

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.