

By: Representative Clark

To: Ways and Means

HOUSE BILL NO. 300

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS  
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO  
3 SCHOOL DISTRICTS IN THE STATE FOR CAPITAL IMPROVEMENTS; AND FOR  
4 RELATED PURPOSES.

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

6 **SECTION 1.** (1) As used in this act, 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 "2018  
19 Public School Capital Improvements Fund," is created within the



20 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 State Department of Education,  
28 to provide funds to school districts in the state for the purposes  
29 described in Section 37-61-33(2)(a), Mississippi Code of 1972.

30 (iii) Monies in the fund shall be distributed by  
31 the State Department of Education to the school districts in the  
32 state in the following amounts:

33 1. Thirty percent (30%) of the monies in the  
34 fund shall be distributed to all school districts in the  
35 proportion that the average daily attendance of each school  
36 district bears to the average daily attendance of all school  
37 districts within the state; and

38 2. Seventy percent (70%) of the monies in the  
39 fund shall be distributed to all school districts in the  
40 proportion that the average daily attendance of at-risk pupils of  
41 each school district bears to the average daily attendance of  
42 at-risk pupils of all school districts within the state.

43 For the purposes of this subparagraph (iii), "at-risk pupils"  
44 means those pupils determined to be at risk for the purposes of



allocation of funds under the Mississippi Adequate Education Program.

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

(3) (a) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (2) of this section. Upon the adoption of a resolution by the State Department of Education, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the State Department of Education shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of



70 the bonds, issue and sell the bonds so authorized to be sold and  
71 do any and all other things necessary and advisable in connection  
72 with the issuance and sale of such bonds. The total amount of  
73 bonds issued under this section shall not exceed One Hundred  
74 Million Dollars (\$100,000,000.00).

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

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

93 (5) The bonds authorized by this section shall be signed by  
94 the chairman of the commission, or by his facsimile signature, and



the official seal of the commission shall be affixed thereto,  
attested by the secretary of the commission. The interest  
coupons, if any, to be attached to such bonds may be executed by  
the facsimile signatures of such officers. Whenever any such  
bonds shall have been signed by the officials designated to sign  
the bonds who were in office at the time of such signing but who  
may have ceased to be such officers before the sale and delivery  
of such bonds, or who may not have been in office on the date such  
bonds may bear, the signatures of such officers upon such bonds  
and coupons shall nevertheless be valid and sufficient for all  
purposes and have the same effect as if the person so officially  
signing such bonds had remained in office until their delivery to  
the purchaser, or had been in office on the date such bonds may  
bear. However, notwithstanding anything herein to the contrary,  
such bonds may be issued as provided in the Registered Bond Act of  
the State of Mississippi.

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

(7) The commission shall act as the issuing agent for the  
bonds authorized under this section, prescribe the form of the  
bonds, determine the appropriate method for sale of the bonds,



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

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

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

143 (8) The bonds issued under the provisions of this section  
144 are general obligations of the State of Mississippi, and for the



145 payment thereof the full faith and credit of the State of  
146 Mississippi is irrevocably pledged. If the funds appropriated by  
147 the Legislature are insufficient to pay the principal of and the  
148 interest on such bonds as they become due, then the deficiency  
149 shall be paid by the State Treasurer from any funds in the State  
150 Treasury not otherwise appropriated. All such bonds shall contain  
151 recitals on their faces substantially covering the provisions of  
152 this subsection.

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

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



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

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

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





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

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

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

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

214           **SECTION 2.** This act shall take effect and be in force from  
215 and after July 1, 2018.

