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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3197

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR THE CONSTRUCTION, FURNISHING AND
3 EQUIPPING OF A CHILDREN'S MUSEUM IN HINDS COUNTY, MISSISSIPPI; AND
4 FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) As used in this section, the following words
7 shall have the meanings ascribed herein unless the context clearly
8 requires otherwise:

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

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

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

18 (2) (a) (i) A special fund, to be designated as the "2007
19 Mississippi Children's Museum Fund," is created within the State
20 Treasury. The fund shall be maintained by the State Treasurer as
21 a separate and special fund, separate and apart from the General
22 Fund of the state. Unexpended amounts remaining in the fund at
23 the end of a fiscal year shall not lapse into the State General
24 Fund, and any interest earned or investment earnings on amounts in
25 the fund shall be deposited into such fund.

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

28 Administration, to pay the costs described in subsection (3)(a) of
29 this section.

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

40 (3) (a) Upon the receipt of matching funds or verification
41 that the matching funds described in this paragraph are
42 forthcoming, the Department of Finance and Administration, at one
43 time, or from time to time, may declare by resolution the
44 necessity for issuance of general obligation bonds to provide
45 funds for the: (a) repair, renovation, remodeling, equipping,
46 furnishing, adding to or improving the old National Guard Armory
47 on the State Fairgrounds in Jackson, Mississippi, or another
48 structure if approved by the Department of Finance and
49 Administration as provided in Section 39-23-3(a), for use as a
50 children's museum; (b) repair, renovation, furnishing and
51 equipping of the facility at the location described in Section
52 39-23-3(c); (c) construction, furnishing and equipping of a
53 facility at the location described in Section 39-23-3(d); or (d)
54 construction, furnishing and equipping of a facility at a location
55 selected as provided in Section 39-23-3(e). The issuance of the
56 bonds described in this paragraph and the allocation of such funds
57 are conditioned upon the private sector or local or federal
58 government providing Two Million Dollars (\$2,000,000.00) to match
59 the funds provided under this section. The matching funds
60 required pursuant to this subsection may be provided in the form

61 of cash or in-kind contributions or any combination of cash or
62 in-kind contributions. In-kind contributions shall include, but
63 not be limited to, the value of exhibits that are contributed to
64 the children's museum.

65 (b) Upon the adoption of a resolution by the Department of
66 Finance and Administration, declaring the necessity for the
67 issuance of any part or all of the general obligation bonds
68 authorized by this section, the department shall deliver a
69 certified copy of its resolution or resolutions to the commission.
70 Upon receipt of such resolution, the commission, in its
71 discretion, may act as the issuing agent, prescribe the form of
72 the bonds, advertise for and accept bids, issue and sell the bonds
73 so authorized to be sold, and do any and all other things
74 necessary and advisable in connection with the issuance and sale
75 of such bonds. The amount of bonds issued under this section
76 shall not exceed Two Million Dollars (\$2,000,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

220 **SECTION 2.** This act shall take effect and be in force from
221 and after July 1, 2007, and shall stand repealed from and after
222 June 30, 2007.