

By: Representative Stevens

To: Ways and Means

HOUSE BILL NO. 6

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO
3 AID IN THE CONSTRUCTION, FURNISHING, EQUIPPING AND OPERATING OF
4 THE UNIVERSITY MEDICAL CENTER CANCER INSTITUTE; TO AUTHORIZE THE
5 ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI
6 FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE EQUIPMENT FOR THE
7 UNIVERSITY MEDICAL CENTER; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** As used in this act, the following words shall
10 have the meanings ascribed herein unless the context clearly
11 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 bonds, plus (ii) the interest accrued
15 thereon from the issue date to the date of computation at the
16 rate, 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.

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

21 **SECTION 2.** (1) (a) A special fund, to be designated as the
22 "University Medical Center Cancer Institute Fund," is created
23 within the State Treasury. The fund shall be maintained by the
24 State Treasurer as a separate and special fund, separate and apart
25 from the General Fund of the state. Unexpended amounts remaining
26 in the fund at the end of a fiscal year shall not lapse into the
27 State General Fund, and any interest earned or investment earnings
28 on amounts in the fund shall be deposited into such fund.

29 (b) Monies deposited into the fund shall be disbursed,
30 in the discretion of the Department of Finance and Administration,
31 to aid in the construction, furnishing, equipping and operating of
32 the University Medical Center Cancer Institute as determined by
33 the Vice Chancellor for Health Affairs for the University Medical
34 Center to be in the best interest of the University Medical Center
35 and approved by the Board of Trustees of State Institutions of
36 Higher Learning.

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

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

58 **SECTION 3.** (1) (a) A special fund, to be designated as the
59 "2005 University Medical Center Equipment Fund," is created within
60 the State Treasury. The fund shall be maintained by the State
61 Treasurer as a separate and special fund, separate and apart from

62 the General Fund of the state. Unexpended amounts remaining in
63 the fund at the end of a fiscal year shall not lapse into the
64 State General Fund, and any interest earned or investment earnings
65 on amounts in the fund shall be deposited into such fund.

66 (b) Monies deposited into the fund shall be disbursed,
67 in the discretion of the Department of Finance and Administration,
68 to purchase equipment for the University Medical Center as
69 determined by the Vice Chancellor for Health Affairs for the
70 University Medical Center.

71 (2) Amounts deposited into such special fund shall be
72 disbursed to pay the costs of the projects described in subsection
73 (1) of this section. Promptly after the commission has certified,
74 by resolution duly adopted, that the projects described in
75 subsection (1) of this section shall have been completed,
76 abandoned, or cannot be completed in a timely fashion, any amounts
77 remaining in such special fund shall be applied to pay debt
78 service on the bonds issued under this act, in accordance with the
79 proceedings authorizing the issuance of such bonds and as directed
80 by the commission.

81 (3) The Department of Finance and Administration, acting
82 through the Bureau of Building, Grounds and Real Property
83 Management, is expressly authorized and empowered to receive and
84 expend any local or other source funds in connection with the
85 expenditure of funds provided for in this section. The
86 expenditure of monies deposited into the special fund shall be
87 under the direction of the Department of Finance and
88 Administration, and such funds shall be paid by the State
89 Treasurer upon warrants issued by such department, which warrants
90 shall be issued upon requisitions signed by the Executive Director
91 of the Department of Finance and Administration, or his designee.

92 **SECTION 4.** (1) The commission, at one time, or from time to
93 time, may declare by resolution the necessity for issuance of
94 general obligation bonds of the State of Mississippi to provide

95 funds for all costs incurred or to be incurred for the purposes
96 described in Sections 2 and 3 of this act. Upon the adoption of a
97 resolution by the Department of Finance and Administration,
98 declaring the necessity for the issuance of any part or all of the
99 general obligation bonds authorized by this section, the
100 Department of Finance and Administration shall deliver a certified
101 copy of its resolution or resolutions to the commission. Upon
102 receipt of such resolution, the commission, in its discretion, may
103 act as the issuing agent, prescribe the form of the bonds,
104 advertise for and accept bids, issue and sell the bonds so
105 authorized to be sold and do any and all other things necessary
106 and advisable in connection with the issuance and sale of such
107 bonds. The total amount of bonds issued under this act shall not
108 exceed Eleven Million Dollars (\$11,000,000.00). No bonds shall be
109 issued under this act after July 1, 2008.

110 (2) The proceeds of the bonds issued pursuant to this act
111 shall be deposited into the following special funds in not more
112 than the following amounts:

113 (a) The University Medical Center Cancer Institute Fund
114 created pursuant to Section 21 of this act..... \$ 5,000,000.00.

115 (b) The 2005 University Medical Center Equipment Fund
116 created pursuant to Section 22 of this act..... \$ 6,000,000.00.

117 (3) Any investment earnings on amounts deposited into the
118 special funds created in Sections 2 and 3 of this act shall be
119 used to pay debt service on bonds issued under this act, in
120 accordance with the proceedings authorizing issuance of such
121 bonds.

122 **SECTION 5.** The principal of and interest on the bonds
123 authorized under this act shall be payable in the manner provided
124 in this section. Such bonds shall bear such date or dates, be in
125 such denomination or denominations, bear interest at such rate or
126 rates (not to exceed the limits set forth in Section 75-17-101,
127 Mississippi Code of 1972), be payable at such place or places

128 within or without the State of Mississippi, shall mature
129 absolutely at such time or times not to exceed twenty-five (25)
130 years from date of issue, be redeemable before maturity at such
131 time or times and upon such terms, with or without premium, shall
132 bear such registration privileges, and shall be substantially in
133 such form, all as shall be determined by resolution of the
134 commission.

135 **SECTION 6.** The bonds authorized by this act shall be signed
136 by the chairman of the commission, or by his facsimile signature,
137 and the official seal of the commission shall be affixed thereto,
138 attested by the secretary of the commission. The interest
139 coupons, if any, to be attached to such bonds may be executed by
140 the facsimile signatures of such officers. Whenever any such
141 bonds shall have been signed by the officials designated to sign
142 the bonds who were in office at the time of such signing but who
143 may have ceased to be such officers before the sale and delivery
144 of such bonds, or who may not have been in office on the date such
145 bonds may bear, the signatures of such officers upon such bonds
146 and coupons shall nevertheless be valid and sufficient for all
147 purposes and have the same effect as if the person so officially
148 signing such bonds had remained in office until their delivery to
149 the purchaser, or had been in office on the date such bonds may
150 bear. However, notwithstanding anything herein to the contrary,
151 such bonds may be issued as provided in the Registered Bond Act of
152 the State of Mississippi.

153 **SECTION 7.** All bonds and interest coupons issued under the
154 provisions of this act have all the qualities and incidents of
155 negotiable instruments under the provisions of the Uniform
156 Commercial Code, and in exercising the powers granted by this act,
157 the commission shall not be required to and need not comply with
158 the provisions of the Uniform Commercial Code.

159 **SECTION 8.** The commission shall act as the issuing agent for
160 the bonds authorized under this act, prescribe the form of the

161 bonds, advertise for and accept bids, issue and sell the bonds so
162 authorized to be sold, pay all fees and costs incurred in such
163 issuance and sale, and do any and all other things necessary and
164 advisable in connection with the issuance and sale of such bonds.
165 The commission is authorized and empowered to pay the costs that
166 are incident to the sale, issuance and delivery of the bonds
167 authorized under this act from the proceeds derived from the sale
168 of such bonds. The commission shall sell such bonds on sealed
169 bids at public sale, and for such price as it may determine to be
170 for the best interest of the State of Mississippi, but no such
171 sale shall be made at a price less than par plus accrued interest
172 to the date of delivery of the bonds to the purchaser. All
173 interest accruing on such bonds so issued shall be payable
174 semiannually or annually; however, the first interest payment may
175 be for any period of not more than one (1) year.

176 Notice of the sale of any such bonds shall be published at
177 least one time, not less than ten (10) days before the date of
178 sale, and shall be so published in one or more newspapers
179 published or having a general circulation in the City of Jackson,
180 Mississippi, and in one or more other newspapers or financial
181 journals with a national circulation, to be selected by the
182 commission.

183 The commission, when issuing any bonds under the authority of
184 this act, may provide that bonds, at the option of the State of
185 Mississippi, may be called in for payment and redemption at the
186 call price named therein and accrued interest on such date or
187 dates named therein.

188 **SECTION 9.** The bonds issued under the provisions of
189 this act are general obligations of the State of Mississippi, and
190 for the payment thereof the full faith and credit of the State of
191 Mississippi is irrevocably pledged. If the funds appropriated by
192 the Legislature are insufficient to pay the principal of and the
193 interest on such bonds as they become due, then the deficiency

194 shall be paid by the State Treasurer from any funds in the State
195 Treasury not otherwise appropriated. All such bonds shall contain
196 recitals on their faces substantially covering the provisions of
197 this section.

198 **SECTION 10.** Upon the issuance and sale of bonds under the
199 provisions of this act, the commission shall transfer the proceeds
200 of any such sale or sales to the special fund created in Sections
201 2 and 3 of this act in the amounts provided for in Section 4(2) of
202 this act. The proceeds of such bonds shall be disbursed solely
203 upon the order of the Department of Finance and Administration
204 under such restrictions, if any, as may be contained in the
205 resolution providing for the issuance of the bonds.

206 **SECTION 11.** The bonds authorized under this act may be
207 issued without any other proceedings or the happening of any other
208 conditions or things other than those proceedings, conditions and
209 things which are specified or required by this act. Any
210 resolution providing for the issuance of bonds under the
211 provisions of this act shall become effective immediately upon its
212 adoption by the commission, and any such resolution may be adopted
213 at any regular or special meeting of the commission by a majority
214 of its members.

215 **SECTION 12.** The bonds authorized under the authority of this
216 act may be validated in the Chancery Court of the First Judicial
217 District of Hinds County, Mississippi, in the manner and with the
218 force and effect provided by Chapter 13, Title 31, Mississippi
219 Code of 1972, for the validation of county, municipal, school
220 district and other bonds. The notice to taxpayers required by
221 such statutes shall be published in a newspaper published or
222 having a general circulation in the City of Jackson, Mississippi.

223 **SECTION 13.** Any holder of bonds issued under the provisions
224 of this act or of any of the interest coupons pertaining thereto
225 may, either at law or in equity, by suit, action, mandamus or
226 other proceeding, protect and enforce any and all rights granted

227 under this act, or under such resolution, and may enforce and
228 compel performance of all duties required by this act to be
229 performed, in order to provide for the payment of bonds and
230 interest thereon.

231 **SECTION 14.** All bonds issued under the provisions of this
232 act shall be legal investments for trustees and other fiduciaries,
233 and for savings banks, trust companies and insurance companies
234 organized under the laws of the State of Mississippi, and such
235 bonds shall be legal securities which may be deposited with and
236 shall be received by all public officers and bodies of this state
237 and all municipalities and political subdivisions for the purpose
238 of securing the deposit of public funds.

239 **SECTION 15.** Bonds issued under the provisions of this act
240 and income therefrom shall be exempt from all taxation in the
241 State of Mississippi.

242 **SECTION 16.** The proceeds of the bonds issued under this act
243 shall be used solely for the purposes herein provided, including
244 the costs incident to the issuance and sale of such bonds.

245 **SECTION 17.** The State Treasurer is authorized, without
246 further process of law, to certify to the Department of Finance
247 and Administration the necessity for warrants, and the Department
248 of Finance and Administration is authorized and directed to issue
249 such warrants, in such amounts as may be necessary to pay when due
250 the principal of, premium, if any, and interest on, or the
251 accreted value of, all bonds issued under this act; and the State
252 Treasurer shall forward the necessary amount to the designated
253 place or places of payment of such bonds in ample time to
254 discharge such bonds, or the interest thereon, on the due dates
255 thereof.

256 **SECTION 18.** This act shall be deemed to be full and complete
257 authority for the exercise of the powers herein granted, but this
258 act shall not be deemed to repeal or to be in derogation of any
259 existing law of this state.

260 **SECTION 19.** This act shall take effect and be in force from
261 and after its passage.