

By: Representative Holland

To: Ways and Means

HOUSE BILL NO. 1607

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR CONSTRUCTION OF THE NEW MUSEUM OF
3 MISSISSIPPI HISTORY BUILDING; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

25 (ii) Money deposited into the fund shall be
26 disbursed, in the discretion of the Department of Finance and

Administration, to pay the costs of construction, furnishing and equipping of the new Museum of Mississippi History building.

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

(c) The Department of Finance and Administration, acting through the Bureau of Building, Grounds and Real Property Management, is expressly authorized and empowered to receive and expend any local or other source funds in connection with the expenditure of funds provided for in this subsection. The expenditure of monies deposited into the special fund shall be under the direction of the Department of Finance and Administration, and such funds shall be paid by the State Treasurer upon warrants issued by such department, which warrants shall be issued upon requisitions signed by the Executive Director of the Department of Finance and Administration, or his designee.

(3) (a) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (2) of this section. Upon the adoption of a resolution by the Department of Finance and Administration, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission,

60 in its discretion, may act as the issuing agent, prescribe the
61 form of the bonds, advertise for and accept bids, issue and sell
62 the bonds so authorized to be sold and do any and all other things
63 necessary and advisable in connection with the issuance and sale
64 of such bonds. The total amount of bonds issued under this
65 section shall not exceed Thirty-seven Million Five Hundred
66 Thousand Dollars (\$37,500,000.00). No bonds shall be issued under
67 this section from and after July 1, 2011.

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

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

86 (5) The bonds authorized by this section shall be signed by
87 the chairman of the commission, or by his facsimile signature, and
88 the official seal of the commission shall be affixed thereto,
89 attested by the secretary of the commission. The interest
90 coupons, if any, to be attached to such bonds may be executed by
91 the facsimile signatures of such officers. Whenever any such
92 bonds shall have been signed by the officials designated to sign

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

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

110 (7) The commission shall act as the issuing agent for the
111 bonds authorized under this section, prescribe the form of the
112 bonds, advertise for and accept bids, issue and sell the bonds so
113 authorized to be sold, pay all fees and costs incurred in such
114 issuance and sale, and do any and all other things necessary and
115 advisable in connection with the issuance and sale of such bonds.
116 The commission is authorized and empowered to pay the costs that
117 are incident to the sale, issuance and delivery of the bonds
118 authorized under this section from the proceeds derived from the
119 sale of such bonds. The commission shall sell such bonds on
120 sealed bids at public sale, and for such price as it may determine
121 to be for the best interest of the State of Mississippi, but no
122 such sale shall be made at a price less than par plus accrued
123 interest to the date of delivery of the bonds to the purchaser.
124 All interest accruing on such bonds so issued shall be payable

125 semiannually or annually; however, the first interest payment may
126 be for any period of not more than one (1) year.

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

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

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

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

157 (10) The bonds authorized under this section may be issued
158 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 section. Any
161 resolution providing for the issuance of bonds under the
162 provisions of this section shall become effective immediately upon
163 its adoption by the commission, and any such resolution may be
164 adopted at any regular or special meeting of the commission by a
165 majority of its members.

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

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

182 (13) All bonds issued under the provisions of this section
183 shall be legal investments for trustees and other fiduciaries, and
184 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 (14) Bonds issued under the provisions of this section and
191 income therefrom shall be exempt from all taxation in the State of
192 Mississippi.

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

196 (16) The State Treasurer is authorized, without further
197 process of law, to certify to the Department of Finance and
198 Administration the necessity for warrants, and the Department of
199 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 section; and the
203 State Treasurer shall forward the necessary amount to the
204 designated place or places of payment of such bonds in ample time
205 to discharge such bonds, or the interest thereon, on the due dates
206 thereof.

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

211 **SECTION 2.** This act shall take effect and be in force from
212 and after July 1, 2007.