

By: Representative Fleming

To: Ways and Means

## HOUSE BILL NO. 227

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 Uniform  
121 Commercial Code, and in exercising the powers granted by this act,  
122 the commission shall not be required to and need not comply with  
123 the provisions of the Uniform Commercial Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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