

By: Senator(s) Jackson (32nd)

To: Finance

SENATE BILL NO. 3107

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 NOXUBEE 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 Noxubee 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 Noxubee County.

35 (b) Amounts deposited into such special fund shall be
36 disbursed to pay the costs of the project 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 act, 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.