

By: Representative McBride

To: Ways and Means

## HOUSE BILL NO. 1710

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF CONSTRUCTING TWO  
3 INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED FOR THE  
4 DEPARTMENT OF MENTAL HEALTH IN PANOLA COUNTY; AND FOR RELATED  
5 PURPOSES.

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

7 **SECTION 1.** (1) As used in this section, the following words  
8 shall 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 (2) (a) (i) A special fund, to be designated the "2007  
20 Panola County Community Group Home Construction Fund," is created  
21 within the State Treasury. The fund shall be maintained by the  
22 State Treasurer as a separate and special fund, separate and apart  
23 from the General Fund of the state. Unexpended amounts remaining  
24 in the fund at the end of a fiscal year shall not lapse into the  
25 State General Fund, and any interest earned or investment earnings  
26 on amounts in the fund shall be deposited to the credit of the  
27 fund. Monies in the fund may not be used or expended for any  
28 purpose except as authorized under this section.

29                   (ii) Monies deposited into the fund shall be  
30 disbursed, in the discretion of the Department of Finance and  
31 Administration, to pay the costs of constructing two (2)  
32 intermediate care facilities for the mentally retarded (community  
33 group homes) for the Department of Mental Health. The facilities  
34 shall be located in Panola County, Mississippi.

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

45                   (c) The Department of Finance and Administration,  
46 acting 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 subsection. 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                   (d) The Department of Finance and Administration is  
57 authorized to pay for constructing, furnishing and equipping two  
58 (2) intermediate care facilities for the mentally retarded  
59 (community group homes) at the location provided for in paragraph  
60 (a) of this subsection.

61           (3) (a) The commission, at one time, or from time to time,  
62 may declare by resolution the necessity for issuance of general  
63 obligation bonds of the State of Mississippi to provide funds for  
64 all costs incurred or to be incurred for the purposes described in  
65 subsection (2) of this section. Upon the adoption of a resolution  
66 by the Department of Finance and Administration, declaring the  
67 necessity for the issuance of any part or all of the general  
68 obligation bonds authorized by this subsection, the Department of  
69 Finance and Administration shall deliver a certified copy of its  
70 resolution or resolutions to the commission. Upon receipt of such  
71 resolution, the commission, in its discretion, may act as the  
72 issuing agent, prescribe the form of the bonds, advertise for and  
73 accept bids, issue and sell the bonds so authorized to be sold and  
74 do any and all other things necessary and advisable in connection  
75 with the issuance and sale of such bonds. The total amount of  
76 bonds issued under this section shall not exceed One Million Four  
77 Hundred Thousand Dollars (\$1,400,000.00).

78           (b) Any investment earnings on amounts deposited into  
79 the special fund created in subsection (2) of this section shall  
80 be used to pay debt service on bonds issued under this section, in  
81 accordance with the proceedings authorizing issuance of such  
82 bonds.

83           (4) The principal of and interest on the bonds authorized  
84 under this section shall be payable in the manner provided in this  
85 subsection. Such bonds shall bear such date or dates, be in such  
86 denomination or denominations, bear interest at such rate or rates  
87 (not to exceed the limits set forth in Section 75-17-101,  
88 Mississippi Code of 1972), be payable at such place or places  
89 within or without the State of Mississippi, shall mature  
90 absolutely at such time or times not to exceed twenty-five (25)  
91 years from date of issue, be redeemable before maturity at such  
92 time or times and upon such terms, with or without premium, shall  
93 bear such registration privileges, and shall be substantially in

94 such form, all as shall be determined by resolution of the  
95 commission.

96 (5) The bonds authorized by this section shall be signed by  
97 the chairman of the commission, or by his facsimile signature, and  
98 the official seal of the commission shall be affixed thereto,  
99 attested by the secretary of the commission. The interest  
100 coupons, if any, to be attached to such bonds may be executed by  
101 the facsimile signatures of such officers. Whenever any such  
102 bonds shall have been signed by the officials designated to sign  
103 the bonds who were in office at the time of such signing but who  
104 may have ceased to be such officers before the sale and delivery  
105 of such bonds, or who may not have been in office on the date such  
106 bonds may bear, the signatures of such officers upon such bonds  
107 and coupons shall nevertheless be valid and sufficient for all  
108 purposes and have the same effect as if the person so officially  
109 signing such bonds had remained in office until their delivery to  
110 the purchaser, or had been in office on the date such bonds may  
111 bear. However, notwithstanding anything herein to the contrary,  
112 such bonds may be issued as provided in the Registered Bond Act of  
113 the State of Mississippi.

114 (6) All bonds and interest coupons issued under the  
115 provisions of this section have all the qualities and incidents of  
116 negotiable instruments under the provisions of the Uniform  
117 Commercial Code, and in exercising the powers granted by this  
118 section, the commission shall not be required to and need not  
119 comply with the provisions of the Uniform Commercial Code.

120 (7) The commission shall act as the issuing agent for the  
121 bonds authorized under this section, prescribe the form of the  
122 bonds, advertise for and accept bids, issue and sell the bonds so  
123 authorized to be sold, pay all fees and costs incurred in such  
124 issuance and sale, and do any and all other things necessary and  
125 advisable in connection with the issuance and sale of such bonds.  
126 The commission is authorized and empowered to pay the costs that

127 are incident to the sale, issuance and delivery of the bonds  
128 authorized under this section from the proceeds derived from the  
129 sale of such bonds. The commission shall sell such bonds on  
130 sealed bids at public sale, and for such price as it may determine  
131 to be for the best interest of the State of Mississippi, but no  
132 such sale shall be made at a price less than par plus accrued  
133 interest to the date of delivery of the bonds to the purchaser.  
134 All interest accruing on such bonds so issued shall be payable  
135 semiannually or annually; however, the first interest payment may  
136 be for any period of not more than one (1) year.

137 Notice of the sale of any such bond shall be published at  
138 least one time, not less than ten (10) days before the date of  
139 sale, and shall be so published in one or more newspapers  
140 published or having a general circulation in the City of Jackson,  
141 Mississippi, and in one or more other newspapers or financial  
142 journals with a national circulation, to be selected by the  
143 commission.

144 The commission, when issuing any bonds under the authority of  
145 this section, may provide that bonds, at the option of the State  
146 of Mississippi, may be called in for payment and redemption at the  
147 call price named therein and accrued interest on such date or  
148 dates named therein.

149 (8) The bonds issued under the provisions of this section  
150 are general obligations of the State of Mississippi, and for the  
151 payment thereof the full faith and credit of the State of  
152 Mississippi is irrevocably pledged. If the funds appropriated by  
153 the Legislature are insufficient to pay the principal of and the  
154 interest on such bonds as they become due, then the deficiency  
155 shall be paid by the State Treasurer from any funds in the State  
156 Treasury not otherwise appropriated. All such bonds shall contain  
157 recitals on their faces substantially covering the provisions of  
158 this subsection.

159           (9) Upon the issuance and sale of bonds under the provisions  
160 of this section, the commission shall transfer the proceeds of any  
161 such sale or sales to the special fund created in subsection (2)  
162 of this section. The proceeds of such bonds shall be disbursed  
163 solely upon the order of the Department of Finance and  
164 Administration under such restrictions, if any, as may be  
165 contained in the resolution providing for the issuance of the  
166 bonds.

167           (10) The bonds authorized under this section may be issued  
168 without any other proceedings or the happening of any other  
169 conditions or things other than those proceedings, conditions and  
170 things which are specified or required by this section. Any  
171 resolution providing for the issuance of bonds under the  
172 provisions of this section shall become effective immediately upon  
173 its adoption by the commission, and any such resolution may be  
174 adopted at any regular or special meeting of the commission by a  
175 majority of its members.

176           (11) The bonds authorized under the authority of this  
177 section may be validated in the Chancery Court of the First  
178 Judicial District of Hinds County, Mississippi, in the manner and  
179 with the force and effect provided by Chapter 13, Title 31,  
180 Mississippi Code of 1972, for the validation of county, municipal,  
181 school district and other bonds. The notice to taxpayers required  
182 by such statutes shall be published in a newspaper published or  
183 having a general circulation in the City of Jackson, Mississippi.

184           (12) Any holder of bonds issued under the provisions of this  
185 section or of any of the interest coupons pertaining thereto may,  
186 either at law or in equity, by suit, action, mandamus or other  
187 proceeding, protect and enforce any and all rights granted under  
188 this section, or under such resolution, and may enforce and compel  
189 performance of all duties required by this section to be  
190 performed, in order to provide for the payment of bonds and  
191 interest thereon.

192           (13) All bonds issued under the provisions of this section  
193 shall be legal investments for trustees and other fiduciaries, and  
194 for savings banks, trust companies and insurance companies  
195 organized under the laws of the State of Mississippi, and such  
196 bonds shall be legal securities which may be deposited with and  
197 shall be received by all public officers and bodies of this state  
198 and all municipalities and political subdivisions for the purpose  
199 of securing the deposit of public funds.

200           (14) Bonds issued under the provisions of this section and  
201 income therefrom shall be exempt from all taxation in the State of  
202 Mississippi.

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

206           (16) The State Treasurer is authorized, without further  
207 process of law, to certify to the Department of Finance and  
208 Administration the necessity for warrants, and the Department of  
209 Finance and Administration is authorized and directed to issue  
210 such warrants, in such amounts as may be necessary to pay when due  
211 the principal of, premium, if any, and interest on, or the  
212 accreted value of, all bonds issued under this section; and the  
213 State Treasurer shall forward the necessary amount to the  
214 designated place or places of payment of such bonds in ample time  
215 to discharge such bonds, or the interest thereon, on the due dates  
216 thereof.

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

221           **SECTION 2.** This act shall take effect and be in force from  
222 and after its passage.