

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1614

1 AN ACT TO AMEND SECTIONS 3 THROUGH 18, CHAPTER 541, LAWS OF
2 2001, AS AMENDED BY CHAPTER 540, LAWS OF 2002, AS AMENDED BY
3 CHAPTER 519, LAWS OF 2003, AS AMENDED BY CHAPTER 1, LAWS OF 2004
4 THIRD EXTRAORDINARY SESSION, TO INCREASE THE AMOUNT OF STATE
5 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED FOR THE PURPOSE OF
6 PROVIDING FUNDS FOR THE BUILDING FUND FOR THE ARTS; TO AMEND
7 SECTION 39-11-13, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;
8 AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Sections 3 through 18, Chapter 541, Laws of 2001,
11 as amended by Chapter 540, Laws of 2002, as amended by Chapter
12 519, Laws of 2003, as amended by Chapter 1, Laws of 2004 Third
13 Extraordinary Session, is amended as follows:

14 Section 3. As used in Sections 3 through 18 of this act, the
15 following words shall have the meanings ascribed herein unless the
16 context clearly requires otherwise:

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

24 (b) "State" means the State of Mississippi; and

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

26 Section 4. (1) The Mississippi Arts Commission, at one
27 time, or from time to time, may declare by resolution the
28 necessity for issuance of general obligation bonds of the State of
29 Mississippi to provide funds for the grant program authorized in
30 Section 2 of this act. Upon the adoption of a resolution by the

31 Mississippi Arts Commission, declaring the necessity for the
32 issuance of any part or all of the general obligation bonds
33 authorized by this section, the Mississippi Arts Commission shall
34 deliver a certified copy of its resolution or resolutions to the
35 commission. Upon receipt of such resolution, the commission, in
36 its discretion, may act as the issuing agent, prescribe the form
37 of the bonds, advertise for and accept bids, issue and sell the
38 bonds so authorized to be sold and do any and all other things
39 necessary and advisable in connection with the issuance and sale
40 of such bonds. The total amount of bonds issued under Sections 3
41 through 18 of this act shall not exceed Twenty Million Two Hundred
42 Thousand Dollars (\$20,200,000.00).

43 (2) The proceeds of bonds issued pursuant to Sections 3
44 through 18 of this act shall be deposited into the Building Fund
45 for the Arts created pursuant to Section 2 of this act. Any
46 investment earnings on bonds issued pursuant to Sections 3 through
47 18 of this act shall be used to pay debt service on bonds issued
48 under Sections 3 through 18 of this act, in accordance with the
49 proceedings authorizing issuance of such bonds.

50 Section 5. The principal of and interest on the bonds
51 authorized under Sections 3 through 18 of this act shall be
52 payable in the manner provided in this section. Such bonds shall
53 bear such date or dates, be in such denomination or denominations,
54 bear interest at such rate or rates (not to exceed the limits set
55 forth in Section 75-17-101, Mississippi Code of 1972), be payable
56 at such place or places within or without the State of
57 Mississippi, shall mature absolutely at such time or times not to
58 exceed twenty-five (25) years from date of issue, be redeemable
59 before maturity at such time or times and upon such terms, with or
60 without premium, shall bear such registration privileges, and
61 shall be substantially in such form, all as shall be determined by
62 resolution of the commission.

63 Section 6. The bonds authorized by Sections 3 through 18 of
64 this act shall be signed by the chairman of the commission, or by
65 his facsimile signature, and the official seal of the commission
66 shall be affixed thereto, attested by the secretary of the
67 commission. The interest coupons, if any, to be attached to such
68 bonds may be executed by the facsimile signatures of such
69 officers. Whenever any such bonds shall have been signed by the
70 officials designated to sign the bonds who were in office at the
71 time of such signing but who may have ceased to be such officers
72 before the sale and delivery of such bonds, or who may not have
73 been in office on the date such bonds may bear, the signatures of
74 such officers upon such bonds and coupons shall nevertheless be
75 valid and sufficient for all purposes and have the same effect as
76 if the person so officially signing such bonds had remained in
77 office until their delivery to the purchaser, or had been in
78 office on the date such bonds may bear. However, notwithstanding
79 anything herein to the contrary, such bonds may be issued as
80 provided in the Registered Bond Act of the State of Mississippi.

81 Section 7. All bonds and interest coupons issued under the
82 provisions of Sections 3 through 18 of this act have all the
83 qualities and incidents of negotiable instruments under the
84 provisions of the Uniform Commercial Code, and in exercising the
85 powers granted by Sections 3 through 18 of this act, the
86 commission shall not be required to and need not comply with the
87 provisions of the Uniform Commercial Code.

88 Section 8. The commission shall act as the issuing agent for
89 the bonds authorized under Sections 3 through 18 of this act,
90 prescribe the form of the bonds, advertise for and accept bids,
91 issue and sell the bonds so authorized to be sold, pay all fees
92 and costs incurred in such issuance and sale, and do any and all
93 other things necessary and advisable in connection with the
94 issuance and sale of such bonds. The commission is authorized and
95 empowered to pay the costs that are incident to the sale, issuance

96 and delivery of the bonds authorized under Sections 3 through 18
97 of this act from the proceeds derived from the sale of such bonds.
98 The commission shall sell such bonds on sealed bids at public
99 sale, and for such price as it may determine to be for the best
100 interest of the State of Mississippi, but no such sale shall be
101 made at a price less than par plus accrued interest to the date of
102 delivery of the bonds to the purchaser. All interest accruing on
103 such bonds so issued shall be payable semiannually or annually;
104 however, the first interest payment may be for any period of not
105 more than one (1) year.

106 Notice of the sale of any such bonds shall be published at
107 least one time, not less than ten (10) days before the date of
108 sale, and shall be so published in one or more newspapers
109 published or having a general circulation in the City of Jackson,
110 Mississippi, and in one or more other newspapers or financial
111 journals with a national circulation, to be selected by the
112 commission.

113 The commission, when issuing any bonds under the authority of
114 Sections 3 through 18 of this act, may provide that bonds, at the
115 option of the State of Mississippi, may be called in for payment
116 and redemption at the call price named therein and accrued
117 interest on such date or dates named therein.

118 Section 9. The bonds issued under the provisions of Sections
119 3 through 18 of this act are general obligations of the State of
120 Mississippi, and for the payment thereof the full faith and credit
121 of the State of Mississippi is irrevocably pledged. If the funds
122 appropriated by the Legislature are insufficient to pay the
123 principal of and the interest on such bonds as they become due,
124 then the deficiency shall be paid by the State Treasurer from any
125 funds in the State Treasury not otherwise appropriated. All such
126 bonds shall contain recitals on their faces substantially covering
127 the provisions of this section.

128 Section 10. Upon the issuance and sale of bonds under the
129 provisions of Sections 3 through 18 of this act, the commission
130 shall transfer the proceeds of any such sale or sales to the
131 special fund created in Section 2 of this act. Except as
132 otherwise provided in Section 2 of this act, the proceeds of such
133 bonds shall be disbursed solely upon the order of the Department
134 of Finance and Administration under such restrictions, if any, as
135 may be contained in the resolution providing for the issuance of
136 the bonds.

137 Section 11. The bonds authorized under Sections 3 through 18
138 of this act may be issued without any other proceedings or the
139 happening of any other conditions or things other than those
140 proceedings, conditions and things which are specified or required
141 by Sections 3 through 18 of this act. Any resolution providing
142 for the issuance of bonds under the provisions of Sections 3
143 through 18 of this act shall become effective immediately upon its
144 adoption by the commission, and any such resolution may be adopted
145 at any regular or special meeting of the commission by a majority
146 of its members.

147 Section 12. The bonds authorized under the authority of
148 Sections 3 through 18 of this act may be validated in the Chancery
149 Court of the First Judicial District of Hinds County, Mississippi,
150 in the manner and with the force and effect provided by Chapter
151 13, Title 31, Mississippi Code of 1972, for the validation of
152 county, municipal, school district and other bonds. The notice to
153 taxpayers required by such statutes shall be published in a
154 newspaper published or having a general circulation in the City of
155 Jackson, Mississippi.

156 Section 13. Any holder of bonds issued under the provisions
157 of Sections 3 through 18 of this act or of any of the interest
158 coupons pertaining thereto may, either at law or in equity, by
159 suit, action, mandamus or other proceeding, protect and enforce
160 any and all rights granted under Sections 3 through 18 of this

161 act, or under such resolution, and may enforce and compel
162 performance of all duties required by Sections 3 through 18 of
163 this act to be performed, in order to provide for the payment of
164 bonds and interest thereon.

165 Section 14. All bonds issued under the provisions of
166 Sections 3 through 18 of this act shall be legal investments for
167 trustees and other fiduciaries, and for savings banks, trust
168 companies and insurance companies organized under the laws of the
169 State of Mississippi, and such bonds shall be legal securities
170 which may be deposited with and shall be received by all public
171 officers and bodies of this state and all municipalities and
172 political subdivisions for the purpose of securing the deposit of
173 public funds.

174 Section 15. Bonds issued under the provisions of Sections 3
175 through 18 of this act and income therefrom shall be exempt from
176 all taxation in the State of Mississippi.

177 Section 16. The proceeds of the bonds issued under Sections
178 3 through 18 of this act shall be used solely for the purposes
179 therein provided, including the costs incident to the issuance and
180 sale of such bonds.

181 Section 17. The State Treasurer is authorized, without
182 further process of law, to certify to the Department of Finance
183 and Administration the necessity for warrants, and the Department
184 of Finance and Administration is authorized and directed to issue
185 such warrants, in such amounts as may be necessary to pay when due
186 the principal of, premium, if any, and interest on, or the
187 accreted value of, all bonds issued under Sections 3 through 18 of
188 this act; and the State Treasurer shall forward the necessary
189 amount to the designated place or places of payment of such bonds
190 in ample time to discharge such bonds, or the interest thereon, on
191 the due dates thereof.

192 Section 18. Sections 3 through 18 of this act shall be
193 deemed to be full and complete authority for the exercise of the

194 powers therein granted, but Sections 3 through 18 of this act
195 shall not be deemed to repeal or to be in derogation of any
196 existing law of this state.

197 **SECTION 2.** Section 39-11-13, Mississippi Code of 1972, is
198 amended as follows:

199 39-11-13. (1) (a) A special fund, to be designated as the
200 "Building Fund for the Arts" is created within the State Treasury.
201 The fund shall be maintained by the State Treasurer as a separate
202 and special fund, separate and apart from the General Fund of the
203 state. The fund shall consist of any money designated for deposit
204 therein from any source, including, but not limited to, any state
205 general obligation bonds issued for the purposes described in this
206 section. Unexpended amounts remaining in the fund at the end of a
207 fiscal year shall not lapse into the State General Fund, and
208 investment earnings on amounts in the fund shall be deposited into
209 such fund.

210 (b) Money deposited into the fund shall be disbursed,
211 in the discretion of the Mississippi Arts Commission, to provide
212 grants to nonprofit organizations that are qualified as tax exempt
213 under Section 501(c)(3) of the Internal Revenue Code and units of
214 local government to pay the costs of:

215 (i) Repair, upgrading, expansion, renovation or
216 enhancement of existing buildings and facilities for the
217 presentation, teaching or exhibition of the arts in any and all of
218 its forms and furniture, equipment and/or technology for such
219 buildings or facilities;

220 (ii) Construction of new buildings and facilities
221 for the presentation, teaching or exhibition of the arts in any
222 and all of its forms and furniture, equipment and/or technology
223 for such buildings or facilities; or

224 (iii) The development, construction, equipping and
225 furnishing of an entertainment and film center and museum and
226 completion of a sound stage project.

227 (c) The entity to which such grants are made shall
228 provide matching funds from local, federal or private sources
229 equal to forty percent (40%) of the proposed project cost in order
230 to be eligible for a grant under this section.

231 (d) The maximum aggregate amount of monies in the
232 special fund that may be used to provide grant funds to an entity
233 or combination of entities under paragraph (b)(iii) of this
234 subsection shall not exceed One Million Dollars (\$1,000,000.00),
235 and no monies in the special fund may be used to provide grant
236 funds under paragraph (b)(iii) of this subsection after July 1,
237 2003. The maximum aggregate amount of grant funds that may be
238 provided to an entity or combination of entities under paragraph
239 (b)(iii) of this subsection during a fiscal year shall not exceed
240 Five Hundred Thousand Dollars (\$500,000.00).

241 (2) (a) Amounts deposited into such special fund shall be
242 disbursed to pay the costs of projects described in subsection (1)
243 of this section. If any monies in the special fund are derived
244 from proceeds of bonds issued under Sections 3 through 18 of
245 Chapter 541, Laws of 2001, as amended by Chapter 540, Laws of
246 2002, as amended by Chapter 519, Laws of 2003, as amended by
247 Chapter 1, Laws of 2004 Third Extraordinary Session, as amended by
248 House Bill No. _____, 2006 Regular Session, and are not used within
249 four (4) years after the date such bond proceeds are deposited
250 into the special fund, then the Mississippi Arts Commission shall
251 provide an accounting of such unused monies to the State Bond
252 Commission.

253 (b) Monies in the special fund which are derived from
254 proceeds of bonds issued after April 9, 2002, may be used to
255 reimburse reasonable actual and necessary costs incurred by the
256 Mississippi Arts Commission in providing assistance directly
257 related to a project described in subsection (1) of this section
258 for which grant funds are provided under this section from the use
259 of proceeds of such bonds. Reimbursement may be made only until

260 such time as the project is completed. An accounting of actual
261 costs incurred for which reimbursement is sought shall be
262 maintained for each project by the Mississippi Arts Commission.
263 Reimbursement of reasonable actual and necessary costs for a
264 project shall not exceed three percent (3%) of the proceeds of
265 bonds issued for such project. Monies authorized for a particular
266 project may not be used to reimburse administrative costs for
267 unrelated projects. This paragraph (b) shall be repealed from and
268 after July 1, 2007.

269 (3) The Mississippi Arts Commission is expressly authorized
270 and empowered to receive and expend any local or other source
271 funds in connection with the expenditure of funds provided for in
272 this section. The expenditure of money deposited into the special
273 fund shall be under the direction of the Mississippi Arts
274 Commission, and such funds shall be paid by the State Treasurer
275 upon warrants issued by the Department of Finance and
276 Administration upon request of the Mississippi Arts Commission,
277 which warrants shall be issued upon requisitions signed by the
278 Executive Director of the Mississippi Arts Commission or his or
279 her designee.

280 (4) The Mississippi Arts Commission shall adopt necessary
281 rules and regulations to govern the administration of the program
282 described in subsection (1) of this section, including, but not
283 limited to, rules and regulations governing applications for
284 grants and rules and regulations providing for the distribution of
285 grant funds. The Mississippi Arts Commission shall comply with
286 the provisions of the Mississippi Administrative Procedures Law.

287 **SECTION 3.** This act shall take effect and be in force from
288 and after July 1, 2006.