authorized and empowered to pay the costs that
123 are incident to the sale, issuance and delivery of the bonds
124 authorized under this act from the proceeds derived from the sale
125 of such bonds. The commission shall sell such bonds on sealed
126 bids at public sale, and for such price as it may determine to be
127 for the best interest of the State of Mississippi, but no such



128 sale shall be made at a price less than par plus accrued interest
129 to the date of delivery of the bonds to the purchaser. All
130 interest accruing on such bonds so issued shall be payable
131 semiannually or annually; however, the first interest payment may
132 be for any period of not more than one (1) year.

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

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

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

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



160 under such restrictions, if any, as may be contained in the
161 resolution providing for the issuance of the bonds.

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

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

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

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



193 and all municipalities and political subdivisions for the purpose
194 of securing the deposit of public funds.

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

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

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

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

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

