

By: Representative Holloway

To: Ways and Means

HOUSE BILL NO. 247

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR CONSTRUCTION, FURNISHING AND EQUIPPING
3 OF NEW BUILDINGS AND RELATED FACILITIES FOR UNIVERSITY FACULTY AND
4 STAFF HOUSING AT ALCORN STATE UNIVERSITY; 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 as the "2018
20 Alcorn State University Capital Improvements 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 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, to pay the costs of construction, furnishing and
30 equipping of new buildings and related facilities for university
31 faculty and staff housing at Alcorn State University.

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

42 (c) The Department of Finance and Administration,
43 acting through the Bureau of Building, Grounds and Real Property



44 Management, is expressly authorized and empowered to receive and
45 expend any local or other source funds in connection with the
46 expenditure of funds provided for in this subsection. The
47 expenditure of monies deposited into the special fund shall be
48 under the direction of the Department of Finance and
49 Administration, and such funds shall be paid by the State
50 Treasurer upon warrants issued by such department, which warrants
51 shall be issued upon requisitions signed by the Executive Director
52 of the Department of Finance and Administration, or his designee.

53 (3) (a) The commission, at one time, or from time to time,
54 may declare by resolution the necessity for issuance of general
55 obligation bonds of the State of Mississippi to provide funds for
56 all costs incurred or to be incurred for the purposes described in
57 subsection (2) of this section. Upon the adoption of a resolution
58 by the Department of Finance and Administration, declaring the
59 necessity for the issuance of any part or all of the general
60 obligation bonds authorized by this subsection, the department
61 shall deliver a certified copy of its resolution or resolutions to
62 the commission. Upon receipt of such resolution, the commission,
63 in its discretion, may act as the issuing agent, prescribe the
64 form of the bonds, determine the appropriate method for sale of
65 the bonds, advertise for and accept bids or negotiate the sale of
66 the bonds, issue and sell the bonds so authorized to be sold, and
67 do any and all other things necessary and advisable in connection
68 with the issuance and sale of such bonds. The total amount of



69 bonds issued under this section shall not exceed Two Million Five
70 Hundred Thousand Dollars (\$2,500,000.00). No bonds shall be
71 issued under this section after July 1, 2022.

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

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

90 (5) The bonds authorized by this section shall be signed by
91 the chairman of the commission, or by his facsimile signature, and
92 the official seal of the commission shall be affixed thereto,
93 attested by the secretary of the commission. The interest



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

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

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



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

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

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

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



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

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

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

167 (11) The bonds authorized under the authority of this
168 section may be validated in the Chancery Court of the First



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

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

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

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



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

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

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

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

