

By: Representative Barnett (92nd)

To: Ways and Means

HOUSE BILL NO. 1717

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 COMPLETION OF CONSTRUCTION OF THE MISSISSIPPI SCHOOL OF FINE ARTS;
4 AND FOR 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 "2002 Mississippi School of Fine Arts Construction 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. Unexpended amounts
23 remaining in the fund at the end of a fiscal year shall not lapse
24 into the State General Fund, and any interest earned or
25 investment earnings on amounts in the fund shall be deposited into
26 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 pay the costs of completion of construction, furnishing and
30 equipping of the Mississippi School of Fine Arts on the campus of
31 Whitworth College in Brookhaven, Mississippi.

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

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

53 **SECTION 3.** (1) The commission, at one time, or from time to
54 time, may declare by resolution the necessity for issuance of
55 general obligation bonds of the State of Mississippi to provide
56 funds for all costs incurred or to be incurred for the purposes
57 described in Section 2 of this act. Upon the adoption of a
58 resolution by the Department of Finance and Administration,
59 declaring the necessity for the issuance of any part or all of the
60 general obligation bonds authorized by this section, the
61 Department of Finance and Administration shall deliver a certified



62 copy of its resolution or resolutions to the commission. Upon
63 receipt of such resolution, the commission, in its discretion, may
64 act as the issuing agent, prescribe the form of the bonds,
65 advertise for and accept bids, issue and sell the bonds so
66 authorized to be sold and do any and all other things necessary
67 and advisable in connection with the issuance and sale of such
68 bonds. The total amount of bonds issued under this act shall not
69 exceed Two Million Dollars (\$2,000,000.00).

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

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

87 **SECTION 5.** The bonds authorized by this act shall be signed
88 by the chairman of the commission, or by his facsimile signature,
89 and the official seal of the commission shall be affixed thereto,
90 attested by the secretary of the commission. The interest
91 coupons, if any, to be attached to such bonds may be executed by
92 the facsimile signatures of such officers. Whenever any such
93 bonds shall have been signed by the officials designated to sign
94 the bonds who were in office at the time of such signing but who



95 may have ceased to be such officers before the sale and delivery
96 of such bonds, or who may not have been in office on the date such
97 bonds may bear, the signatures of such officers upon such bonds
98 and coupons shall nevertheless be valid and sufficient for all
99 purposes and have the same effect as if the person so officially
100 signing such bonds had remained in office until their delivery to
101 the purchaser, or had been in office on the date such bonds may
102 bear. However, notwithstanding anything herein to the contrary,
103 such bonds may be issued as provided in the Registered Bond Act of
104 the State of Mississippi.

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

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



127 semiannually or annually; however, the first interest payment may
128 be for any period of not more than one (1) year.

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

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

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

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

158 **SECTION 10.** The bonds authorized under this act may be
159 issued without any other proceedings or the happening of any other



160 conditions or things other than those proceedings, conditions and
161 things which are specified or required by this act. Any
162 resolution providing for the issuance of bonds under the
163 provisions of this act shall become effective immediately upon its
164 adoption by the commission, and any such resolution may be adopted
165 at any regular or special meeting of the commission by a majority
166 of its members.

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

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

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



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

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

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

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

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

