

By: Representatives Watson, Thomas, Bailey,
Howell, Perkins, Clarke, Espy

To: Ways and Means

HOUSE BILL NO. 1686

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI IN THE AMOUNT OF \$2,000,000.00 FOR THE
3 PURPOSE OF PROVIDING FUNDS FOR THE B.B. KING MUSEUM; AND FOR
4 RELATED PURPOSES.

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

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

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

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

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

18 **SECTION 2.** (1) (a) A special fund, to be designated as the
19 "2006 B.B. King Museum Fund" is created within the State Treasury.
20 The fund shall be maintained by the State Treasurer as a separate
21 and special fund, separate and apart from the General Fund of the
22 state. Unexpended amounts remaining in the fund at the end of a
23 fiscal year shall not lapse into the State General Fund, and any
24 interest earned or investment earnings on amounts in the fund
25 shall be deposited into such fund.

26 (b) Money deposited into the fund shall be disbursed,
27 in the discretion of the Department of Finance and Administration,
28 to pay the costs of:

29 (i) Construction, furnishing, equipping and
30 repairs and renovations at the B.B. King Museum in Indianola,
31 Mississippi; and

32 (ii) Designing, producing, developing and
33 equipping exhibits and audiovisual projects and programs for such
34 museum.

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) shall have been completed, abandoned, or cannot be
40 completed in a timely fashion, any amounts remaining in such
41 special fund shall be applied to pay debt service on the bonds
42 issued under this act, in accordance with the proceedings
43 authorizing the issuance of such bonds and as directed by the
44 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.** 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 Two Million Dollars (\$2,000,000.00). No bonds shall be
73 issued under this act from and after July 1, 2009.

74 **SECTION 4.** The principal of and interest on the bonds
75 authorized under this act shall be payable in the manner provided
76 in this section. Such bonds shall bear such date or dates, be in
77 such denomination or denominations, bear interest at such rate or
78 rates (not to exceed the limits set forth in Section 75-17-101,
79 Mississippi Code of 1972), be payable at such place or places
80 within or without the State of Mississippi, shall mature
81 absolutely at such time or times not to exceed twenty-five (25)
82 years from date of issue, be redeemable before maturity at such
83 time or times and upon such terms, with or without premium, shall
84 bear such registration privileges, and shall be substantially in
85 such form, all as shall be determined by resolution of the
86 commission.

87 **SECTION 5.** The bonds authorized by this act shall be signed
88 by the chairman of the commission, or by his facsimile signature,
89 and the official seal of the commission shall be affixed thereto,
90 attested by the secretary of the commission. The interest
91 coupons, if any, to be attached to such bonds may be executed by
92 the facsimile signatures of such officers. Whenever any such
93 bonds shall have been signed by the officials designated to sign
94 the bonds who were in office at the time of such signing but who

95 may have ceased to be such officers before the sale and delivery
96 of such bonds, or who may not have been in office on the date such
97 bonds may bear, the signatures of such officers upon such bonds
98 and coupons shall nevertheless be valid and sufficient for all
99 purposes and have the same effect as if the person so officially
100 signing such bonds had remained in office until their delivery to
101 the purchaser, or had been in office on the date such bonds may
102 bear. However, notwithstanding anything herein to the contrary,
103 such bonds may be issued as provided in the Registered Bond Act of
104 the State of Mississippi.

105 **SECTION 6.** All bonds and interest coupons issued under the
106 provisions of this act have all the qualities and incidents of
107 negotiable instruments under the provisions of the Uniform
108 Commercial Code, and in exercising the powers granted by this act,
109 the commission shall not be required to and need not comply with
110 the provisions of the Uniform Commercial Code.

111 **SECTION 7.** The commission shall act as the issuing agent for
112 the bonds authorized under this act, prescribe the form of the
113 bonds, advertise for and accept bids, issue and sell the bonds so
114 authorized to be sold, pay all fees and costs incurred in such
115 issuance and sale, and do any and all other things necessary and
116 advisable in connection with the issuance and sale of such bonds.
117 The commission is authorized and empowered to pay the costs that
118 are incident to the sale, issuance and delivery of the bonds
119 authorized under this act from the proceeds derived from the sale
120 of such bonds. The commission shall sell such bonds on sealed
121 bids at public sale, and for such price as it may determine to be
122 for the best interest of the State of Mississippi, but no such
123 sale shall be made at a price less than par plus accrued interest
124 to the date of delivery of the bonds to the purchaser. All
125 interest accruing on such bonds so issued shall be payable
126 semiannually or annually; however, the first interest payment may
127 be for any period of not more than one (1) year.

128 Notice of the sale of any such bonds shall be published at
129 least one time, not less than ten (10) days before the date of
130 sale, and shall be so published in one or more newspapers
131 published or having a general circulation in the City of Jackson,
132 Mississippi, and in one or more other newspapers or financial
133 journals with a national circulation, to be selected by the
134 commission.

135 The commission, when issuing any bonds under the authority of
136 this act, may provide that bonds, at the option of the State of
137 Mississippi, may be called in for payment and redemption at the
138 call price named therein and accrued interest on such date or
139 dates named therein.

140 **SECTION 8.** The bonds issued under the provisions of this act
141 are general obligations of the State of Mississippi, and for the
142 payment thereof the full faith and credit of the State of
143 Mississippi is irrevocably pledged. If the funds appropriated by
144 the Legislature are insufficient to pay the principal of and the
145 interest on such bonds as they become due, then the deficiency
146 shall be paid by the State Treasurer from any funds in the State
147 Treasury not otherwise appropriated. All such bonds shall contain
148 recitals on their faces substantially covering the provisions of
149 this section.

150 **SECTION 9.** Upon the issuance and sale of bonds under the
151 provisions of this act, the commission shall transfer the proceeds
152 of any such sale or sales to the special fund created in Section 2
153 of this act. The proceeds of such bonds shall be disbursed solely
154 upon the order of the Department of Finance and Administration
155 under such restrictions, if any, as may be contained in the
156 resolution providing for the issuance of the bonds.

157 **SECTION 10.** The bonds authorized under this act may be
158 issued without any other proceedings or the happening of any other
159 conditions or things other than those proceedings, conditions and
160 things which are specified or required by this act. Any

161 resolution providing for the issuance of bonds under the
162 provisions of this act shall become effective immediately upon its
163 adoption by the commission, and any such resolution may be adopted
164 at any regular or special meeting of the commission by a majority
165 of its members.

166 **SECTION 11.** The bonds authorized under the authority of this
167 act may be validated in the Chancery Court of the First Judicial
168 District of Hinds County, Mississippi, in the manner and with the
169 force and effect provided by Chapter 13, Title 31, Mississippi
170 Code of 1972, for the validation of county, municipal, school
171 district and other bonds. The notice to taxpayers required by
172 such statutes shall be published in a newspaper published or
173 having a general circulation in the City of Jackson, Mississippi.

174 **SECTION 12.** Any holder of bonds issued under the provisions
175 of this act or of any of the interest coupons pertaining thereto
176 may, either at law or in equity, by suit, action, mandamus or
177 other proceeding, protect and enforce any and all rights granted
178 under this act, or under such resolution, and may enforce and
179 compel performance of all duties required by this act to be
180 performed, in order to provide for the payment of bonds and
181 interest thereon.

182 **SECTION 13.** All bonds issued under the provisions of this
183 act shall be legal investments for trustees and other fiduciaries,
184 and for savings banks, trust companies and insurance companies
185 organized under the laws of the State of Mississippi, and such
186 bonds shall be legal securities which may be deposited with and
187 shall be received by all public officers and bodies of this state
188 and all municipalities and political subdivisions for the purpose
189 of securing the deposit of public funds.

190 **SECTION 14.** Bonds issued under the provisions of this act
191 and income therefrom shall be exempt from all taxation in the
192 State of Mississippi.

193 **SECTION 15.** The proceeds of the bonds issued under this act
194 shall be used solely for the purposes herein provided, including
195 the costs incident to the issuance and sale of such bonds.

196 **SECTION 16.** The State Treasurer is authorized, without
197 further process of law, to certify to the Department of Finance
198 and Administration the necessity for warrants, and the Department
199 of Finance and Administration is authorized and directed to issue
200 such warrants, in such amounts as may be necessary to pay when due
201 the principal of, premium, if any, and interest on, or the
202 accreted value of, all bonds issued under this act; and the State
203 Treasurer shall forward the necessary amount to the designated
204 place or places of payment of such bonds in ample time to
205 discharge such bonds, or the interest thereon, on the due dates
206 thereof.

207 **SECTION 17.** This act shall be deemed to be full and complete
208 authority for the exercise of the powers herein granted, but this
209 act shall not be deemed to repeal or to be in derogation of any
210 existing law of this state.

211 **SECTION 18.** This act shall take effect and be in force from
212 and after July 1, 2006.