

By: Senator(s) Thomas

To: Finance

SENATE BILL NO. 2038

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 CONSTRUCTING AND EQUIPPING A RECREATIONAL FACILITY FOR THE FLORA
4 AND MAGNOLIA HEIGHTS AREA IN MADISON COUNTY, MISSISSIPPI; AND FOR
5 RELATED PURPOSES.

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

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

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

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

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

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

28 (b) Monies deposited into the fund shall be disbursed,
29 in the discretion of the Madison County Human Resource Agency to
30 construct a recreational facility to serve the Flora and Magnolia
31 Heights Area in Madison County, Mississippi, and to purchase
32 necessary equipment for such facility.

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

43 (3) The expenditure of monies deposited into the special
44 fund shall be under the direction of the Madison County Human
45 Resources Agency, and such funds shall be paid by the State
46 Treasurer upon warrants issued by the Department of Finance and
47 Administration, which warrants shall be issued upon requisitions
48 signed by the Executive Director of the Madison County Human
49 Resources Agency.

50 **SECTION 3.** (1) The commission, at one time, or from time to
51 time, may declare by resolution the necessity for issuance of
52 general obligation bonds of the State of Mississippi to provide
53 funds for all costs incurred or to be incurred for the purposes
54 described in Section 2 of this act. Upon the adoption of a
55 resolution by the Department of Finance and Administration,
56 declaring the necessity for the issuance of any part or all of the
57 general obligation bonds authorized by this section, the
58 Department of Finance and Administration shall deliver a certified
59 copy of its resolution or resolutions to the commission. Upon
60 receipt of such resolution, the commission, in its discretion, may

61 act as the issuing agent, prescribe the form of the bonds,
62 advertise for and accept bids, issue and sell the bonds so
63 authorized to be sold and do any and all other things necessary
64 and advisable in connection with the issuance and sale of such
65 bonds. The total amount of bonds issued under this act shall not
66 exceed Five Hundred Thousand Dollars (\$500,000.00).

67 (2) Any investment earnings on amounts deposited into the
68 special fund created in Section 2 of this act shall be used to pay
69 debt service on bonds issued under this act, in accordance with
70 the proceedings authorizing issuance of such bonds.

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

84 **SECTION 5.** The bonds authorized by this act shall be signed
85 by the chairman of the commission, or by his facsimile signature,
86 and the official seal of the commission shall be affixed thereto,
87 attested by the secretary of the commission. The interest
88 coupons, if any, to be attached to such bonds may be executed by
89 the facsimile signatures of such officers. Whenever any such
90 bonds shall have been signed by the officials designated to sign
91 the bonds who were in office at the time of such signing but who
92 may have ceased to be such officers before the sale and delivery
93 of such bonds, or who may not have been in office on the date such

94 bonds may bear, the signatures of such officers upon such bonds
95 and coupons shall nevertheless be valid and sufficient for all
96 purposes and have the same effect as if the person so officially
97 signing such bonds had remained in office until their delivery to
98 the purchaser, or had been in office on the date such bonds may
99 bear. However, notwithstanding anything herein to the contrary,
100 such bonds may be issued as provided in the Registered Bond Act of
101 the State of Mississippi.

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

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

125 Notice of the sale of any such bonds shall be published at
126 least one time, not less than ten (10) days before the date of

127 sale, and shall be so published in one or more newspapers
128 published or having a general circulation in the City of Jackson,
129 Mississippi, and in one or more other newspapers or financial
130 journals with a national circulation, to be selected by the
131 commission.

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

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

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

154 **SECTION 10.** The bonds authorized under this act may be
155 issued without any other proceedings or the happening of any other
156 conditions or things other than those proceedings, conditions and
157 things which are specified or required by this act. Any
158 resolution providing for the issuance of bonds under the
159 provisions of this act shall become effective immediately upon its

160 adoption by the commission, and any such resolution may be adopted
161 at any regular or special meeting of the commission by a majority
162 of its members.

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

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

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

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

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

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

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

208 **SECTION 18.** This act shall take effect and be in force from
209 and after its passage.