

By: Representative Smith

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 376

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 NEW HIGHWAY SAFETY PATROL SUBSTATION IN STARKVILLE,
4 MISSISSIPPI; AND 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 the "2016
19 Department of Public Safety Improvements Fund" is created within



20 the State Treasury. The fund shall be maintained by the State
21 Treasurer as a separate and special fund, separate and apart from
22 the General Fund of the state. Unexpended amounts remaining in
23 the fund at the end of a fiscal year shall not lapse into the
24 State General Fund, and any interest earned or investment earnings
25 on amounts in 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 of construction, furnishing and
29 equipping of a new Highway Safety Patrol Substation in Starkville,
30 Mississippi.

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

41 (c) The Department of Finance and Administration,
42 acting through the Bureau of Building, Grounds and Real Property
43 Management, is expressly authorized and empowered to receive and
44 expend any local or other source funds in connection with the



45 expenditure of funds provided for in this subsection. The
46 expenditure of monies deposited into the special fund shall be
47 under the direction of the Department of Finance and
48 Administration, and such funds shall be paid by the State
49 Treasurer upon warrants issued by such department, which warrants
50 shall be issued upon requisitions signed by the Executive Director
51 of the Department of Finance and Administration, or his designee.

52 (3) (a) The commission, at one time, or from time to time,
53 may declare by resolution the necessity for issuance of general
54 obligation bonds of the State of Mississippi to provide funds for
55 all costs incurred or to be incurred for the purposes described in
56 subsection (2) of this section. Upon the adoption of a resolution
57 by the Department of Finance and Administration, declaring the
58 necessity for the issuance of any part or all of the general
59 obligation bonds authorized by this subsection, the department
60 shall deliver a certified copy of its resolution or resolutions to
61 the commission. Upon receipt of such resolution, the commission,
62 in its discretion, may act as the issuing agent, prescribe the
63 form of the bonds, determine the appropriate method for sale of
64 the bonds, advertise for and accept bids or negotiate the sale of
65 the bonds, issue and sell the bonds so authorized to be sold and
66 do any and all other things necessary and advisable in connection
67 with the issuance and sale of such bonds. The total amount of
68 bonds issued under this section shall not exceed One Million



69 Dollars (\$1,000,000.00). No bonds shall be issued under this
70 section after July 1, 2020.

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

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

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



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

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

113 (7) The commission shall act as issuing agent for the bonds
114 authorized under this section, prescribe the form of the bonds,
115 determine the appropriate method for sale of the bonds, advertise
116 for and accept bids or negotiate the sale of the bonds, issue and
117 sell the bonds so authorized to be sold, pay all fees and costs
118 incurred in such issuance and sale, and do any and all other



119 things necessary and advisable in connection with the issuance and
120 sale of such bonds. The commission is authorized and empowered to
121 pay the costs that are incident to the sale, issuance and delivery
122 of the bonds authorized under this section from the proceeds
123 derived from the sale of such bonds. The commission may sell such
124 bonds on sealed bids at public sale or may negotiate the sale of
125 the bonds for such price as it may determine to be for the best
126 interest of the State of Mississippi. All interest accruing on
127 such bonds so issued shall be payable semiannually or annually.

128 If such bonds are sold by sealed bids at public sale, notice
129 of the sale shall be published at least one (1) time, not less
130 than ten (10) days before the date of sale, and shall be so
131 published in one or more newspapers published or having a general
132 circulation in the City of Jackson, Mississippi, selected by the
133 commission.

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

139 (8) The bonds issued under the provisions of this section
140 are general obligations of the State of Mississippi, and for the
141 payment thereof the full faith and credit of the State of
142 Mississippi is irrevocably pledged. If the funds appropriated by
143 the Legislature are insufficient to pay the principal of and the



144 interest on such bonds as they become due, then the deficiency
145 shall be paid by the State Treasurer from any funds in the State
146 Treasury not otherwise appropriated. All such bonds shall contain
147 recitals on their faces substantially covering the provisions of
148 this subsection.

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

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

166 (11) The bonds authorized under the authority of this
167 section may be validated in the Chancery Court of the First
168 Judicial District of Hinds County, Mississippi, in the manner and



169 with the force and effect provided by Chapter 13, Title 31,
170 Mississippi Code of 1972, for the validation of county, municipal,
171 school district and other bonds. The notice to taxpayers required
172 by such statutes shall be published in a newspaper published or
173 having a general circulation in the City of Jackson, Mississippi.

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

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

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



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

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

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

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

