

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1671

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF THE CONSTRUCTION OF  
3 A NEW FACILITY FOR THE PUBLIC HEALTH LABORATORY OF THE STATE  
4 DEPARTMENT OF HEALTH AND FOR THE RENOVATION, REPAIR AND EXPANSION  
5 OF THE UNDERWOOD BUILDING; TO PROVIDE THAT THE PRINCIPAL OF AND  
6 INTEREST ON THE BONDS WILL BE PAID PRIMARILY FROM FEES RECEIVED BY  
7 THE DEPARTMENT OF HEALTH FOR NEWBORN SCREENING TESTS THAT ARE  
8 EVALUATED IN THE PUBLIC HEALTH LABORATORY; TO AMEND SECTION  
9 41-21-203, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS  
10 OF THIS ACT; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** As used in Sections 1 through 18 of this act, the  
13 following words shall have the meanings ascribed in this section  
14 unless the context clearly requires otherwise:

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

22 (b) "Commission" means the State Bond Commission.

23 (c) "Department" means the Department of Finance and  
24 Administration.

25 (d) "State" means the State of Mississippi.

26 (e) "This act" means Sections 1 through 18 of this act.

27 **SECTION 2.** (1) (a) There is created in the State Treasury  
28 a special fund to be known as the "Mississippi Public Health  
29 Laboratory Construction and Underwood Building Repair, Renovation  
30 and Expansion Fund." The fund shall be maintained by the State  
31 Treasurer as a special fund, separate and apart from the State

32 General Fund. Unexpended amounts remaining in the special fund at  
33 the end of a fiscal year shall not lapse into the State General  
34 Fund, and any interest earned or investment earnings on amounts in  
35 the special fund shall be deposited to the credit of the special  
36 fund. Monies in the special fund may not be used or expended for  
37 any purpose except as authorized under this act.

38 (b) Monies deposited into the special fund shall be  
39 disbursed, in the discretion of the Department of Finance and  
40 Administration, to pay the costs of construction of a new facility  
41 for the public health laboratory of the State Department of  
42 Health, the cost of renovation and/or repair of the Underwood  
43 Building necessitated by that construction and the relocation of  
44 the public health laboratory into the new facility, and the cost  
45 of expansion of the Underwood Building to secure high quality  
46 teleconferencing and telemedicine capability related to public  
47 health preparedness and for additional office space for  
48 epidemiology staff.

49 (2) Amounts deposited into the special fund shall be  
50 disbursed to pay the costs of the projects described in subsection  
51 (1) of this section. Promptly after the commission has certified,  
52 by resolution duly adopted, that the projects described in  
53 subsection (1) of this section shall have been completed,  
54 abandoned, or cannot be completed in a timely fashion, any amounts  
55 remaining in the special fund shall be applied to pay debt service  
56 on the bonds issued under this act, in accordance with the  
57 proceedings authorizing the issuance of the bonds and as directed  
58 by the commission.

59 (3) The department, acting through the Bureau of Building,  
60 Grounds and Real Property Management, is expressly authorized and  
61 empowered to receive and expend any local or other source funds in  
62 connection with the expenditure of funds provided for in this  
63 section.

64           (4) The expenditure of monies in the special fund shall be  
65 under the direction of the department, and those monies shall be  
66 paid by the State Treasurer upon warrants issued by the  
67 department, which warrants shall be issued upon requisitions  
68 signed by the executive director of the department or his  
69 designee.

70           **SECTION 3.** (1) For the purposes of providing for the  
71 payment of the principal of and interest on bonds issued under  
72 this act, there is created in the State Treasury a special fund to  
73 be known as the "Mississippi Public Health Laboratory Construction  
74 and Underwood Building Repair, Renovation and Expansion Bond  
75 Sinking Fund." The bond sinking fund shall consist of monies  
76 deposited into the fund by the State Department of Health from net  
77 fees, after payment of operating expenses, received by the  
78 Department of Health for newborn screening tests performed under  
79 Section 41-21-203, Mississippi Code of 1972, that are not less  
80 than the amount necessary to pay the principal of and interest on  
81 bonds issued under this act, and such other amounts as may be paid  
82 into the bond sinking fund by appropriation or other authorization  
83 by the Legislature. Unexpended amounts remaining in the bond  
84 sinking fund at the end of a fiscal year shall not lapse into the  
85 State General Fund, and any interest earned or investment earnings  
86 on amounts in the bond sinking fund shall be deposited into the  
87 bond sinking fund.

88           (2) During any period in which debt service payments from  
89 the bond sinking fund are deferred as provided in subsection (2)  
90 of Section 4 of this act, and at any other time when the funds  
91 required to pay the principal of and interest on the bonds issued  
92 under this act are more than the amounts available in the bond  
93 sinking fund, the Legislature shall appropriate the balance of the  
94 amount necessary to pay the principal of and interest on the bonds  
95 issued under this act from the State General Fund.

96           (3) The total amount of all payments deposited into the bond  
97 sinking fund until the maturity date of the bonds authorized under  
98 this act shall be in an amount sufficient to retire the bonds,  
99 including debt service paid by the state during any period in  
100 which debt service payments from the bond sinking fund are  
101 deferred as provided in subsection (2) of Section 4 of this act.

102           **SECTION 4.** (1) The commission, at one time or from time to  
103 time, may declare by resolution the necessity for issuance of  
104 general obligation bonds of the State of Mississippi to provide  
105 funds for all costs incurred or to be incurred for the purposes  
106 described in Section 2 of this act. Upon the adoption of a  
107 resolution by the Department of Finance and Administration,  
108 declaring the necessity for the issuance of any part or all of the  
109 bonds authorized by this section, the department shall deliver a  
110 certified copy of its resolution or resolutions to the commission.  
111 Upon receipt of the resolution, the commission, in its discretion,  
112 may act as the issuing agent, prescribe the form of the bonds,  
113 advertise for and accept bids, issue and sell the bonds so  
114 authorized to be sold and do any and all other things necessary  
115 and advisable in connection with the issuance and sale of the  
116 bonds. The total amount of bonds issued under this act shall not  
117 exceed Twenty Million Dollars (\$20,000,000.00).

118           (2) The department may provide in the resolution declaring  
119 the necessity for the bonds that the payment of the debt service  
120 on the bonds from the bond sinking fund created under Section 3 of  
121 this act may be deferred for a period of time not to exceed three  
122 (3) years from the date of the issuance of the bonds.

123           (3) Any investment earnings on amounts deposited into the  
124 special fund created in Section 2 of this act shall be used to pay  
125 debt service on bonds issued under this act, in accordance with  
126 the proceedings authorizing issuance of the bonds.

127           **SECTION 5.** The principal of and interest on the bonds  
128 authorized under this act shall be payable in the manner provided

129 in this section. The bonds shall bear such date or dates, be in  
130 such denomination or denominations, bear interest at such rate or  
131 rates (not to exceed the limits set forth in Section 75-17-101,  
132 Mississippi Code of 1972), be payable at such place or places  
133 within or without the State of Mississippi, shall mature  
134 absolutely at such time or times not to exceed twenty-five (25)  
135 years from date of issue, be redeemable before maturity at such  
136 time or times and upon such terms, with or without premium, shall  
137 bear such registration privileges, and shall be substantially in  
138 such form, all as determined by resolution of the commission.

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

157 **SECTION 7.** All bonds and interest coupons issued under the  
158 provisions of this act have all the qualities and incidents of  
159 negotiable instruments under the provisions of the Uniform  
160 Commercial Code, and in exercising the powers granted by this act,

161 the commission shall not be required to and need not comply with  
162 the provisions of the Uniform Commercial Code.

163       **SECTION 8.** The commission shall act as the issuing agent for  
164 the bonds authorized under this act, prescribe the form of the  
165 bonds, advertise for and accept bids, issue and sell the bonds so  
166 authorized to be sold, pay all fees and costs incurred in the  
167 issuance and sale, and do any and all other things necessary and  
168 advisable in connection with the issuance and sale of the bonds.  
169 The commission is authorized and empowered to pay the costs that  
170 are incident to the sale, issuance and delivery of the bonds  
171 authorized under this act from the proceeds derived from the sale  
172 of the bonds. The commission shall sell the bonds on sealed bids  
173 at public sale, and for such price as it may determine to be for  
174 the best interest of the State of Mississippi, but no such sale  
175 shall be made at a price less than par plus accrued interest to  
176 the date of delivery of the bonds to the purchaser. All interest  
177 accruing on the bonds so issued shall be payable semiannually or  
178 annually; however, the first interest payment may be for any  
179 period of not more than one (1) year.

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

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

192       **SECTION 9.** The bonds issued under the provisions of this act  
193 are general obligations of the State of Mississippi, and for the

194 payment thereof, the full faith and credit of the State of  
195 Mississippi is irrevocably pledged. The principal of and the  
196 interest on the bonds shall be payable primarily from the bond  
197 sinking fund created in Section 3 of this act in the manner  
198 provided in that section. If the funds available in the bond  
199 sinking fund and any funds appropriated by the Legislature for  
200 those purposes are insufficient to pay the principal of and the  
201 interest on the bonds as they become due, then the amount of the  
202 deficiency shall be paid by the State Treasurer from any funds in  
203 the State Treasury not otherwise appropriated. All those bonds  
204 shall contain recitals on their faces substantially covering the  
205 provisions of this section.

206       **SECTION 10.** Upon the issuance and sale of bonds under the  
207 provisions of this act, the commission shall transfer the proceeds  
208 of any such sale or sales to the special fund created in Section 2  
209 of this act. The proceeds of the bonds shall be disbursed solely  
210 upon the order of the department under such restrictions, if any,  
211 as may be contained in the resolution providing for the issuance  
212 of the bonds.

213       **SECTION 11.** The bonds authorized under this act may be  
214 issued without any other proceedings or the happening of any other  
215 conditions or things other than those proceedings, conditions and  
216 things that are specified or required by this act. Any resolution  
217 providing for the issuance of bonds under the provisions of this  
218 act shall become effective immediately upon its adoption by the  
219 commission, and any such resolution may be adopted at any regular  
220 or special meeting of the commission by a majority of its members.

221       **SECTION 12.** The bonds authorized under this act may be  
222 validated in the Chancery Court of the First Judicial District of  
223 Hinds County, Mississippi, in the manner and with the force and  
224 effect provided by Chapter 13, Title 31, Mississippi Code of 1972,  
225 for the validation of county, municipal, school district and other  
226 bonds. The notice to taxpayers required by those statutes shall

227 be published in a newspaper published or having a general  
228 circulation in the City of Jackson, Mississippi.

229       **SECTION 13.** Any holder of bonds issued under the provisions  
230 of this act or of any of the interest coupons pertaining to those  
231 bonds may, either at law or in equity, by suit, action, mandamus  
232 or other proceeding, protect and enforce any and all rights  
233 granted under this act, or under the resolution, and may enforce  
234 and compel performance of all duties required by this act to be  
235 performed, in order to provide for the payment of bonds and  
236 interest on the bonds.

237       **SECTION 14.** All bonds issued under the provisions of this  
238 act shall be legal investments for trustees and other fiduciaries,  
239 and for savings banks, trust companies and insurance companies  
240 organized under the laws of the State of Mississippi, and the  
241 bonds shall be legal securities that may be deposited with and  
242 shall be received by all public officers and bodies of this state  
243 and all municipalities and political subdivisions for the purpose  
244 of securing the deposit of public funds.

245       **SECTION 15.** Bonds issued under the provisions of this act  
246 and income from the bonds shall be exempt from all taxation in the  
247 State of Mississippi.

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

251       **SECTION 17.** The State Treasurer is authorized, without  
252 further process of law, to certify to the Department of Finance  
253 and Administration the necessity for warrants, and the department  
254 is authorized and directed to issue those warrants, in such  
255 amounts as may be necessary to pay when due the principal of,  
256 premium, if any, and interest on, or the accreted value of, all  
257 bonds issued under this act; and the State Treasurer shall forward  
258 the necessary amount to the designated place or places of payment



259 of those bonds in ample time to discharge the bonds, or the  
260 interest on the bonds, on the due dates thereof.

261       **SECTION 18.** This act shall be deemed to be full and complete  
262 authority for the exercise of the powers granted in this act, but  
263 this act shall not be deemed to repeal or to be in derogation of  
264 any existing law of this state.

265       **SECTION 19.** Section 41-21-203, Mississippi Code of 1972, is  
266 amended as follows:

267       41-21-203. (1) All newborn infants shall be screened by the  
268 physician or other health care provider attending the infant,  
269 using tests that have been approved by the State Board of Health,  
270 to detect those conditions listed in Section 41-21-201 and the  
271 other conditions specified by the State Board of Health for the  
272 comprehensive newborn screening program. However, no such tests  
273 shall be given to any child whose parents object thereto on the  
274 grounds that the test conflicts with his religious practices or  
275 tenets. The tests provided under the comprehensive newborn  
276 screening program shall be evaluated in laboratories located in  
277 the United States. The State Department of Health shall follow up  
278 all positive tests with the attending physician or other health  
279 care provider who notified the department thereof, and with the  
280 parents of the newborn child. The services and facilities of the  
281 State Department of Health and those of other state boards,  
282 departments and agencies cooperating with the State Department of  
283 Health in carrying out the comprehensive newborn screening program  
284 shall be made available to all newborn infants with abnormal  
285 screening tests.

286       (2) The State Department of Health shall provide ongoing  
287 epidemiologic surveillance of the comprehensive newborn screening  
288 program to determine the efficacy and cost effectiveness of  
289 screening newborn infants.

290       (3) The State Department of Health shall deposit into the  
291 Mississippi Public Health Laboratory Construction and Underwood

292 Building Repair, Renovation and Expansion Bond Sinking Fund  
293 created in Section 3 of this act such amounts as specified in  
294 Section 3 of this act from any fees received for newborn screening  
295 tests performed under this section that are evaluated in the  
296 public health laboratory of the department.

297         **SECTION 20.** This act shall take effect and be in force from  
298 and after its passage.