

By: Representatives Howell, Watson, Holland, To: Ways and Means
Scott

HOUSE BILL NO. 1541

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) "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 department, 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, declaring the necessity for the
108 issuance of any part or all of the bonds authorized by this
109 section, the department shall deliver a certified copy of its
110 resolution or resolutions to the commission. Upon receipt of the
111 resolution, the commission, in its discretion, may act as the
112 issuing agent, prescribe the form of the bonds, advertise for and
113 accept bids, issue and sell the bonds so authorized to be sold and
114 do any and all other things necessary and advisable in connection
115 with the issuance and sale of the bonds. The total amount of
116 bonds issued under this act shall not exceed Twenty-five Million
117 Dollars (\$25,000,000.00).

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 House Bill No. 1541, 2006 Regular Session,
294 such amounts as specified in Section 3 of House Bill No. 1541,
295 2006 Regular Session, from any fees received for newborn screening
296 tests performed under this section that are evaluated in the
297 public health laboratory of the department.

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