

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1650

1 AN ACT TO ESTABLISH THE CAPITAL SEED INVESTMENT PROGRAM-LEVEL
 2 1 FOR THE PURPOSE OF MAKING ASSISTANCE AVAILABLE TO PROVIDE
 3 WORKING CAPITAL TO SUPPORT THE INITIAL CAPITALIZATION OF
 4 TECHNOLOGY BASED BUSINESSES IN MISSISSIPPI; TO PROVIDE THAT THE
 5 PROGRAM SHALL BE UNDER THE DIRECTION OF THE MISSISSIPPI TECHNOLOGY
 6 ALLIANCE; TO ESTABLISH REQUIREMENTS AND GUIDELINES FOR THE
 7 PROGRAM; TO ESTABLISH THE CAPITAL SEED INVESTMENT PROGRAM-LEVEL 2
 8 FOR THE PURPOSE OF MAKING ASSISTANCE AVAILABLE TO PROVIDE WORKING
 9 CAPITAL TO SUPPORT THE CONTINUED CAPITALIZATION OF TECHNOLOGY
 10 BASED BUSINESSES IN MISSISSIPPI; TO PROVIDE THAT THE PROGRAM SHALL
 11 BE UNDER THE DIRECTION OF THE MISSISSIPPI TECHNOLOGY ALLIANCE; TO
 12 ESTABLISH REQUIREMENTS AND GUIDELINES FOR THE PROGRAM; TO
 13 ESTABLISH THE APPLIED RESEARCH PROGRAM FOR THE PURPOSE OF MAKING
 14 ASSISTANCE AVAILABLE FOR SEED AND EARLY STAGE CAPITAL TO SMALL AND
 15 MEDIUM SIZED MISSISSIPPI BUSINESSES WITH HIGH GROWTH POTENTIAL
 16 THAT ARE ENGAGED IN RESEARCH AND DEVELOPMENT ACTIVITIES WITH A
 17 MISSISSIPPI UNIVERSITY, COLLEGE AND/OR COMMUNITY/JUNIOR COLLEGE;
 18 TO PROVIDE THAT THE PROGRAM SHALL BE UNDER THE DIRECTION OF THE
 19 MISSISSIPPI TECHNOLOGY ALLIANCE; TO ESTABLISH REQUIREMENTS AND
 20 GUIDELINES FOR THE PROGRAM; TO ESTABLISH THE MISSISSIPPI
 21 UNIVERSITY COMMERCIALIZATION PROGRAM FOR THE PURPOSE OF MAKING
 22 FUNDS AVAILABLE TO ASSIST FACULTY MEMBERS OF STATE INSTITUTIONS OF
 23 HIGHER LEARNING AND COMMUNITY/JUNIOR COLLEGES IN THE
 24 COMMERCIALIZATION OF THEIR TECHNOLOGY INTO EMERGING BUSINESSES; TO
 25 PROVIDE THAT THE PROGRAM SHALL BE UNDER THE DIRECTION OF THE
 26 MISSISSIPPI TECHNOLOGY ALLIANCE; TO ESTABLISH REQUIREMENTS AND
 27 GUIDELINES FOR THE PROGRAM; TO AUTHORIZE THE ISSUANCE OF STATE
 28 GENERAL OBLIGATION BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR
 29 THE PROGRAMS CREATED IN THIS ACT; AND FOR RELATED PURPOSES.

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

31 **SECTION 1.** (1) There is established under the direction of
 32 the Mississippi Technology Alliance ("MTA") a program to be known
 33 as the "Capital Seed Investment Program-Level 1" for the purpose
 34 of making assistance available to provide working capital to
 35 support the initial capitalization of technology based businesses
 36 in Mississippi.

37 (2) (a) In order to be eligible for assistance under the
 38 program, a business must: (i) have its principal place of
 39 business based in Mississippi, (ii) produce or provide a product
 40 and/or service that is science or technology related, (iii) have

41 fewer than fifty (50) employees, and (iv) have completed its
42 product and/or service development planning.

43 (b) Any business desiring to participate in the program
44 must submit an application to the MTA. The application must
45 contain a description of the purposes for which the assistance is
46 requested, the amount of assistance requested and any other
47 information requested by the MTA. If the MTA staff reviewing the
48 application determine that an application should be reviewed by
49 the MTA Board of Directors, the application shall be forwarded to
50 the board. If the MTA Board of Directors approves the
51 application, the MTA shall negotiate a contract with the business
52 regarding any assistance provided to the business under the
53 program, the expenditure of the assistance provided to the
54 business, and any other matters to which the parties may agree.
55 Any such contract must provide for at least the following: (i)
56 that any assistance provided to the business will be on a
57 reimbursement basis in which the business will expend funds
58 according to the terms of the contract and submit invoices,
59 receipts and other applicable documentation and information to the
60 MTA for reimbursement; (ii) that no funds may be expended or used
61 for patent prosecution, reorganization of the business, salaries
62 or other compensation, or payment of any existing debt of the
63 business outstanding or otherwise incurred at the time the
64 contract is entered into; (iii) that no funds may be expended to
65 reimburse expenses for work conducted or services provided by the
66 business, a university or a third party consultant if those
67 expenses were incurred before the term of the contract; and (iv)
68 that the business receiving assistance will retain ownership of
69 any technology developed by the business regardless of whether the
70 technology is developed before or after the receipt of assistance.
71 Assistance received by a business may be expended for hiring third
72 party consultants to assist the business and for equipment. The
73 amount of assistance that a business may receive under the program

74 shall not exceed Twenty-five Thousand Dollars (\$25,000.00) and any
75 award of assistance shall be made on a one time basis.

76 (3) There is created in the State Treasury a special fund,
77 to be designated as the "Capital Seed Investment Program-Level 1
78 Fund," which shall consist of funds appropriated or otherwise made
79 available by the Legislature. The fund shall be maintained by the
80 State Treasurer as a separate and special fund, separate and apart
81 from the General Fund of the state. Unexpended amounts remaining
82 in the fund at the end of a fiscal year shall not lapse into the
83 State General Fund, and any interest earned or investment earnings
84 on amounts in the fund shall be deposited into such fund. Monies
85 in the fund shall be disbursed, in the discretion of the
86 Mississippi Development Authority, to provide funds to the MTA for
87 the purposes described in this section.

88 **SECTION 2.** (1) There is established under the direction of
89 the Mississippi Technology Alliance ("MTA") a program to be known
90 as the "Capital Seed Investment Program-Level 2" for the purpose
91 of making assistance available to provide working capital to
92 support the continued capitalization of technology based
93 businesses in Mississippi.

94 (2) (a) In order to be eligible for assistance under the
95 program, a business must: (i) have its principal place of
96 business based in Mississippi, (ii) produce or provide a product
97 and/or service that is science or technology related, (iii) have
98 fewer than fifty (50) employees, and (iv) have completed its
99 product and/or service development planning.

100 (b) Any business desiring to participate in the program
101 must submit an application to the MTA. However, before submitting
102 an application, an applicant must have an initial consultation
103 with MTA staff to determine whether the business is eligible for
104 assistance under the program. If the MTA staff determine that the
105 business is eligible for funding under the program, the business
106 may submit an application to the MTA. The application must

107 contain a description of the purposes for which the assistance is
108 requested, the amount of assistance requested and any other
109 information requested by the MTA. If the MTA staff reviewing the
110 application determine that an application should be reviewed by
111 the MTA Board of Directors, the application shall be forwarded to
112 the board. If the MTA Board of Directors approves the
113 application, the MTA shall negotiate a contract with the business
114 regarding any assistance provided to the business under the
115 program, the expenditure of the assistance provided to the
116 business, and any other matters to which the parties may agree.
117 Any such contract must provide for at least the following: (i)
118 that any assistance provided to the business will be on a
119 reimbursement basis in which the business will expend funds
120 according to the terms of the contract and submit invoices,
121 receipts and other applicable documentation and information to the
122 MTA for reimbursement; (ii) that no funds may be expended or used
123 for patent prosecution, reorganization of the business, or payment
124 of any existing debt of the business outstanding or otherwise
125 incurred at the time the contract is entered into; (iii) that no
126 funds may be expended to reimburse expenses for work conducted or
127 services provided by the business, a university or a third party
128 consultant if those expenses were incurred before the term of the
129 contract; and (iv) that the business receiving assistance will
130 retain ownership of any technology developed by the business
131 regardless of whether the technology is developed before or after
132 the receipt of assistance. Assistance received by a business may
133 be expended for hiring third party consultants to assist the
134 business, salaries, marketing, prototype development and
135 equipment. The amount of assistance that a business may receive
136 under the program shall not exceed Fifty Thousand Dollars
137 (\$50,000.00) in any one (1) year and shall not exceed One Hundred
138 Thousand Dollars (\$100,000.00) in the aggregate.

139 (c) A business receiving assistance that exceeds
140 Twenty-five Thousand Dollars (\$25,000.00), whether received
141 entirely under the program established under this section or as a
142 cumulative total of assistance received under this program and the
143 program established under Section 1 of this act, shall be required
144 to repay the entire amount of assistance received. Repayment
145 shall be made through the use of a convertible note in which the
146 business will repay two hundred percent (200%) of the amount of
147 assistance received, and the MTA shall have the option of
148 converting the amount of assistance into common stock of the
149 business. However, the MTA may execute that option only if the
150 business has exceeded performance requirements outlined in its
151 business plan. As an alternative, a business may make the
152 repayment with a convertible debt instrument with an interest rate
153 agreed upon by the parties. Amounts received as repayments shall
154 be used by the MTA to provide additional assistance under the
155 program established under this section.

156 (3) There is created in the State Treasury a special fund,
157 to be designated as the "Capital Seed Investment Program-Level 2
158 Fund," which shall consist of funds appropriated or otherwise made
159 available by the Legislature. The fund shall be maintained by the
160 State Treasurer as a separate and special fund, separate and apart
161 from the General Fund of the state. Unexpended amounts remaining
162 in the fund at the end of a fiscal year shall not lapse into the
163 State General Fund, and any interest earned or investment earnings
164 on amounts in the fund shall be deposited into such fund. Monies
165 in the fund shall be disbursed, in the discretion of the
166 Mississippi Development Authority, to provide funds to the MTA for
167 the purposes described in this section.

168 **SECTION 3.** (1) There is established under the direction of
169 the Mississippi Technology Alliance ("MTA") a program to be known
170 as the "Applied Research Program" for the purpose of making
171 assistance available for seed and early stage capital to small and

172 medium sized Mississippi businesses with high growth potential
173 that are engaged in research and development activities with a
174 Mississippi university, college and/or community/junior college.

175 (2) (a) In order to be eligible for assistance under the
176 program, a business must: (i) have its principal place of
177 business based in Mississippi, (ii) produce or provide a product
178 and/or service that is science or technology related, (iii) have
179 completed its product and/or service development planning, and
180 (iv) develop technology in partnership with a Mississippi
181 university, college and/or community/junior college.

182 (b) Any business desiring to participate in the program
183 must submit an application to the MTA. The application must
184 contain a technical brief and project plan for the
185 commercialization of the technology developed or proposed for
186 development by the business and any other information requested by
187 the MTA. If the MTA staff reviewing the application determine
188 that an application should be reviewed by the MTA Board of
189 Directors, the application shall be forwarded to the board. If
190 the MTA Board of Directors approves the application, the MTA shall
191 negotiate a contract with the business regarding any assistance
192 provided to the business under the program, the expenditure of
193 assistance provided to the business, repayment of assistance by
194 the business, and any other matters to which the parties may
195 agree. Any such contract must provide for at least the following:
196 (i) that any assistance provided to the business will be on a
197 reimbursement basis in which the business will expend funds
198 according to the terms of the contract and submit invoices,
199 receipts and other applicable documentation and information to the
200 MTA for reimbursement; (ii) that no funds may be expended or used
201 for patent prosecution, reorganization of the business, or payment
202 of any existing debt of the business outstanding or otherwise
203 incurred at the time the contract is entered into; (iii) that no
204 funds may be expended to reimburse expenses for work conducted or

205 services provided by the business, a university or a third party
206 consultant if those expenses were incurred before the term of the
207 contract; (iv) that at least fifty-one percent (51%) of the funds
208 received by the business must be expended with a Mississippi
209 university, college and/or community/junior college with which the
210 business has a contract for research and development or technology
211 development work or services; (v) that the MTA will pay not more
212 than ten percent (10%) of overhead expenses for the business
213 and/or the university, college and/or community/junior college;
214 (vi) that the business will provide matching funding of One Dollar
215 (\$1.00) for every One Dollar (\$1.00) of assistance, with at least
216 twenty-five percent (25%) of the match being in cash and the
217 remaining amount being from in-kind services, all of which must be
218 documented by time sheets, payroll receipts, invoices and other
219 documentation or information required by the MTA; and (vii) that
220 the business receiving assistance will retain ownership of any
221 technology developed by the business regardless of whether the
222 technology is developed before or after the receipt of assistance.
223 Assistance received by a business and not expended for purposes
224 required in the contract between the business and the MTA may be
225 expended for hiring third party consultants to assist the
226 business, working capital, marketing, prototype development and
227 equipment. The amount of assistance that a business may receive
228 under the program shall not exceed One Hundred Thousand Dollars
229 (\$100,000.00) in any one (1) year and shall not exceed Two Hundred
230 Thousand Dollars (\$200,000.00) in the aggregate.

231 (c) A business receiving assistance under the program
232 shall be required to repay the assistance in the manner provided
233 in this paragraph. Repayment shall be made through the use of a
234 convertible note in which the business will repay two hundred
235 percent (200%) of the amount of assistance received, and the MTA
236 shall have the option of converting the amount of assistance into
237 common stock of the business. However, the MTA may execute that

238 option only if the business has exceeded performance requirements
239 outlined in its business plan. As an alternative, a business may
240 make the repayment with a convertible debt instrument with an
241 interest rate agreed upon by the parties. Amounts received as
242 repayments shall be used by the MTA to provide additional
243 assistance under the program established under this section.

244 (3) There is created in the State Treasury a special fund,
245 to be designated as the "Applied Research Program Fund," which
246 shall consist of funds appropriated or otherwise made available by
247 the Legislature. The fund shall be maintained by the State
248 Treasurer as a separate and special fund, separate and apart from
249 the General Fund of the state. Unexpended amounts remaining in
250 the fund at the end of a fiscal year shall not lapse into the
251 State General Fund, and any interest earned or investment earnings
252 on amounts in the fund shall be deposited into such fund. Monies
253 in the fund shall be disbursed, in the discretion of the
254 Mississippi Development Authority, to provide funds to the MTA for
255 the purposes described in this section.

256 **SECTION 4.** (1) There is established under the direction of
257 the Mississippi Technology Alliance ("MTA") a program to be known
258 as the "Mississippi University Commercialization Program" for the
259 purpose of making funds available to assist faculty members of
260 state institutions of higher learning and community/junior
261 colleges in the commercialization of their technology into
262 emerging businesses.

263 (2) (a) In order to be eligible for assistance under the
264 program, a person must be a faculty member at a state institution
265 of higher learning or community/junior college and have a business
266 that is developing proprietary technologies which have commercial
267 potential and which are in the prototype development stage.

268 (b) Any person desiring to participate in the program
269 must submit an application to the MTA. However, before submitting
270 an application, the person must have an initial consultation with

271 the MTA staff to determine if the potential applicant's business
272 plan is eligible for funding under the program. If the MTA staff
273 determine that such a business plan is eligible for funding under
274 the program, the person may submit an application to the MTA which
275 must contain a description of the purposes for which assistance is
276 requested, the amount of assistance requested and any other
277 information required by the MTA. If the MTA staff reviewing the
278 application determine that an application should be reviewed by
279 the MTA Board of Directors, the application shall be forwarded to
280 the board. If the MTA Board of Directors approves the
281 application, the MTA shall negotiate a contract with the person
282 regarding any assistance provided, to the person under the
283 program, the expenditure of the assistance provided, repayment of
284 assistance by the person, and any other matters to which the
285 parties may agree. Any such contract must provide for at least
286 the following: (i) that any assistance provided to the person
287 will be on a reimbursement basis in which the person will expend
288 funds according to the terms of the contract and submit invoices,
289 receipts and other applicable documentation and information to the
290 MTA for reimbursement; (ii) that no funds may be expended or used
291 for patent prosecution, reorganization of the business, or payment
292 of any existing debt outstanding or otherwise incurred at the time
293 the contract is entered into; (iii) that no funds may be expended
294 to reimburse expenses for work conducted or services provided by
295 the person, a university or a third party consultant if those
296 expenses were incurred before the term of the contract; (iv) that
297 the MTA will pay not more than ten percent (10%) of overhead
298 expenses related to a project for which assistance is requested;
299 and (v) that the person receiving assistance will retain ownership
300 of any technology developed by the applicant regardless of whether
301 the technology is developed before or after the receipt of
302 assistance. Assistance received under the program may be expended
303 for hiring third party consultants to assist the person, working

304 capital, marketing, prototype development and equipment. The
305 amount of assistance that a person may receive under the program
306 shall not exceed Fifty Thousand Dollars (\$50,000.00) in any one
307 (1) year and shall not exceed One Hundred Fifty Thousand Dollars
308 (\$150,000.00) in the aggregate.

309 (c) Except as otherwise provided in this paragraph, a
310 person receiving assistance under the program shall be required to
311 repay the assistance in the manner provided in this paragraph.
312 Repayment shall be made through the use of a convertible note in
313 which the person will repay two hundred percent (200%) of the
314 amount of assistance received, and the MTA shall have the option
315 of converting the amount of assistance into common stock of the
316 person's business. However, the MTA may execute that option only
317 if the person has exceeded performance requirements outlined in
318 his business plan. As an alternative, a person may make the
319 repayment with a convertible debt instrument with an interest rate
320 agreed upon by the parties. Amounts received as repayments shall
321 be used by the MTA to provide additional assistance under the
322 program established under this section. Notwithstanding the
323 preceding provisions of this paragraph, if the recipient of
324 assistance fails to meet certain financial performance levels
325 established in the contract between the recipient and the MTA and
326 the contract does not activate any repayment provisions, then the
327 MTA will deem the assistance provided to be a loss and the
328 recipient shall not be required to repay the assistance received.

329 (3) There is created in the State Treasury a special fund,
330 to be designated as the "Mississippi University Commercialization
331 Program Fund," which shall consist of funds appropriated or
332 otherwise made available by the Legislature. The fund shall be
333 maintained by the State Treasurer as a separate and special fund,
334 separate and apart from the General Fund of the state. Unexpended
335 amounts remaining in the fund at the end of a fiscal year shall
336 not lapse into the State General Fund, and any interest earned or

337 investment earnings on amounts in the fund shall be deposited into
338 such fund. Monies in the fund shall be disbursed, in the
339 discretion of the Mississippi Development Authority, to provide
340 funds to the MTA for the purposes described in this section.

341 **SECTION 5.** As used in Sections 5 through 20 of this act, the
342 following words shall have the meanings ascribed herein unless the
343 context clearly requires otherwise:

344 (a) "Accreted value" of any bonds means, as of any date
345 of computation, an amount equal to the sum of (i) the stated
346 initial value of such bond, plus (ii) the interest accrued thereon
347 from the issue date to the date of computation at the rate,
348 compounded semiannually, that is necessary to produce the
349 approximate yield to maturity shown for bonds of the same
350 maturity.

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

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

353 **SECTION 6.** (1) The Mississippi Development Authority, at
354 one time, or from time to time, may declare by resolution the
355 necessity for issuance of general obligation bonds of the State of
356 Mississippi to provide funds for the programs authorized in
357 Sections 1, 2, 3 and 4 of this act. Upon the adoption of a
358 resolution by the Mississippi Development Authority, declaring the
359 necessity for the issuance of any part or all of the general
360 obligation bonds authorized by this section, the Mississippi
361 Development Authority shall deliver a certified copy of its
362 resolution or resolutions to the commission. Upon receipt of such
363 resolution, the commission, in its discretion, may act as the
364 issuing agent, prescribe the form of the bonds, advertise for and
365 accept bids, issue and sell the bonds so authorized to be sold and
366 do any and all other things necessary and advisable in connection
367 with the issuance and sale of such bonds. The total amount of
368 bonds issued under Sections 5 through 20 of this act shall not
369 exceed Four Million Five Hundred Thousand Dollars (\$4,500,000.00).

370 (2) (a) The proceeds of bonds issued pursuant to Sections 5
371 through 20 of this act shall be deposited into the following
372 special funds in not more than the following amounts:

373 (i) The Capital Seed Investment Program-Level 1
374 Fund created pursuant to Section 1 of this act..... \$ 500,000.00.

375 (ii) The Capital Seed Investment Program-Level 2
376 Fund created pursuant to Section 2 of this act..... \$1,500,000.00.

377 (iii) The Applied Research Program Fund created
378 pursuant to Section 3 of this act..... \$1,500,000.00.

379 (iv) The Mississippi University Commercialization
380 Program Fund created pursuant to Section 4 of this
381 act..... \$1,000,000.00.

382 (b) Any investment earnings on bonds issued pursuant to
383 Sections 5 through 20 of this act shall be used to pay debt
384 service on bonds issued under this act, in accordance with the
385 proceedings authorizing issuance of such bonds.

386 **SECTION 7.** The principal of and interest on the bonds
387 authorized under Sections 5 through 20 of this act shall be
388 payable in the manner provided in this section. Such bonds shall
389 bear such date or dates, be in such denomination or denominations,
390 bear interest at such rate or rates (not to exceed the limits set
391 forth in Section 75-17-101, Mississippi Code of 1972), be payable
392 at such place or places within or without the State of
393 Mississippi, shall mature absolutely at such time or times not to
394 exceed twenty-five (25) years from date of issue, be redeemable
395 before maturity at such time or times and upon such terms, with or
396 without premium, shall bear such registration privileges, and
397 shall be substantially in such form, all as shall be determined by
398 resolution of the commission.

399 **SECTION 8.** The bonds authorized by Sections 5 through 20 of
400 this act shall be signed by the chairman of the commission, or by
401 his facsimile signature, and the official seal of the commission
402 shall be affixed thereto, attested by the secretary of the

403 commission. The interest coupons, if any, to be attached to such
404 bonds may be executed by the facsimile signatures of such
405 officers. Whenever any such bonds shall have been signed by the
406 officials designated to sign the bonds who were in office at the
407 time of such signing but who may have ceased to be such officers
408 before the sale and delivery of such bonds, or who may not have
409 been in office on the date such bonds may bear, the signatures of
410 such officers upon such bonds and coupons shall nevertheless be
411 valid and sufficient for all purposes and have the same effect as
412 if the person so officially signing such bonds had remained in
413 office until their delivery to the purchaser, or had been in
414 office on the date such bonds may bear. However, notwithstanding
415 anything herein to the contrary, such bonds may be issued as
416 provided in the Registered Bond Act of the State of Mississippi.

417 **SECTION 9.** All bonds and interest coupons issued under the
418 provisions of Sections 5 through 20 of this act have all the
419 qualities and incidents of negotiable instruments under the
420 provisions of the Uniform Commercial Code, and in exercising the
421 powers granted by Sections 5 through 20 of this act, the
422 commission shall not be required to and need not comply with the
423 provisions of the Uniform Commercial Code.

424 **SECTION 10.** The commission shall act as the issuing agent
425 for the bonds authorized under Sections 5 through 20 of this act,
426 prescribe the form of the bonds, advertise for and accept bids,
427 issue and sell the bonds so authorized to be sold, pay all fees
428 and costs incurred in such issuance and sale, and do any and all
429 other things necessary and advisable in connection with the
430 issuance and sale of such bonds. The commission is authorized and
431 empowered to pay the costs that are incident to the sale, issuance
432 and delivery of the bonds authorized under Sections 5 through 20
433 of this act from the proceeds derived from the sale of such bonds.
434 The commission shall sell such bonds on sealed bids at public
435 sale, and for such price as it may determine to be for the best

436 interest of the State of Mississippi, but no such sale shall be
437 made at a price less than par plus accrued interest to the date of
438 delivery of the bonds to the purchaser. All interest accruing on
439 such bonds so issued shall be payable semiannually or annually;
440 however, the first interest payment may be for any period of not
441 more than one (1) year.

442 Notice of the sale of any such bonds shall be published at
443 least one time, not less than ten (10) days before the date of
444 sale, and shall be so published in one or more newspapers
445 published or having a general circulation in the City of Jackson,
446 Mississippi, and in one or more other newspapers or financial
447 journals with a national circulation, to be selected by the
448 commission.

449 The commission, when issuing any bonds under the authority of
450 Sections 5 through 20 of this act, may provide that bonds, at the
451 option of the State of Mississippi, may be called in for payment
452 and redemption at the call price named therein and accrued
453 interest on such date or dates named therein.

454 **SECTION 11.** The bonds issued under the provisions of
455 Sections 5 through 20 of this act are general obligations of the
456 State of Mississippi, and for the payment thereof the full faith
457 and credit of the State of Mississippi is irrevocably pledged. If
458 the funds appropriated by the Legislature are insufficient to pay
459 the principal of and the interest on such bonds as they become
460 due, then the deficiency shall be paid by the State Treasurer from
461 any funds in the State Treasury not otherwise appropriated. All
462 such bonds shall contain recitals on their faces substantially
463 covering the provisions of this section.

464 **SECTION 12.** Upon the issuance and sale of bonds under the
465 provisions of Sections 5 through 20 of this act, the commission
466 shall transfer the proceeds of any such sale or sales to the
467 special funds created in Sections 1, 2, 3 and 4 of this act in the
468 amounts provided for in Section 6(2) of this act. The proceeds of

469 such bonds shall be disbursed as provided for in Sections 1, 2, 3
470 and 4 of this act under such restrictions, if any, as may be
471 contained in the resolution providing for the issuance of the
472 bonds.

473 **SECTION 13.** The bonds authorized under Sections 5 through 20
474 of this act may be issued without any other proceedings or the
475 happening of any other conditions or things other than those
476 proceedings, conditions and things which are specified or required
477 by Sections 5 through 20 of this act. Any resolution providing
478 for the issuance of bonds under the provisions of Sections 5
479 through 20 of this act shall become effective immediately upon its
480 adoption by the commission, and any such resolution may be adopted
481 at any regular or special meeting of the commission by a majority
482 of its members.

483 **SECTION 14.** The bonds authorized under the authority of
484 Sections 5 through 20 of this act may be validated in the Chancery
485 Court of the First Judicial District of Hinds County, Mississippi,
486 in the manner and with the force and effect provided by Chapter
487 13, Title 31, Mississippi Code of 1972, for the validation of
488 county, municipal, school district and other bonds. The notice to
489 taxpayers required by such statutes shall be published in a
490 newspaper published or having a general circulation in the City of
491 Jackson, Mississippi.

492 **SECTION 15.** Any holder of bonds issued under the provisions
493 of Sections 5 through 20 of this act or of any of the interest
494 coupons pertaining thereto may, either at law or in equity, by
495 suit, action, mandamus or other proceeding, protect and enforce
496 any and all rights granted under Sections 5 through 20 of this
497 act, or under such resolution, and may enforce and compel
498 performance of all duties required by Sections 5 through 20 of
499 this act to be performed, in order to provide for the payment of
500 bonds and interest thereon.

501 **SECTION 16.** All bonds issued under the provisions of
502 Sections 5 through 20 of this act shall be legal investments for
503 trustees and other fiduciaries, and for savings banks, trust
504 companies and insurance companies organized under the laws of the
505 State of Mississippi, and such bonds shall be legal securities
506 which may be deposited with and shall be received by all public
507 officers and bodies of this state and all municipalities and
508 political subdivisions for the purpose of securing the deposit of
509 public funds.

510 **SECTION 17.** Bonds issued under the provisions of Sections 5
511 through 20 of this act and income therefrom shall be exempt from
512 all taxation in the State of Mississippi.

513 **SECTION 18.** The proceeds of the bonds issued under Sections
514 5 through 20 of this act shall be used solely for the purposes
515 therein provided, including the costs incident to the issuance and
516 sale of such bonds.

517 **SECTION 19.** The State Treasurer is authorized, without
518 further process of law, to certify to the Department of Finance
519 and Administration the necessity for warrants, and the Department
520 of Finance and Administration is authorized and directed to issue
521 such warrants, in such amounts as may be necessary to pay when due
522 the principal of, premium, if any, and interest on, or the
523 accreted value of, all bonds issued under Sections 5 through 20 of
524 this act; and the State Treasurer shall forward the necessary
525 amount to the designated place or places of payment of such bonds
526 in ample time to discharge such bonds, or the interest thereon, on
527 the due dates thereof.

528 **SECTION 20.** Sections 5 through 20 of this act shall be
529 deemed to be full and complete authority for the exercise of the
530 powers therein granted, but Sections 5 through 20 of this act
531 shall not be deemed to repeal or to be in derogation of any
532 existing law of this state.

533 **SECTION 21.** This act shall take effect and be in force from
534 and after its passage.