

By: Representatives Watson, Holland, Akins, Aldridge, Arinder, Bailey, Baker (74th), Baker (8th), Banks, Barnett, Beckett, Bentz, Blackmon, Bondurant, Bounds, Broomfield, Brown, Buck, Burnett, Calhoun, Carlton, Chism, Clark, Clarke, Cockerham, Coleman (29th), Coleman (65th), Compretta, Cummings, Davis, Dedeaux, Denny, Dickson, Eaton, Ellington, Ellis, Espy, Evans, Fillingane, Flaggs, Fleming, Franks, Fredericks, Frierson, Gadd, Gibbs, Guice, Gunn, Hamilton (109th), Hamilton (6th), Harrison, Hines, Holloway, Howell, Huddleston, Hudson, Ishee, Janus, Jennings, Johnson, Lane, Lott, Malone, Markham, Martinson, Masterson, Mayhall, Mayo, McBride, McCoy, Middleton, Miles, Mims, Moak, Montgomery, Morris, Moss, Myers, Nicholson, Norquist, Parker, Patterson, Peranich, Perkins, Read, Reed, Reeves, Reynolds, Robinson (63rd), Robinson (84th), Rogers (14th), Rogers (61st), Rotenberry, Scott, Shows, Simpson, Smith (27th), Smith (39th), Smith (59th), Snowden, Staples, Stevens, Straughter, Stringer, Sullivan, Thomas, Turner, Upshaw, Vince, Walley, Ward, Warren, Weathersby, Wells-Smith, Whittington, Woods, Young, Zuber, Formby

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1495

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 REPAIR, RENOVATION, FURNISHING AND EQUIPPING OF THE OLD CAPITOL
4 AND TENANT BUILD-OUT EXPENSES RELATED TO REPAIR AND RENOVATION OF
5 THE OLD CAPITOL; TO AMEND SECTIONS 1 THROUGH 16, CHAPTER 543, LAWS
6 OF 2002, TO EXTEND THE PERIOD WITHIN WHICH BONDS AUTHORIZED UNDER
7 SUCH LAW FOR THE MISSISSIPPI COMMUNITY HERITAGE PRESERVATION GRANT
8 FUND MAY BE ISSUED; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** As used in this act, the following words shall
11 have the meanings ascribed herein unless the context clearly
12 requires otherwise:

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

20 (b) "State" means the State of Mississippi.

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

22 **SECTION 2.** (1) (a) A special fund, to be designated as the
23 "2006 Old Capitol Repair and Renovation Fund" is created within
24 the State Treasury. The fund shall be maintained by the State
25 Treasurer as a separate and special fund, separate and apart from

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

30 (b) Monies deposited into the fund shall be disbursed,
31 in the discretion of the Department of Finance and Administration,
32 to pay the costs of repair, renovation, furnishing and equipping
33 of the Old Capitol and tenant build-out expenses related to repair
34 and renovation of the Old Capitol.

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

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

56 **SECTION 3.** (1) The commission, at one time, or from time to
57 time, may declare by resolution the necessity for issuance of
58 general obligation bonds of the State of Mississippi to provide

59 funds for all costs incurred or to be incurred for the purposes
60 described in Section 2 of this act. Upon the adoption of a
61 resolution by the Department of Finance and Administration,
62 declaring the necessity for the issuance of any part or all of the
63 general obligation bonds authorized by this section, the
64 Department of Finance and Administration shall deliver a certified
65 copy of its resolution or resolutions to the commission. Upon
66 receipt of such resolution, the commission, in its discretion, may
67 act as the issuing agent, prescribe the form of the bonds,
68 advertise for and accept bids, issue and sell the bonds so
69 authorized to be sold and do any and all other things necessary
70 and advisable in connection with the issuance and sale of such
71 bonds. The total amount of bonds issued under this act shall not
72 exceed Fourteen Million Two Hundred Thousand Dollars
73 (\$14,200,000.00).

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.** Sections 1 through 16, Chapter 543, Laws of
216 2002, are amended as follows:

217 Section 1. As used in Sections 1 through 16 of this act, the
218 following words shall have the meanings ascribed herein unless the
219 context clearly requires otherwise:

220 (a) "Accreted value" of any bonds means, as of any date
221 of computation, an amount equal to the sum of (i) the stated
222 initial value of such bond, plus (ii) the interest accrued thereon

223 from the issue date to the date of computation at the rate,
224 compounded semiannually, that is necessary to produce the
225 approximate yield to maturity shown for bonds of the same
226 maturity.

227 (b) "State" means the State of Mississippi.

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

229 Section 2. (1) The commission, at one time, or from time to
230 time, may declare by resolution the necessity for issuance of
231 general obligation bonds of the State of Mississippi to provide
232 funds for the Mississippi Community Heritage Preservation Grant
233 Fund created pursuant to Section 39-5-145 and the account for the
234 Mississippi Landmark Grant Program within the Historic Properties
235 Trust Fund created pursuant to Section 39-5-23. Upon the adoption
236 of a resolution by the Department of Finance and Administration,
237 declaring the necessity for the issuance of any part or all of the
238 general obligation bonds authorized by this section, the
239 Department of Finance and Administration shall deliver a certified
240 copy of its resolution or resolutions to the commission. Upon
241 receipt of such resolution, the commission, in its discretion, may
242 act as the issuing agent, prescribe the form of the bonds,
243 advertise for and accept bids, issue and sell the bonds so
244 authorized to be sold and do any and all other things necessary
245 and advisable in connection with the issuance and sale of such
246 bonds. The total amount of bonds issued under Sections 1 through
247 16 of this act shall not exceed Six Million Two Hundred Thousand
248 Dollars (\$6,200,000.00). No bonds authorized under Sections 1
249 through 16 of this act shall be issued after July 1, 2007.

250 (2) Five Million Five Hundred Thousand Dollars
251 (\$5,500,000.00) of the proceeds of bonds issued pursuant to
252 Sections 1 through 16 of this act shall be deposited into the
253 Mississippi Community Heritage Preservation Grant Fund created
254 pursuant to Section 39-5-145, and Seven Hundred Thousand Dollars
255 (\$700,000.00) of the proceeds of bonds issued pursuant to Sections

256 1 through 16 of this act shall be deposited into the account for
257 the Mississippi Landmark Grant Program within the Historic
258 Properties Trust Fund created pursuant to Section 39-5-23. Any
259 investment earnings on bonds issued pursuant to Sections 1 through
260 16 of this act shall be used to pay debt service on bonds issued
261 under Sections 1 through 16 of this act, in accordance with the
262 proceedings authorizing issuance of such bonds.

263 Section 3. The principal of and interest on the bonds
264 authorized under Sections 1 through 16 of this act shall be
265 payable in the manner provided in this section. Such bonds shall
266 bear such date or dates, be in such denomination or denominations,
267 bear interest at such rate or rates (not to exceed the limits set
268 forth in Section 75-17-101, Mississippi Code of 1972), be payable
269 at such place or places within or without the State of
270 Mississippi, shall mature absolutely at such time or times not to
271 exceed twenty-five (25) years from date of issue, be redeemable
272 before maturity at such time or times and upon such terms, with or
273 without premium, shall bear such registration privileges, and
274 shall be substantially in such form, all as shall be determined by
275 resolution of the commission.

276 Section 4. The bonds authorized by Sections 1 through 16 of
277 this act shall be signed by the chairman of the commission, or by
278 his facsimile signature, and the official seal of the commission
279 shall be affixed thereto, attested by the secretary of the
280 commission. The interest coupons, if any, to be attached to such
281 bonds may be executed by the facsimile signatures of such
282 officers. Whenever any such bonds shall have been signed by the
283 officials designated to sign the bonds who were in office at the
284 time of such signing but who may have ceased to be such officers
285 before the sale and delivery of such bonds, or who may not have
286 been in office on the date such bonds may bear, the signatures of
287 such officers upon such bonds and coupons shall nevertheless be
288 valid and sufficient for all purposes and have the same effect as

289 if the person so officially signing such bonds had remained in
290 office until their delivery to the purchaser, or had been in
291 office on the date such bonds may bear. However, notwithstanding
292 anything herein to the contrary, such bonds may be issued as
293 provided in the Registered Bond Act of the State of Mississippi.

294 Section 5. All bonds and interest coupons issued under the
295 provisions of Sections 1 through 16 of this act have all the
296 qualities and incidents of negotiable instruments under the
297 provisions of the Uniform Commercial Code, and in exercising the
298 powers granted by Sections 1 through 16 of this act, the
299 commission shall not be required to and need not comply with the
300 provisions of the Uniform Commercial Code.

301 Section 6. The commission shall act as the issuing agent for
302 the bonds authorized under Sections 1 through 16 of this act,
303 prescribe the form of the bonds, advertise for and accept bids,
304 issue and sell the bonds so authorized to be sold, pay all fees
305 and costs incurred in such issuance and sale, and do any and all
306 other things necessary and advisable in connection with the
307 issuance and sale of such bonds. The commission is authorized and
308 empowered to pay the costs that are incident to the sale, issuance
309 and delivery of the bonds authorized under Sections 1 through 16
310 of this act from the proceeds derived from the sale of such bonds.
311 The commission shall sell such bonds on sealed bids at public
312 sale, and for such price as it may determine to be for the best
313 interest of the State of Mississippi, but no such sale shall be
314 made at a price less than par plus accrued interest to the date of
315 delivery of the bonds to the purchaser. All interest accruing on
316 such bonds so issued shall be payable semiannually or annually;
317 however, the first interest payment may be for any period of not
318 more than one (1) year.

319 Notice of the sale of any such bonds shall be published at
320 least one time, not less than ten (10) days before the date of
321 sale, and shall be so published in one or more newspapers

322 published or having a general circulation in the City of Jackson,
323 Mississippi, and in one or more other newspapers or financial
324 journals with a national circulation, to be selected by the
325 commission.

326 The commission, when issuing any bonds under the authority of
327 Sections 1 through 16 of this act, may provide that bonds, at the
328 option of the State of Mississippi, may be called in for payment
329 and redemption at the call price named therein and accrued
330 interest on such date or dates named therein.

331 Section 7. The bonds issued under the provisions of Sections
332 1 through 16 of this act are general obligations of the State of
333 Mississippi, and for the payment thereof the full faith and credit
334 of the State of Mississippi is irrevocably pledged. If the funds
335 appropriated by the Legislature are insufficient to pay the
336 principal of and the interest on such bonds as they become due,
337 then the deficiency shall be paid by the State Treasurer from any
338 funds in the State Treasury not otherwise appropriated. All such
339 bonds shall contain recitals on their faces substantially covering
340 the provisions of this section.

341 Section 8. Upon the issuance and sale of bonds under the
342 provisions of Sections 1 through 16 of this act, the commission
343 shall transfer the proceeds of any such sale or sales to the
344 Mississippi Community Heritage Preservation Grant Fund created in
345 Section 39-5-145 and the account for the Mississippi Landmark
346 Grant Program within the Historic Properties Trust Fund created in
347 Section 39-5-23, in the amounts provided for in Section 2(2) of
348 this act, and the proceeds of such bonds shall be disbursed for
349 the purposes provided in Section 39-5-145 and Section 39-5-23(3),
350 respectively.

351 Section 9. The bonds authorized under Sections 1 through 16
352 of this act may be issued without any other proceedings or the
353 happening of any other conditions or things other than those
354 proceedings, conditions and things which are specified or required

355 by Sections 1 through 16 of this act. Any resolution providing
356 for the issuance of bonds under the provisions of Sections 1
357 through 16 of this act shall become effective immediately upon its
358 adoption by the commission, and any such resolution may be adopted
359 at any regular or special meeting of the commission by a majority
360 of its members.

361 Section 10. The bonds authorized under the authority of
362 Sections 1 through 16 of this act may be validated in the Chancery
363 Court of the First Judicial District of Hinds County, Mississippi,
364 in the manner and with the force and effect provided by Chapter
365 13, Title 31, Mississippi Code of 1972, for the validation of
366 county, municipal, school district and other bonds. The notice to
367 taxpayers required by such statutes shall be published in a
368 newspaper published or having a general circulation in the City of
369 Jackson, Mississippi.

370 Section 11. Any holder of bonds issued under the provisions
371 of Sections 1 through 16 of this act or of any of the interest
372 coupons pertaining thereto may, either at law or in equity, by
373 suit, action, mandamus or other proceeding, protect and enforce
374 any and all rights granted under Sections 1 through 16 of this
375 act, or under such resolution, and may enforce and compel
376 performance of all duties required by Sections 1 through 16 of
377 this act to be performed, in order to provide for the payment of
378 bonds and interest thereon.

379 Section 12. All bonds issued under the provisions of
380 Sections 1 through 16 of this act shall be legal investments for
381 trustees and other fiduciaries, and for savings banks, trust
382 companies and insurance companies organized under the laws of the
383 State of Mississippi, and such bonds shall be legal securities
384 which may be deposited with and shall be received by all public
385 officers and bodies of this state and all municipalities and
386 political subdivisions for the purpose of securing the deposit of
387 public funds.

388 Section 13. Bonds issued under the provisions of Sections 1
389 through 16 of this act and income therefrom shall be exempt from
390 all taxation in the State of Mississippi.

391 Section 14. The proceeds of the bonds issued under Sections
392 1 through 16 of this act shall be used solely for the purposes
393 therein provided, including the costs incident to the issuance and
394 sale of such bonds.

395 Section 15. The State Treasurer is authorized, without
396 further process of law, to certify to the Department of Finance
397 and Administration the necessity for warrants, and the Department
398 of Finance and Administration is authorized and directed to issue
399 such warrants, in such amounts as may be necessary to pay when due
400 the principal of, premium, if any, and interest on, or the
401 accreted value of, all bonds issued under Sections 1 through 16 of
402 this act; and the State Treasurer shall forward the necessary
403 amount to the designated place or places of payment of such bonds
404 in ample time to discharge such bonds, or the interest thereon, on
405 the due dates thereof.

406 Section 16. Sections 1 through 16 of this act shall be
407 deemed to be full and complete authority for the exercise of the
408 powers therein granted, but Sections 1 through 16 of this act
409 shall not be deemed to repeal or to be in derogation of any
410 existing law of this state.

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