

By: Senator(s) Gordon, Little

To: Appropriations

SENATE BILL NO. 2017

1 AN ACT TO AMEND SECTIONS 29-13-1, 29-13-3 AND 29-13-5,  
 2 MISSISSIPPI CODE OF 1972, TO AUTHORIZE AND DIRECT ALL STATE  
 3 AGENCIES TO OBTAIN BUSINESS PROPERTY INSURANCE AND BUSINESS  
 4 PERSONAL PROPERTY INSURANCE ON ALL PUBLIC BUILDINGS, FACILITIES  
 5 AND EQUIPMENT IN COMPLIANCE WITH FEDERAL EMERGENCY MANAGEMENT  
 6 AGENCY (F.E.M.A.) REQUIREMENTS AS IS NECESSARY TO RECEIVE  
 7 REIMBURSEMENT FOR REPAIR, CONSTRUCTION, REPLACEMENT OR OTHER  
 8 DAMAGE CAUSED BY THE HURRICANE KATRINA DISASTER OR BY SUBSEQUENT  
 9 DISASTERS; TO AMEND SECTIONS 37-7-303, 37-29-67, 37-101-15 AND  
 10 41-73-31, MISSISSIPPI CODE OF 1972, TO AUTHORIZE AND DIRECT LOCAL  
 11 SCHOOL DISTRICTS, COMMUNITY AND JUNIOR COLLEGE DISTRICTS, PUBLIC  
 12 UNIVERSITIES AND COMMUNITY HOSPITALS TO OBTAIN PROPERTY INSURANCE  
 13 FOR THE SAME PURPOSE; TO AUTHORIZE SUCH PUBLIC ENTITIES TO POOL  
 14 THEIR PROPERTY INSURANCE LIABILITIES; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 29-13-1, Mississippi Code of 1972, is  
 17 amended as follows:

18 29-13-1. (1) The Department of Finance and Administration,  
 19 "department," is hereby authorized and directed to purchase and  
 20 maintain business property insurance and business personal  
 21 property insurance on all state-owned buildings and/or contents as  
 22 required by federal law and regulations of the Federal Emergency  
 23 Management Agency (F.E.M.A.) as is necessary for receiving public  
 24 assistance or reimbursement for repair, reconstruction,  
 25 replacement or other damage to such buildings and/or contents  
 26 caused by the Hurricane Katrina Disaster of 2005 or subsequent  
 27 disasters. Such coverage shall, at a minimum, be in the amount of  
 28 the estimated eligible project costs for that structure or  
 29 equipment prior to any reduction caused by the damage. The  
 30 department is authorized to expend funds from any available source  
 31 for the purpose of obtaining and maintaining such property  
 32 insurance. The department is authorized to enter into agreements  
 33 with other state agencies, local school districts,

34 community/junior college districts, state institutions of higher  
35 learning and community hospitals to pool their liabilities to  
36 participate in a group business property and/or business personal  
37 property insurance program, subject to uniform rules and  
38 regulations as may be adopted by the Department of Finance and  
39 Administration.

40       (2) The Department of Finance and Administration is required  
41 to purchase and maintain flood insurance under the National Flood  
42 Insurance Program (42 USCS, Section 4001 et seq.) as required by  
43 federal law on state-owned buildings and/or contents. To meet the  
44 requirements of participation in such program, the department is  
45 further required to adopt floodplain management criteria and  
46 procedures in accordance with the rules and regulations of 24 CFR,  
47 Chapter X, Subchapter B (National Flood Insurance Program),  
48 established by the United States Department of Housing and Urban  
49 Development pursuant to the National Flood Insurance Act of 1968  
50 (Public Law 90-448) as amended and by the Flood Disaster  
51 Protection Act of 1973 (Public Law 93-234) as amended, and any  
52 supplemental changes to such rules and regulations. The  
53 department shall adopt the floodplain management criteria set  
54 forth in 24 CFR, Chapter X, Section 1910.3, on an emergency basis  
55 immediately upon passage of this chapter and until such time as  
56 final regulations and criteria are developed by the department.  
57 Final regulations, criteria and procedures shall be implemented by  
58 the department within ninety (90) days after passage of this  
59 chapter. Such criteria and procedures shall apply to any new  
60 construction or substantial improvement of state-owned buildings  
61 and other state-owned development located in floodplain areas as  
62 identified in conjunction with the National Flood Insurance  
63 Program. The department shall enforce the floodplain management  
64 criteria and procedures adopted by the department pursuant to this  
65 section.

66       (3) No state agency shall be authorized to expend any state,  
67 federal or special funds for the construction, renovation, repair  
68 or placement of any structure in a designated floodplain, floodway  
69 or coastal high hazard area, or to allow for the construction,  
70 renovation, repair or placement of any privately owned structure  
71 onto state-owned land in a designated floodplain, floodway or  
72 coastal high hazard area unless such agency has previously  
73 obtained the necessary permits required by the Department of  
74 Finance and Administration to comply with the regulations of the  
75 Federal Emergency Management Agency (F.E.M.A.), National Flood  
76 Insurance Program and the state's floodplain management  
77 regulations.

78       **SECTION 2.** Section 29-13-3, Mississippi Code of 1972, is  
79 amended as follows:

80       29-13-3. The Department of Finance and Administration shall  
81 file any claims for damages covered under the Hurricane Katrina  
82 Disaster of 2005 or subsequent flood insurance policies purchased  
83 pursuant to Section 29-13-1. The proceeds of any such claim for  
84 damage to a state-owned building shall be paid to the Department  
85 of Finance and Administration and the State of Mississippi, which  
86 is hereby authorized to expend such proceeds to repair or replace  
87 such damaged building. \* \* \*

88       **SECTION 3.** Section 29-13-5, Mississippi Code of 1972, is  
89 amended as follows:

90       29-13-5. The Department of Finance and Administration shall  
91 compile an inventory of all state-owned buildings in any area of  
92 the state affected by the Hurricane Katrina Disaster of 2005 or  
93 any floodplain areas and any necessary data concerning such  
94 buildings. Each agency, board, commission, department and  
95 institution of the state shall cooperate in the preparation of the  
96 inventory and shall submit any information required by the  
97 department in a timely manner which will allow the inventory to be  
98 finalized and presented to the appropriate federal and state

99 agencies. Such information shall include the specific location  
100 and, where available, the elevation of all state-owned buildings  
101 under the jurisdiction of the agency, board, commission,  
102 department or institution in any hurricane hazard or floodplain  
103 areas.

104 **SECTION 4.** Section 37-7-303, Mississippi Code of 1972, is  
105 amended as follows:

106 37-7-303. (1) The school board of any school district may  
107 insure motor vehicles for any hazard that the board may choose,  
108 and shall insure the school buildings, equipment and other school  
109 property of the district against any and all hazards that the  
110 board may deem necessary to provide insurance against. In  
111 addition, the local school board of any school district is hereby  
112 authorized and directed to purchase and maintain business property  
113 insurance and business personal property insurance on all school  
114 district-owned buildings and/or contents as required by federal  
115 law and regulations of the Federal Emergency Management Agency  
116 (F.E.M.A.) as is necessary for receiving public assistance or  
117 reimbursement for repair, reconstruction, replacement or other  
118 damage to such buildings and/or contents caused by the Hurricane  
119 Katrina Disaster of 2005 or subsequent disasters. Such coverage  
120 shall, at a minimum, be in the amount of the estimated eligible  
121 project costs for that structure or equipment prior to any  
122 reduction caused by the damage. The school district is authorized  
123 to expend funds from any available source for the purpose of  
124 obtaining and maintaining such property insurance. The school  
125 district is authorized to enter into agreements with the  
126 Department of Finance and Administration, other local school  
127 districts, community/junior college districts, state institutions  
128 of higher learning, community hospitals and/or other state  
129 agencies to pool their liabilities to participate in a group  
130 business property and/or business personal property insurance  
131 program, subject to uniform rules and regulations as may be

132 adopted by the Department of Finance and Administration. Such  
133 school board shall be authorized to contract for such insurance  
134 for a term of not exceeding five (5) years and to obligate the  
135 district for the payment of the premiums thereon. When necessary,  
136 the school board is authorized and empowered, in its discretion,  
137 to borrow money payable in annual installments for a period of not  
138 exceeding five (5) years at a rate of interest not exceeding eight  
139 percent (8%) per annum to provide funds to pay such insurance  
140 premiums. The money so borrowed and the interest thereon shall be  
141 payable from any school funds of the district other than minimum  
142 education program funds. The school boards of school districts  
143 are further authorized and empowered, in all cases where same may  
144 be necessary, to bring and maintain suits and other actions in any  
145 court of competent jurisdiction for the purpose of collecting the  
146 proceeds of insurance policies issued upon the property of such  
147 school district.

148 (2) Two (2) or more school districts, together with other  
149 educational entities or agencies, may agree to pool their  
150 liabilities to participate in a group workers' compensation  
151 program. The governing authorities of any school board or other  
152 educational entity or agency may authorize the organization and  
153 operation of, or the participation in such a group self-insurance  
154 program with other school boards and educational entities or  
155 agencies, subject to the requirements of Section 71-3-5. The  
156 Workers' Compensation Commission shall approve such group  
157 self-insurance programs subject to uniform rules and regulations  
158 as may be adopted by the commission applicable to all groups.

159 **SECTION 5.** Section 37-29-67, Mississippi Code of 1972, is  
160 amended as follows:

161 37-29-67. (1) The duties of the board of trustees shall be  
162 the general government of the community/junior college and  
163 directive of the administration thereof. Subject to the  
164 provisions of Sections 37-29-1 through 37-29-273, the board shall

165 have full power to do all things necessary to the successful  
166 operation of the district and the college or colleges or  
167 attendance centers located therein to insure educational  
168 advantages and opportunities to all the enrollees within the  
169 district.

170 (2) The board of trustees shall be authorized to designate a  
171 personnel supervisor or other person employed by the district to  
172 recommend teachers and to transmit such recommendations to the  
173 board of trustees; however, this authorization shall be restricted  
174 to no more than two (2) positions for each employment period in  
175 the district.

176 (3) The delineation and enumeration of the powers and  
177 purposes set out in Sections 37-29-1 through 37-29-273 shall be  
178 deemed to be supplemental and additional, and shall not be  
179 construed to restrict the powers of the board of trustees of the  
180 district or of any college located therein so as to deny to the  
181 said district and the college or colleges therein the rights,  
182 privileges, and powers previously authorized by statute.

183 (4) The board of trustees shall have the power to contract,  
184 on a shared-savings, lease or lease-purchase basis, for energy  
185 efficiency services and/or equipment as prescribed in Section  
186 31-7-14, not to exceed ten (10) years.

187 (5) The board of trustees shall be authorized with the  
188 approval of the State Board for Community and Junior Colleges, to  
189 change the name of the junior college to community college. The  
190 State Board for Community and Junior Colleges shall establish  
191 guidelines for the implementation of any junior college name  
192 change. Any reference to junior college district in this chapter  
193 shall hereinafter refer to the junior college district or its  
194 successor in name as changed by the board of trustees.

195 (6) The boards of trustees are hereby authorized and  
196 directed to purchase and maintain business property insurance and  
197 business personal property insurance on all college-owned

198 buildings and/or contents as required by federal law and  
199 regulations of the Federal Emergency Management Agency (F.E.M.A.)  
200 as is necessary for receiving public assistance or reimbursement  
201 for repair, reconstruction, replacement or other damage to such  
202 buildings and/or contents caused by the Hurricane Katrina Disaster  
203 of 2005 or subsequent disasters. Such coverage shall, at a  
204 minimum, be in the amount of the estimated eligible project costs  
205 for that structure or equipment prior to any reduction caused by  
206 the damage. The boards of trustees are authorized to expend funds  
207 from any available source for the purpose of obtaining and  
208 maintaining such property insurance. The boards of trustees are  
209 authorized to enter into agreements with the Department of Finance  
210 and Administration, local school districts, other community/junior  
211 college districts, state institutions of higher learning,  
212 community hospitals and/or other state agencies to pool their  
213 liabilities to participate in a group business property and/or  
214 business personal property insurance program, subject to uniform  
215 rules and regulations as may be adopted by the Department of  
216 Finance and Administration.

217       **SECTION 6.** Section 37-101-15, Mississippi Code of 1972, is  
218 amended as follows:

219       37-101-15. (a) The Board of Trustees of State Institutions  
220 of Higher Learning shall succeed to and continue to exercise  
221 control of all records, books, papers, equipment, and supplies,  
222 and all lands, buildings, and other real and personal property  
223 belonging to or assigned to the use and benefit of the board of  
224 trustees formerly supervising and controlling the institutions of  
225 higher learning named in Section 37-101-1. The board shall have  
226 and exercise control of the use, distribution and disbursement of  
227 all funds, appropriations and taxes, now and hereafter in  
228 possession, levied and collected, received, or appropriated for  
229 the use, benefit, support, and maintenance or capital outlay  
230 expenditures of the institutions of higher learning, including the

231 authorization of employees to sign vouchers for the disbursement  
232 of funds for the various institutions, except where otherwise  
233 specifically provided by law.

234 (b) The board shall have general supervision of the affairs  
235 of all the institutions of higher learning, including the  
236 departments and the schools thereof. The board shall have the  
237 power in its discretion to determine who shall be privileged to  
238 enter, to remain in, or to graduate therefrom. The board shall  
239 have general supervision of the conduct of libraries and  
240 laboratories, the care of dormitories, buildings, and grounds; the  
241 business methods and arrangement of accounts and records; the  
242 organization of the administrative plan of each institution; and  
243 all other matters incident to the proper functioning of the  
244 institutions. The board shall have the authority to establish  
245 minimum standards of achievement as a prerequisite for entrance  
246 into any of the institutions under its jurisdiction, which  
247 standards need not be uniform between the various institutions and  
248 which may be based upon such criteria as the board may establish.

249 (c) The board shall exercise all the powers and prerogatives  
250 conferred upon it under the laws establishing and providing for  
251 the operation of the several institutions herein specified. The  
252 board shall adopt such bylaws and regulations from time to time as  
253 it deems expedient for the proper supervision and control of the  
254 several institutions of higher learning, insofar as such bylaws  
255 and regulations are not repugnant to the Constitution and laws,  
256 and not inconsistent with the object for which these institutions  
257 were established. The board shall have power and authority to  
258 prescribe rules and regulations for policing the campuses and all  
259 buildings of the respective institutions, to authorize the arrest  
260 of all persons violating on any campus any criminal law of the  
261 state, and to have such law violators turned over to the civil  
262 authorities.



263 (d) For all institutions specified herein, the board shall  
264 provide a uniform system of recording and of accounting approved  
265 by the State Department of Audit. The board shall annually  
266 prepare, or cause to be prepared, a budget for each institution of  
267 higher learning for the succeeding year which must be prepared and  
268 in readiness for at least thirty (30) days before the convening of  
269 the regular session of the Legislature. All relationships and  
270 negotiations between the State Legislature and its various  
271 committees and the institutions named herein shall be carried on  
272 through the board of trustees. No official, employee or agent  
273 representing any of the separate institutions shall appear before  
274 the Legislature or any committee thereof except upon the written  
275 order of the board or upon the request of the Legislature or a  
276 committee thereof.

277 (e) For all institutions specified herein, the board shall  
278 prepare an annual report to the Legislature setting forth the  
279 disbursements of all monies appropriated to the respective  
280 institutions. Each report to the Legislature shall show how the  
281 money appropriated to the several institutions has been expended,  
282 beginning and ending with the fiscal years of the institutions,  
283 showing the name of each teacher, officer, and employee, and the  
284 salary paid each, and an itemized statement of each and every item  
285 of receipts and expenditures. Each report must be balanced, and  
286 must begin with the former balance. If any property belonging to  
287 the state or the institution is used for profit, the reports shall  
288 show the expense incurred in managing the property and the amount  
289 received therefrom. The reports shall also show a summary of the  
290 gross receipts and gross disbursements for each year and shall  
291 show the money on hand at the beginning of the fiscal period of  
292 the institution next preceding each session of the Legislature and  
293 the necessary amount of expense to be incurred from said date to  
294 January 1 following. The board shall keep the annual expenditures  
295 of each institution herein mentioned within the income derived

296 from legislative appropriations and other sources, but in case of  
297 emergency arising from acts of providence, epidemics, fire or  
298 storm with the written approval of the Governor and by written  
299 consent of a majority of the Senators and of the Representatives  
300 it may exceed the income. The board shall require a surety bond  
301 in a surety company authorized to do business in this state, of  
302 every employee who is the custodian of funds belonging to one or  
303 more of the institutions mentioned herein, which bond shall be in  
304 a sum to be fixed by the board in an amount that will properly  
305 safeguard the said funds, the premium for which shall be paid out  
306 of the funds appropriated for said institutions.

307 (f) The board shall have the power and authority to elect  
308 the heads of the various institutions of higher learning and to  
309 contract with all deans, professors, and other members of the  
310 teaching staff, and all administrative employees of said  
311 institutions for a term of not exceeding four (4) years. The  
312 board shall have the power and authority to terminate any such  
313 contract at any time for malfeasance, inefficiency, or  
314 contumacious conduct, but never for political reasons. It shall  
315 be the policy of the board to permit the executive head of each  
316 institution to nominate for election by the board all subordinate  
317 employees of the institution over which he presides. It shall be  
318 the policy of the board to elect all officials for a definite  
319 tenure of service and to reelect during the period of satisfactory  
320 service. The board shall have the power to make any adjustments  
321 it thinks necessary between the various departments and schools of  
322 any institution or between the different institutions.

323 (g) The board shall keep complete minutes and records of all  
324 proceedings which shall be open for inspection by any citizen of  
325 the state.

326 (h) The board shall have the power to contract, on a  
327 shared-savings, lease or lease-purchase basis, for energy

328 efficiency services and/or equipment as prescribed in Section  
329 31-7-14, not to exceed ten (10) years.

330 (i) The Board of Trustees of State Institutions of Higher  
331 Learning, for and on behalf of Jackson State University, is hereby  
332 authorized to convey by donation or otherwise easements across  
333 portions of certain real estate located in the City of Jackson,  
334 Hinds County, Mississippi, for right-of-way required for the Metro  
335 Parkway Project.

336 (j) In connection with any international contract between  
337 the board or one of the state's institutions of higher learning  
338 and any party outside of the United States, the board or  
339 institution that is the party to the international contract is  
340 hereby authorized and empowered to include in the contract a  
341 provision for the resolution by arbitration of any controversy  
342 between the parties to the contract relating to such contract or  
343 the failure or refusal to perform any part of the contract. Such  
344 provision shall be valid, enforceable and irrevocable without  
345 regard to the justiciable character of the controversy. Provided,  
346 however, that in the event either party to such contract initiates  
347 litigation against the other with respect to the contract, the  
348 arbitration provision shall be deemed waived unless asserted as a  
349 defense on or before the responding party is required to answer  
350 such litigation.

351 (k) The Board of Trustees of State Institutions of Higher  
352 Learning, "board," on behalf of any institution under its  
353 jurisdiction, is hereby authorized and directed to purchase and  
354 maintain business property insurance and business personal  
355 property insurance on all university-owned buildings and/or  
356 contents as required by federal law and regulations of the Federal  
357 Emergency Management Agency (F.E.M.A.) as is necessary for  
358 receiving public assistance or reimbursement for repair,  
359 reconstruction, replacement or other damage to such buildings  
360 and/or contents caused by the Hurricane Katrina Disaster of 2005

361 or subsequent disasters. Such coverage shall, at a minimum, be in  
362 the amount of the estimated eligible project costs for that  
363 structure or equipment prior to any reduction caused by the  
364 damage. The board is authorized to expend funds from any  
365 available source for the purpose of obtaining and maintaining such  
366 property insurance. The board is authorized to enter into  
367 agreements with the Department of Finance and Administration,  
368 local school districts, community/junior college districts,  
369 community hospitals and/or other state agencies to pool their  
370 liabilities to participate in a group business property and/or  
371 business personal property insurance program, subject to uniform  
372 rules and regulations as may be adopted by the Department of  
373 Finance and Administration.

374       **SECTION 7.** Section 41-73-31, Mississippi Code of 1972, is  
375 amended as follows:

376       41-73-31. In addition to the other powers and duties of the  
377 authority specified elsewhere in this act, the authority is  
378 specifically authorized to initiate a program of providing  
379 hospital equipment or hospital facilities located within the state  
380 to be operated by participating hospital institutions. In this  
381 regard, the authority shall be authorized to exercise the  
382 following powers:

383       (1) To establish eligibility standards for participating  
384 hospital institutions;

385       (2) To enter into an agreement with any entity securing the  
386 payment of bonds pursuant to Section 41-73-27(10), (11),  
387 authorizing said entity to approve the participating hospital  
388 institutions that can finance or refinance hospital equipment or  
389 hospital facilities with proceeds from the bond issue secured by  
390 said entity;

391       (3) To lease to a participating hospital institution  
392 specific hospital facilities or items of hospital equipment upon  
393 such terms and conditions as the authority may deem proper, to

394 charge and collect rents therefor, to terminate any such lease  
395 upon the failure of the lessee to comply with any of its  
396 obligations thereunder or otherwise as such lease may provide, to  
397 include in any such lease provisions that the lessee shall have  
398 the option to renew the term of the lease for such period or  
399 periods and at such rents as may be determined by the authority or  
400 to purchase any or all of the hospital facilities or hospital  
401 equipment to which such lease shall apply;

402 (4) To loan to a participating hospital institution under an  
403 installment purchase contract or loan agreement moneys to finance  
404 or refinance the cost of specific items of hospital facilities or  
405 hospital equipment and to take back a secured or unsecured  
406 promissory note evidencing such loan and a mortgage or security  
407 interest in the hospital facilities or hospital equipment financed  
408 or refinanced with such loan, upon such terms and conditions as  
409 the authority may deem proper;

410 (5) To sell or otherwise dispose of any or all unneeded or  
411 obsolete hospital facilities or hospital equipment under terms and  
412 conditions as determined by the authority;

413 (6) To maintain, repair, replace and otherwise improve or  
414 cause to be maintained, repaired, replaced and otherwise improved  
415 any hospital facilities or hospital equipment owned by the  
416 authority;

417 (7) To obtain or aid in obtaining property insurance on all  
418 hospital facilities or hospital equipment owned or financed by the  
419 authority and to enter into any agreement, contract or other  
420 instrument with respect to any such insurance to accept payment in  
421 the event of damage to or destruction of any hospital  
422 equipment; \* \* \*

423 (8) To enter into any agreement, contract or other  
424 instrument with respect to any insurance or guarantee or letter of  
425 credit, accepting payment in such manner and form as provided  
426 therein in the event of default by a participating hospital

427 institution, and to assign any such insurance or guarantee or  
428 letter of credit as security for bonds issued by the authority;  
429 and

430 (9) To purchase and maintain business property insurance and  
431 business personal property insurance on all hospital-owned  
432 buildings and/or contents as required by federal law and  
433 regulations of the Federal Emergency Management Agency (F.E.M.A.)  
434 as is necessary for receiving public assistance or reimbursement  
435 for repair, reconstruction, replacement or other damage to such  
436 buildings and/or contents caused by the Hurricane Katrina Disaster  
437 of 2005 or subsequent disasters. Such coverage shall, at a  
438 minimum, be in the amount of the estimated eligible project costs  
439 for that structure or equipment prior to any reduction caused by  
440 the damage. The authority is authorized to expend funds from any  
441 available source for the purpose of obtaining and maintaining such  
442 property insurance. The authority is authorized to enter into  
443 agreements with the Department of Finance and Administration,  
444 local school districts, community/junior college districts, state  
445 institutions of higher learning, other community hospitals and/or  
446 other state agencies to pool their liabilities to participate in a  
447 group business property and/or business personal property  
448 insurance program, subject to uniform rules and regulations as may  
449 be adopted by the Department of Finance and Administration.

450 **SECTION 8.** This act shall take effect and be in force from  
451 and after its passage.