

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1719

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS FOR ACQUISITION AND PREPARATION OF PARCELS  
3 OF LAND AROUND JACKSON STATE UNIVERSITY CAMPUSES FOR COMMUNITY  
4 DEVELOPMENT AND CAMPUS EXPANSION PROJECTS; 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 as the "2007  
20 Jackson State University Land Acquisition Fund" is created within  
21 the State Treasury. The fund shall be maintained by the State  
22 Treasurer as a separate and special fund, separate and apart from  
23 the General Fund of the state. Unexpended amounts remaining in  
24 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 into such fund.

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

Administration, to pay the costs of acquisition and preparation of parcels of land around Jackson State University campuses for community development and campus expansion projects.

(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

62 the commission. Upon receipt of such resolution, the commission,  
63 in its discretion, may act as the issuing agent, prescribe the  
64 form of the bonds, advertise for and accept bids, issue and sell  
65 the bonds so authorized to be sold and do any and all other things  
66 necessary and advisable in connection with the issuance and sale  
67 of such bonds. The total amount of bonds issued under this  
68 section shall not exceed Four Million Dollars (\$4,000,000.00). No  
69 bonds shall be issued under this section after July 1, 2011.

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

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

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

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

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

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

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

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

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

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

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

159           (10) The bonds authorized under this section may be issued  
160 without any other proceedings or the happening of any other  
161 conditions or things other than those proceedings, conditions and  
162 things which are specified or required by this section. Any  
163 resolution providing for the issuance of bonds under the  
164 provisions of this section shall become effective immediately upon  
165 its adoption by the commission, and any such resolution may be  
166 adopted at any regular or special meeting of the commission by a  
167 majority of its members.

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

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

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

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

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

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

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

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