

By: Representatives Smith (39th), Morris,
McCoy

To: Ways and Means

HOUSE BILL NO. 1745

1 AN ACT TO AMEND SECTIONS 3 THROUGH 18, CHAPTER 541, LAWS OF
2 2001, TO INCREASE THE AMOUNT OF STATE GENERAL OBLIGATION BONDS
3 THAT MAY BE ISSUED FOR THE PURPOSE OF PROVIDING FUNDS FOR THE
4 BUILDING FUND FOR THE ARTS; TO AMEND SECTION 39-11-13, MISSISSIPPI
5 CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Sections 3 through 18, Chapter 541, Laws of 2001,
8 is amended as follows:

9 **Section 3.** As used in Sections 3 through 18 of this act, the
10 following words shall have the meanings ascribed herein unless the
11 context clearly requires otherwise:

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

19 (b) "State" means the State of Mississippi; and

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

21 **Section 4.** (1) The Mississippi Arts Commission, at one
22 time, or from time to time, may declare by resolution the
23 necessity for issuance of general obligation bonds of the State of
24 Mississippi to provide funds for the grant program authorized in
25 Section 2 of this act. Upon the adoption of a resolution by the
26 Mississippi Arts Commission, declaring the necessity for the
27 issuance of any part or all of the general obligation bonds
28 authorized by this section, the Mississippi Arts Commission shall



29 deliver a certified copy of its resolution or resolutions to the
30 commission. Upon receipt of such resolution, the commission, in
31 its discretion, may act as the issuing agent, prescribe the form
32 of the bonds, advertise for and accept bids, issue and sell the
33 bonds so authorized to be sold and do any and all other things
34 necessary and advisable in connection with the issuance and sale
35 of such bonds. The total amount of bonds issued under Sections 3
36 through 18 of this act shall not exceed Thirteen Million Dollars
37 (\$13,000,000.00).

38 (2) The proceeds of bonds issued pursuant to Sections 3
39 through 18 of this act shall be deposited into the Building Fund
40 for the Arts created pursuant to Section 2 of this act. Any
41 investment earnings on bonds issued pursuant to Sections 3 through
42 18 of this act shall be used to pay debt service on bonds issued
43 under Sections 3 through 18 of this act, in accordance with the
44 proceedings authorizing issuance of such bonds.

45 **Section 5.** The principal of and interest on the bonds
46 authorized under Sections 3 through 18 of this act shall be
47 payable in the manner provided in this section. Such bonds shall
48 bear such date or dates, be in such denomination or denominations,
49 bear interest at such rate or rates (not to exceed the limits set
50 forth in Section 75-17-101, Mississippi Code of 1972), be payable
51 at such place or places within or without the State of
52 Mississippi, shall mature absolutely at such time or times not to
53 exceed twenty-five (25) years from date of issue, be redeemable
54 before maturity at such time or times and upon such terms, with or
55 without premium, shall bear such registration privileges, and
56 shall be substantially in such form, all as shall be determined by
57 resolution of the commission.

58 **Section 6.** The bonds authorized by Sections 3 through 18 of
59 this act shall be signed by the chairman of the commission, or by
60 his facsimile signature, and the official seal of the commission
61 shall be affixed thereto, attested by the secretary of the



62 commission. The interest coupons, if any, to be attached to such
63 bonds may be executed by the facsimile signatures of such
64 officers. Whenever any such bonds shall have been signed by the
65 officials designated to sign the bonds who were in office at the
66 time of such signing but who may have ceased to be such officers
67 before the sale and delivery of such bonds, or who may not have
68 been in office on the date such bonds may bear, the signatures of
69 such officers upon such bonds and coupons shall nevertheless be
70 valid and sufficient for all purposes and have the same effect as
71 if the person so officially signing such bonds had remained in
72 office until their delivery to the purchaser, or had been in
73 office on the date such bonds may bear. However, notwithstanding
74 anything herein to the contrary, such bonds may be issued as
75 provided in the Registered Bond Act of the State of Mississippi.

76 **Section 7.** All bonds and interest coupons issued under the
77 provisions of Sections 3 through 18 of this act have all the
78 qualities and incidents of negotiable instruments under the
79 provisions of the Uniform Commercial Code, and in exercising the
80 powers granted by Sections 3 through 18 of this act, the
81 commission shall not be required to and need not comply with the
82 provisions of the Uniform Commercial Code.

83 **Section 8.** The commission shall act as the issuing agent for
84 the bonds authorized under Sections 3 through 18 of this act,
85 prescribe the form of the bonds, advertise for and accept bids,
86 issue and sell the bonds so authorized to be sold, pay all fees
87 and costs incurred in such issuance and sale, and do any and all
88 other things necessary and advisable in connection with the
89 issuance and sale of such bonds. The commission is authorized and
90 empowered to pay the costs that are incident to the sale, issuance
91 and delivery of the bonds authorized under Sections 3 through 18
92 of this act from the proceeds derived from the sale of such bonds.
93 The commission shall sell such bonds on sealed bids at public
94 sale, and for such price as it may determine to be for the best



95 interest of the State of Mississippi, but no such sale shall be
96 made at a price less than par plus accrued interest to the date of
97 delivery of the bonds to the purchaser. All interest accruing on
98 such bonds so issued shall be payable semiannually or annually;
99 however, the first interest payment may be for any period of not
100 more than one (1) year.

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

108 The commission, when issuing any bonds under the authority of
109 Sections 3 through 18 of this act, may provide that bonds, at the
110 option of the State of Mississippi, may be called in for payment
111 and redemption at the call price named therein and accrued
112 interest on such date or dates named therein.

113 **Section 9.** The bonds issued under the provisions of Sections
114 3 through 18 of this act are general obligations of the State of
115 Mississippi, and for the payment thereof the full faith and credit
116 of the State of Mississippi is irrevocably pledged. If the funds
117 appropriated by the Legislature are insufficient to pay the
118 principal of and the interest on such bonds as they become due,
119 then the deficiency shall be paid by the State Treasurer from any
120 funds in the State Treasury not otherwise appropriated. All such
121 bonds shall contain recitals on their faces substantially covering
122 the provisions of this section.

123 **Section 10.** Upon the issuance and sale of bonds under the
124 provisions of Sections 3 through 18 of this act, the commission
125 shall transfer the proceeds of any such sale or sales to the
126 special fund created in Section 2 of this act. Except as
127 otherwise provided in Section 2 of this act, the proceeds of such



128 bonds shall be disbursed solely upon the order of the Department
129 of Finance and Administration under such restrictions, if any, as
130 may be contained in the resolution providing for the issuance of
131 the bonds.

132 **Section 11.** The bonds authorized under Sections 3 through 18
133 of this act may be issued without any other proceedings or the
134 happening of any other conditions or things other than those
135 proceedings, conditions and things which are specified or required
136 by Sections 3 through 18 of this act. Any resolution providing
137 for the issuance of bonds under the provisions of Sections 3
138 through 18 of this act shall become effective immediately upon its
139 adoption by the commission, and any such resolution may be adopted
140 at any regular or special meeting of the commission by a majority
141 of its members.

142 **Section 12.** The bonds authorized under the authority of
143 Sections 3 through 18 of this act may be validated in the Chancery
144 Court of the First Judicial District of Hinds County, Mississippi,
145 in the manner and with the force and effect provided by Chapter
146 13, Title 31, Mississippi Code of 1972, for the validation of
147 county, municipal, school district and other bonds. The notice to
148 taxpayers required by such statutes shall be published in a
149 newspaper published or having a general circulation in the City of
150 Jackson, Mississippi.

151 **Section 13.** Any holder of bonds issued under the provisions
152 of Sections 3 through 18 of this act or of any of the interest
153 coupons pertaining thereto may, either at law or in equity, by
154 suit, action, mandamus or other proceeding, protect and enforce
155 any and all rights granted under Sections 3 through 18 of this
156 act, or under such resolution, and may enforce and compel
157 performance of all duties required by Sections 3 through 18 of
158 this act to be performed, in order to provide for the payment of
159 bonds and interest thereon.



160 **Section 14.** All bonds issued under the provisions of
161 Sections 3 through 18 of this act shall be legal investments for
162 trustees and other fiduciaries, and for savings banks, trust
163 companies and insurance companies organized under the laws of the
164 State of Mississippi, and such bonds shall be legal securities
165 which may be deposited with and shall be received by all public
166 officers and bodies of this state and all municipalities and
167 political subdivisions for the purpose of securing the deposit of
168 public funds.

169 **Section 15.** Bonds issued under the provisions of Sections 3
170 through 18 of this act and income therefrom shall be exempt from
171 all taxation in the State of Mississippi.

172 **Section 16.** The proceeds of the bonds issued under Sections
173 3 through 18 of this act shall be used solely for the purposes
174 therein provided, including the costs incident to the issuance and
175 sale of such bonds.

176 **Section 17.** The State Treasurer is authorized, without
177 further process of law, to certify to the Department of Finance
178 and Administration the necessity for warrants, and the Department
179 of Finance and Administration is authorized and directed to issue
180 such warrants, in such amounts as may be necessary to pay when due
181 the principal of, premium, if any, and interest on, or the
182 accreted value of, all bonds issued under Sections 3 through 18 of
183 this act; and the State Treasurer shall forward the necessary
184 amount to the designated place or places of payment of such bonds
185 in ample time to discharge such bonds, or the interest thereon, on
186 the due dates thereof.

187 **Section 18.** Sections 3 through 18 of this act shall be
188 deemed to be full and complete authority for the exercise of the
189 powers therein granted, but Sections 3 through 18 of this act
190 shall not be deemed to repeal or to be in derogation of any
191 existing law of this state.



192 **SECTION 2.** Section 39-11-13, Mississippi Code of 1972, is
193 amended as follows:

194 39-11-13. (1) (a) A special fund, to be designated as the
195 "Building Fund for the Arts" is created within the State Treasury.
196 The fund shall be maintained by the State Treasurer as a separate
197 and special fund, separate and apart from the General Fund of the
198 state. The fund shall consist of any money designated for deposit
199 therein from any source, including, but not limited to, any state
200 general obligation bonds issued for the purposes described in this
201 section. Unexpended amounts remaining in the fund at the end of a
202 fiscal year shall not lapse into the State General Fund, and
203 investment earnings on amounts in the fund shall be deposited into
204 such fund.

205 (b) Money deposited into the fund shall be disbursed,
206 in the discretion of the Mississippi Arts Commission, to provide
207 grants to nonprofit organizations that are qualified as tax exempt
208 under Section 501(c)(3) of the Internal Revenue Code and units of
209 local government to pay the costs of:

210 (i) Repair, upgrading, expansion, renovation or
211 enhancement of existing buildings and facilities for the
212 presentation, teaching or exhibition of the arts in any and all of
213 its forms and furniture, equipment and/or technology for such
214 buildings or facilities; or

215 (ii) The development, construction, equipping and
216 furnishing of an entertainment and film center and museum and
217 completion of a sound stage project.

218 (c) The entity to which such grants are made shall
219 provide matching funds from local, federal or private sources
220 equal to forty percent (40%) of the proposed project cost in order
221 to be eligible for a grant under this section.

222 (d) The maximum aggregate amount of monies in the
223 special fund that may be used to provide grant funds to an entity
224 or combination of entities under paragraph (b)(ii) of this



225 subsection shall not exceed One Million Dollars (\$1,000,000.00),
226 and no monies in the special fund may be used to provide grant
227 funds under paragraph (b)(ii) of this subsection after July 1,
228 2003. The maximum aggregate amount of grant funds that may be
229 provided to an entity or combination of entities under paragraph
230 (b)(ii) of this subsection during a fiscal year shall not exceed
231 Five Hundred Thousand Dollars (\$500,000.00).

232 (2) Amounts deposited into such special fund shall be
233 disbursed to pay the costs of projects described in subsection (1)
234 of this section. If any monies in the special fund are derived
235 from proceeds of bonds issued under Sections 3 through 18 of Laws,
236 2001, Chapter 541, as amended by House Bill No. _____, 2002 Regular
237 Session, and are not used within four (4) years after the date
238 such bond proceeds are deposited into the special fund, then the
239 Mississippi Arts Commission shall provide an accounting of such
240 unused monies to the State Bond Commission.

241 (3) The Mississippi Arts Commission is expressly authorized
242 and empowered to receive and expend any local or other source
243 funds in connection with the expenditure of funds provided for in
244 this section. The expenditure of money deposited into the special
245 fund shall be under the direction of the Mississippi Arts
246 Commission, and such funds shall be paid by the State Treasurer
247 upon warrants issued by the Department of Finance and
248 Administration upon request of the Mississippi Arts Commission,
249 which warrants shall be issued upon requisitions signed by the
250 Executive Director of the Mississippi Arts Commission or his or
251 her designee.

252 (4) The Mississippi Arts Commission shall adopt necessary
253 rules and regulations to govern the administration of the program
254 described in subsection (1) of this section, including, but not
255 limited to, rules and regulations governing applications for
256 grants and rules and regulations providing for the distribution of



257 grant funds. The Mississippi Arts Commission shall comply with
258 the provisions of the Mississippi Administrative Procedures Law.

259 **SECTION 3.** This act shall take effect and be in force from
260 and after its passage.

