

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 111

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 1 OR LEVEL 2; 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 1 and Level 2 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 1 or Level 2. 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 Uniform
112 Commercial Code, and in exercising the powers granted by this act,
113 the commission shall not be required to and need not comply with
114 the provisions of the Uniform Commercial Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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