

By: Representatives Smith, Reynolds, Sykes,  
Dixon

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1682

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS TO ASSIST IN PAYING THE COSTS ASSOCIATED  
3 WITH ESTABLISHING A CLINICAL RESEARCH UNIT AT THE UNIVERSITY OF  
4 MISSISSIPPI MEDICAL CENTER AND EXPANSION OF BLAIR E. BATSON  
5 CHILDREN'S HOSPITAL; 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 "2016  
20 University of Mississippi Medical Center Improvements Fund" is  
21 created within the State Treasury. The fund shall be maintained  
22 by the State Treasurer as a separate and special fund, separate  
23 and apart from the General Fund of the state. Unexpended amounts  
24 remaining in the fund at the end of a fiscal year shall not lapse  
25 into the State General Fund, and any interest earned or investment  
26 earnings on amounts in the fund shall be deposited into such fund.

27                       (ii)   Monies deposited into the fund shall be  
28 disbursed, in the discretion of the Department of Finance and  
29 Administration, as follows:

30                               1.   Not more than Two Hundred Fifty Thousand  
31 Dollars (\$250,000.00) of the monies in the special fund shall be  
32 used to assist in paying the costs associated with planning,  
33 design, construction, repair, renovation, furnishing, equipping,  
34 additions to and expansion of any building and related facilities  
35 at the University of Mississippi Medical Center for the purpose of  
36 establishing a clinical research unit; and

37                               2.   The remainder of monies in the special  
38 fund shall be used to assist in paying the costs associated with  
39 site development, construction, repair, renovation, furnishing,  
40 equipping, additions to and expansion of Blair E. Batson  
41 Children's Hospital and related facilities at the University of  
42 Mississippi Medical Center.



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

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

64           (3) (a) The commission, at one time, or from time to time,  
65 may declare by resolution the necessity for issuance of general  
66 obligation bonds of the State of Mississippi to provide funds for  
67 all costs incurred or to be incurred for the purposes described in



68 subsection (2) of this section. Upon the adoption of a resolution  
69 by the Department of Finance and Administration, declaring the  
70 necessity for the issuance of any part or all of the general  
71 obligation bonds authorized by this subsection, the department  
72 shall deliver a certified copy of its resolution or resolutions to  
73 the commission. Upon receipt of such resolution, the commission,  
74 in its discretion, may act as the issuing agent, prescribe the  
75 form of the bonds, determine the appropriate method for sale of  
76 the bonds, advertise for and accept bids or negotiate the sale of  
77 the bonds, issue and sell the bonds so authorized to be sold and  
78 do any and all other things necessary and advisable in connection  
79 with the issuance and sale of such bonds. The total amount of  
80 bonds issued under this section shall not exceed One Million  
81 Dollars (\$1,000,000.00).

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

87 (4) The principal of and interest on the bonds authorized  
88 under this section shall be payable in the manner provided in this  
89 subsection. Such bonds shall bear such date or dates, be in such  
90 denomination or denominations, bear interest at such rate or rates  
91 (not to exceed the limits set forth in Section 75-17-101,  
92 Mississippi Code of 1972), be payable at such place or places



93 within or without the State of Mississippi, shall mature  
94 absolutely at such time or times not to exceed twenty-five (25)  
95 years from date of issue, be redeemable before maturity at such  
96 time or times and upon such terms, with or without premium, shall  
97 bear such registration privileges, and shall be substantially in  
98 such form, all as shall be determined by resolution of the  
99 commission.

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



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

124           (7) The commission shall act as issuing agent for the bonds  
125 authorized under this section, prescribe the form of the bonds,  
126 determine the appropriate method for sale of the bonds, advertise  
127 for and accept bids or negotiate the sale of the bonds, issue and  
128 sell the bonds so authorized to be sold, pay all fees and costs  
129 incurred in such issuance and sale, and do any and all other  
130 things necessary and advisable in connection with the issuance and  
131 sale of such bonds. The commission is authorized and empowered to  
132 pay the costs that are incident to the sale, issuance and delivery  
133 of the bonds authorized under this section from the proceeds  
134 derived from the sale of such bonds. The commission may sell such  
135 bonds on sealed bids at public sale or may negotiate the sale of  
136 the bonds for such price as it may determine to be for the best  
137 interest of the State of Mississippi. All interest accruing on  
138 such bonds so issued shall be payable semiannually or annually.

139           If such bonds are sold by sealed bids at public sale, notice  
140 of the sale shall be published at least one (1) time, not less  
141 than ten (10) days before the date of sale, and shall be so  
142 published in one or more newspapers published or having a general



143 circulation in the City of Jackson, Mississippi, selected by the  
144 commission.

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

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

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



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

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

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





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

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

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

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



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

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

