

By: Senator(s) Robertson, Mettetal, Jackson
(32nd), Doxey

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3191

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF CONSTRUCTING
3 INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED AND CRISIS
4 INTERVENTION MENTAL HEALTH FACILITIES FOR THE DEPARTMENT OF MENTAL
5 HEALTH; AND FOR RELATED 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 Community Group Home Construction Fund," is created within the
21 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 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, furnishing and
32 equipping two (2) intermediate care facilities for the mentally
33 retarded (community group homes) for the Department of Mental
34 Health. One of the facilities shall be located in Tate County,
35 Mississippi, and the other facility shall be located in Kemper
36 County, Mississippi.

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

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

58 (d) The Department of Finance and Administration is
59 authorized to pay for constructing, furnishing and equipping two
60 (2) intermediate care facilities for the mentally retarded

61 (community group homes) at the locations provided for in paragraph
62 (a)(ii) of this subsection.

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

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

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

94 time or times and upon such terms, with or without premium, shall
95 bear such registration privileges, and shall be substantially in
96 such form, all as shall be determined by resolution of the
97 commission.

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

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

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

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

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

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

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

159 recitals on their faces substantially covering the provisions of
160 this subsection.

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

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

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

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

192 performed, in order to provide for the payment of bonds and
193 interest thereon.

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

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

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

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

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

223 **SECTION 2.** (1) As used in this section, the following words
224 shall have the meanings ascribed herein unless the context clearly
225 requires otherwise:

226 (a) "Accreted value" of any bond means, as of any date
227 of computation, an amount equal to the sum of (i) the stated
228 initial value of such bond, plus (ii) the interest accrued thereon
229 from the issue date to the date of computation at the rate,
230 compounded semiannually, that is necessary to produce the
231 approximate yield to maturity shown for bonds of the same
232 maturity.

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

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

235 (2) (a) (i) A special fund, to be designated the "2007
236 Crisis Intervention Mental Health Facility Fund," is created
237 within the State Treasury. The fund shall be maintained by the
238 State Treasurer as a separate and special fund, separate and apart
239 from the General Fund of the state. Unexpended amounts remaining
240 in the fund at the end of a fiscal year shall not lapse into the
241 State General Fund, and any interest earned or investment earnings
242 on amounts in the fund shall be deposited to the credit of the
243 fund. Monies in the fund may not be used or expended for any
244 purpose except as authorized under this section.

245 (ii) Monies deposited into the fund shall be
246 disbursed, in the discretion of the Department of Finance and
247 Administration, to pay the costs of constructing, furnishing and
248 equipping two (2) facilities for the Department of Mental Health
249 as follows:

250 1. For a crisis intervention mental health
251 facility to be located in Jackson County..... \$2,500,000.00.

252 2. For a crisis intervention mental health
253 facility to be located in Marshall County..... \$4,000,000.00.

254 (b) Amounts deposited into such special fund shall be
255 disbursed to pay the costs of the project described in paragraph

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

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

275 (d) The Department of Finance and Administration is
276 authorized to pay for constructing, furnishing and equipping
277 crisis intervention mental health facilities at the locations
278 provided for in paragraph (a)(ii) of this subsection.

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

289 resolution, the commission, in its discretion, may act as the
290 issuing agent, prescribe the form of the bonds, advertise for and
291 accept bids, issue and sell the bonds so authorized to be sold and
292 do any and all other things necessary and advisable in connection
293 with the issuance and sale of such bonds. The total amount of
294 bonds issued under this section shall not exceed Six Million Five
295 Hundred Thousand Dollars (\$6,500,000.00).

296 (b) Any investment earnings on amounts deposited into
297 the special fund created in subsection (2) of this section shall
298 be used to pay debt service on bonds issued under this section, in
299 accordance with the proceedings authorizing issuance of such
300 bonds.

301 (4) The principal of and interest on the bonds authorized
302 under this section shall be payable in the manner provided in this
303 subsection. Such bonds shall bear such date or dates, be in such
304 denomination or denominations, bear interest at such rate or rates
305 (not to exceed the limits set forth in Section 75-17-101,
306 Mississippi Code of 1972), be payable at such place or places
307 within or without the State of Mississippi, shall mature
308 absolutely at such time or times not to exceed twenty-five (25)
309 years from date of issue, be redeemable before maturity at such
310 time or times and upon such terms, with or without premium, shall
311 bear such registration privileges, and shall be substantially in
312 such form, all as shall be determined by resolution of the
313 commission.

314 (5) The bonds authorized by this section shall be signed by
315 the chairman of the commission, or by his facsimile signature, and
316 the official seal of the commission shall be affixed thereto,
317 attested by the secretary of the commission. The interest
318 coupons, if any, to be attached to such bonds may be executed by
319 the facsimile signatures of such officers. Whenever any such
320 bonds shall have been signed by the officials designated to sign
321 the bonds who were in office at the time of such signing but who

322 may have ceased to be such officers before the sale and delivery
323 of such bonds, or who may not have been in office on the date such
324 bonds may bear, the signatures of such officers upon such bonds
325 and coupons shall nevertheless be valid and sufficient for all
326 purposes and have the same effect as if the person so officially
327 signing such bonds had remained in office until their delivery to
328 the purchaser, or had been in office on the date such bonds may
329 bear. However, notwithstanding anything herein to the contrary,
330 such bonds may be issued as provided in the Registered Bond Act of
331 the State of Mississippi.

332 (6) All bonds and interest coupons issued under the
333 provisions of this section have all the qualities and incidents of
334 negotiable instruments under the provisions of the Uniform
335 Commercial Code, and in exercising the powers granted by this
336 section, the commission shall not be required to and need not
337 comply with the provisions of the Uniform Commercial Code.

338 (7) The commission shall act as the issuing agent for the
339 bonds authorized under this section, prescribe the form of the
340 bonds, advertise for and accept bids, issue and sell the bonds so
341 authorized to be sold, pay all fees and costs incurred in such
342 issuance and sale, and do any and all other things necessary and
343 advisable in connection with the issuance and sale of such bonds.
344 The commission is authorized and empowered to pay the costs that
345 are incident to the sale, issuance and delivery of the bonds
346 authorized under this section from the proceeds derived from the
347 sale of such bonds. The commission shall sell such bonds on
348 sealed bids at public sale, and for such price as it may determine
349 to be for the best interest of the State of Mississippi, but no
350 such sale shall be made at a price less than par plus accrued
351 interest to the date of delivery of the bonds to the purchaser.
352 All interest accruing on such bonds so issued shall be payable
353 semiannually or annually; however, the first interest payment may
354 be for any period of not more than one (1) year.

355 Notice of the sale of any such bond shall be published at
356 least one time, not less than ten (10) days before the date of
357 sale, and shall be so published in one or more newspapers
358 published or having a general circulation in the City of Jackson,
359 Mississippi, and in one or more other newspapers or financial
360 journals with a national circulation, to be selected by the
361 commission.

362 The commission, when issuing any bonds under the authority of
363 this section, may provide that bonds, at the option of the State
364 of Mississippi, may be called in for payment and redemption at the
365 call price named therein and accrued interest on such date or
366 dates named therein.

367 (8) The bonds issued under the provisions of this section
368 are general obligations of the State of Mississippi, and for the
369 payment thereof the full faith and credit of the State of
370 Mississippi is irrevocably pledged. If the funds appropriated by
371 the Legislature are insufficient to pay the principal of and the
372 interest on such bonds as they become due, then the deficiency
373 shall be paid by the State Treasurer from any funds in the State
374 Treasury not otherwise appropriated. All such bonds shall contain
375 recitals on their faces substantially covering the provisions of
376 this subsection.

377 (9) Upon the issuance and sale of bonds under the provisions
378 of this section, the commission shall transfer the proceeds of any
379 such sale or sales to the special fund created in subsection (2)
380 of this section. The proceeds of such bonds shall be disbursed
381 solely upon the order of the Department of Finance and
382 Administration under such restrictions, if any, as may be
383 contained in the resolution providing for the issuance of the
384 bonds.

385 (10) The bonds authorized under this section may be issued
386 without any other proceedings or the happening of any other
387 conditions or things other than those proceedings, conditions and

388 things which are specified or required by this section. Any
389 resolution providing for the issuance of bonds under the
390 provisions of this section shall become effective immediately upon
391 its adoption by the commission, and any such resolution may be
392 adopted at any regular or special meeting of the commission by a
393 majority of its members.

394 (11) The bonds authorized under the authority of this
395 section may be validated in the Chancery Court of the First
396 Judicial District of Hinds County, Mississippi, in the manner and
397 with the force and effect provided by Chapter 13, Title 31,
398 Mississippi Code of 1972, for the validation of county, municipal,
399 school district and other bonds. The notice to taxpayers required
400 by such statutes shall be published in a newspaper published or
401 having a general circulation in the City of Jackson, Mississippi.

402 (12) Any holder of bonds issued under the provisions of this
403 section or of any of the interest coupons pertaining thereto may,
404 either at law or in equity, by suit, action, mandamus or other
405 proceeding, protect and enforce any and all rights granted under
406 this section, or under such resolution, and may enforce and compel
407 performance of all duties required by this section to be
408 performed, in order to provide for the payment of bonds and
409 interest thereon.

410 (13) All bonds issued under the provisions of this section
411 shall be legal investments for trustees and other fiduciaries, and
412 for savings banks, trust companies and insurance companies
413 organized under the laws of the State of Mississippi, and such
414 bonds shall be legal securities which may be deposited with and
415 shall be received by all public officers and bodies of this state
416 and all municipalities and political subdivisions for the purpose
417 of securing the deposit of public funds.

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

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

424 (16) The State Treasurer is authorized, without further
425 process of law, to certify to the Department of Finance and
426 Administration the necessity for warrants, and the Department of
427 Finance and Administration is authorized and directed to issue
428 such warrants, in such amounts as may be necessary to pay when due
429 the principal of, premium, if any, and interest on, or the
430 accreted value of, all bonds issued under this section; and the
431 State Treasurer shall forward the necessary amount to the
432 designated place or places of payment of such bonds in ample time
433 to discharge such bonds, or the interest thereon, on the due dates
434 thereof.

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

439 **SECTION 3.** This act shall take effect and be in force from
440 and after its passage.