

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3079

1 AN ACT TO AMEND SECTION 1, CHAPTER 538, LAWS OF 2006, TO
2 INCREASE THE AMOUNT OF BONDS AUTHORIZED TO BE ISSUED FOR THE
3 CONSTRUCTION, FURNISHING AND EQUIPPING OF A COOPERATIVE DATA
4 CENTER AND A BUILDING TO HOUSE THE MISSISSIPPI DEPARTMENT OF
5 INFORMATION TECHNOLOGY SERVICES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 1, Chapter 538, Laws of 2006, is amended
8 as follows:

9 Section 1. (1) As used in this section, the following words
10 shall have the meanings ascribed herein unless the context clearly
11 requires otherwise:

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

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

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

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

29 (ii) Monies deposited into the fund shall be
 30 disbursed, in the discretion of the Department of Finance and
 31 Administration, with the approval of the Board of Trustees of
 32 State Institutions of Higher Learning on those projects related to
 33 the universities under its management and control to pay the costs
 34 of capital improvements, renovation and/or repair of existing
 35 facilities, furnishings and/or equipping facilities for public
 36 facilities for agencies or their successors as hereinafter
 37 described:

38	NAME	PROJECT	AMOUNT
39			ALLOCATED
40	Alcorn State University.....		\$ 2,000,000.00
41	Furnishing and equipping of		
42	dining facility.....	\$ 2,000,000.00	
43	Jackson State University.....		\$ 1,600,000.00
44	Phase II of structure,		
45	repair and renovation		
46	of John W. Dixon Hall.....	\$1,600,000.00	
47	Mississippi Valley State University.....		\$ 2,000,000.00
48	Furnishing and equipping of		
49	the business school.....	\$ 2,000,000.00	
50	Department of Finance and Administration.....		\$ 18,300,000.00
51	Completion of the		
52	Sillers/Justice block.....	\$18,300,000.00	
53	Mississippi Department of Information		
54	Technology Services.....		\$ <u>23,500,000.00</u>
55	Construction, furnishing and		
56	equipping of a cooperative		
57	data center and a building to		
58	house the Mississippi Department		
59	of Information Technology Services		
60	and related tenant build-out		
61	and moving expenses.....	\$23,500,000.00	

62 **TOTAL..... \$ 47,400,000.00**

63 (b) (i) Amounts deposited into such special fund shall
64 be disbursed to pay the costs of projects described in paragraph
65 (a) of this subsection. If any monies in such special fund are
66 not used within four (4) years after the date the proceeds of the
67 bonds authorized under this section are deposited into the special
68 fund, then the agency or institution of higher learning for which
69 any unused monies are allocated under paragraph (a) of this
70 subsection shall provide an accounting of such unused monies to
71 the commission. Promptly after the commission has certified, by
72 resolution duly adopted, that the projects described in paragraph
73 (a) of this subsection shall have been completed, abandoned, or
74 cannot be completed in a timely fashion, any amounts remaining in
75 such special fund shall be applied to pay debt service on the
76 bonds issued under this section, in accordance with the
77 proceedings authorizing the issuance of such bonds and as directed
78 by the commission.

79 (ii) Monies in the special fund may be used to
80 reimburse reasonable actual and necessary costs incurred by the
81 Department of Finance and Administration, acting through the
82 Bureau of Building, Grounds and Real Property Management, in
83 administering or providing assistance directly related to a
84 project described in paragraph (a) of this subsection. An
85 accounting of actual costs incurred for which reimbursement is
86 sought shall be maintained for each project by the Department of
87 Finance and Administration, Bureau of Building, Grounds and Real
88 Property Management. Reimbursement of reasonable actual and
89 necessary costs for a project shall not exceed two percent (2%) of
90 the proceeds of bonds issued for such project. Monies authorized
91 for a particular project may not be used to reimburse
92 administrative costs for unrelated projects.

93 (c) The Department of Finance and Administration,
94 acting through the Bureau of Building, Grounds and Real Property

95 Management, is expressly authorized and empowered to receive and
96 expend any local or other source funds in connection with the
97 expenditure of funds provided for in this subsection. The
98 expenditure of monies deposited into the special fund shall be
99 under the direction of the Department of Finance and
100 Administration, and such funds shall be paid by the State
101 Treasurer upon warrants issued by such department, which warrants
102 shall be issued upon requisitions signed by the Executive Director
103 of the Department of Finance and Administration, or his designee.

104 (d) Any amounts allocated to an agency or institution
105 of higher learning that are in excess of that needed to complete
106 the projects at such agency or institution of higher learning that
107 are described in paragraph (a) of this subsection may be used for
108 general repairs and renovations at the agency or institution of
109 higher learning to which such amount is allocated.

110 (3) (a) The commission, at one time, or from time to time,
111 may declare by resolution the necessity for issuance of general
112 obligation bonds of the State of Mississippi to provide funds for
113 all costs incurred or to be incurred for the purposes described in
114 this section. Upon the adoption of a resolution by the Department
115 of Finance and Administration, declaring the necessity for the
116 issuance of any part or all of the general obligation bonds
117 authorized by this section, the Department of Finance and
118 Administration shall deliver a certified copy of its resolution or
119 resolutions to the commission. Upon receipt of such resolution,
120 the commission, in its discretion, may act as the issuing agent,
121 prescribe the form of the bonds, advertise for and accept bids,
122 issue and sell the bonds so authorized to be sold and do any and
123 all other things necessary and advisable in connection with the
124 issuance and sale of such bonds. The total amount of bonds issued
125 under this section shall not exceed Forty-seven Million Four
126 Hundred Thousand Dollars (\$47,400,000.00). No bonds shall be
127 issued under this section after July 1, 2010.

128 (b) Any investment earnings on amounts deposited into
129 the special fund created in subsection (2) of this section shall
130 be used to pay debt service on bonds issued under this section, in
131 accordance with the proceedings authorizing issuance of such
132 bonds.

133 (4) The principal of and interest on the bonds authorized
134 under this section shall be payable in the manner provided in this
135 subsection. Such bonds shall bear such date or dates, be in such
136 denomination or denominations, bear interest at such rate or rates
137 (not to exceed the limits set forth in Section 75-17-101,
138 Mississippi Code of 1972), be payable at such place or places
139 within or without the State of Mississippi, shall mature
140 absolutely at such time or times not to exceed twenty-five (25)
141 years from date of issue, be redeemable before maturity at such
142 time or times and upon such terms, with or without premium, shall
143 bear such registration privileges, and shall be substantially in
144 such form, all as shall be determined by resolution of the
145 commission.

146 (5) The bonds authorized by this section shall be signed by
147 the chairman of the commission, or by his facsimile signature, and
148 the official seal of the commission shall be affixed thereto,
149 attested by the secretary of the commission. The interest
150 coupons, if any, to be attached to such bonds may be executed by
151 the facsimile signatures of such officers. Whenever any such
152 bonds shall have been signed by the officials designated to sign
153 the bonds who were in office at the time of such signing but who
154 may have ceased to be such officers before the sale and delivery
155 of such bonds, or who may not have been in office on the date such
156 bonds may bear, the signatures of such officers upon such bonds
157 and coupons shall nevertheless be valid and sufficient for all
158 purposes and have the same effect as if the person so officially
159 signing such bonds had remained in office until their delivery to
160 the purchaser, or had been in office on the date such bonds may

161 bear. However, notwithstanding anything herein to the contrary,
162 such bonds may be issued as provided in the Registered Bond Act of
163 the State of Mississippi.

164 (6) All bonds and interest coupons issued under the
165 provisions of this section have all the qualities and incidents of
166 negotiable instruments under the provisions of the Uniform
167 Commercial Code, and in exercising the powers granted by this
168 section, the commission shall not be required to and need not
169 comply with the provisions of the Uniform Commercial Code.

170 (7) The commission shall act as the issuing agent for the
171 bonds authorized under this section, prescribe the form of the
172 bonds, advertise for and accept bids, issue and sell the bonds so
173 authorized to be sold, pay all fees and costs incurred in such
174 issuance and sale, and do any and all other things necessary and
175 advisable in connection with the issuance and sale of such bonds.
176 The commission is authorized and empowered to pay the costs that
177 are incident to the sale, issuance and delivery of the bonds
178 authorized under this section from the proceeds derived from the
179 sale of such bonds. The commission shall sell such bonds on
180 sealed bids at public sale, and for such price as it may determine
181 to be for the best interest of the State of Mississippi, but no
182 such sale shall be made at a price less than par plus accrued
183 interest to the date of delivery of the bonds to the purchaser.
184 All interest accruing on such bonds so issued shall be payable
185 semiannually or annually; however, the first interest payment may
186 be for any period of not more than one (1) year.

187 Notice of the sale of any such bonds shall be published at
188 least one time, not less than ten (10) days before the date of
189 sale, and shall be so published in one or more newspapers
190 published or having a general circulation in the City of Jackson,
191 Mississippi, and in one or more other newspapers or financial
192 journals with a national circulation, to be selected by the
193 commission.

194 The commission, when issuing any bonds under the authority of
195 this section, may provide that bonds, at the option of the State
196 of Mississippi, may be called in for payment and redemption at the
197 call price named therein and accrued interest on such date or
198 dates named therein.

199 (8) The bonds issued under the provisions of this section
200 are general obligations of the State of Mississippi, and for the
201 payment thereof the full faith and credit of the State of
202 Mississippi is irrevocably pledged. If the funds appropriated by
203 the Legislature are insufficient to pay the principal of and the
204 interest on such bonds as they become due, then the deficiency
205 shall be paid by the State Treasurer from any funds in the State
206 Treasury not otherwise appropriated. All such bonds shall contain
207 recitals on their faces substantially covering the provisions of
208 this subsection.

209 (9) Upon the issuance and sale of bonds under the provisions
210 of this section, the commission shall transfer the proceeds of any
211 such sale or sales to the special fund created in subsection (2)
212 of this section. The proceeds of such bonds shall be disbursed
213 solely upon the order of the Department of Finance and
214 Administration under such restrictions, if any, as may be
215 contained in the resolution providing for the issuance of the
216 bonds.

217 (10) The bonds authorized under this section may be issued
218 without any other proceedings or the happening of any other
219 conditions or things other than those proceedings, conditions and
220 things which are specified or required by this section. Any
221 resolution providing for the issuance of bonds under the
222 provisions of this section shall become effective immediately upon
223 its adoption by the commission, and any such resolution may be
224 adopted at any regular or special meeting of the commission by a
225 majority of its members.

226 (11) The bonds authorized under the authority of this
227 section may be validated in the Chancery Court of the First
228 Judicial District of Hinds County, Mississippi, in the manner and
229 with the force and effect provided by Chapter 13, Title 31,
230 Mississippi Code of 1972, for the validation of county, municipal,
231 school district and other bonds. The notice to taxpayers required
232 by such statutes shall be published in a newspaper published or
233 having a general circulation in the City of Jackson, Mississippi.

234 (12) Any holder of bonds issued under the provisions of this
235 section or of any of the interest coupons pertaining thereto may,
236 either at law or in equity, by suit, action, mandamus or other
237 proceeding, protect and enforce any and all rights granted under
238 this section, or under such resolution, and may enforce and compel
239 performance of all duties required by this section to be
240 performed, in order to provide for the payment of bonds and
241 interest thereon.

242 (13) All bonds issued under the provisions of this section
243 shall be legal investments for trustees and other fiduciaries, and
244 for savings banks, trust companies and insurance companies
245 organized under the laws of the State of Mississippi, and such
246 bonds shall be legal securities which may be deposited with and
247 shall be received by all public officers and bodies of this state
248 and all municipalities and political subdivisions for the purpose
249 of securing the deposit of public funds.

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

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

256 (16) The State Treasurer is authorized, without further
257 process of law, to certify to the Department of Finance and
258 Administration the necessity for warrants, and the Department of

259 Finance and Administration is authorized and directed to issue
260 such warrants, in such amounts as may be necessary to pay when due
261 the principal of, premium, if any, and interest on, or the
262 accreted value of, all bonds issued under this section; and the
263 State Treasurer shall forward the necessary amount to the
264 designated place or places of payment of such bonds in ample time
265 to discharge such bonds, or the interest thereon, on the due dates
266 thereof.

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

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