

By: Representative Hudson

To: Ways and Means

HOUSE BILL NO. 399

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS TO ASSIST THE WEST BOLIVAR CONSOLIDATED  
3 SCHOOL DISTRICT IN PAYING COSTS ASSOCIATED WITH MAKING CERTAIN  
4 REPAIRS AND RENOVATIONS AT WEST BOLIVAR HIGH SCHOOL, SHAW HIGH  
5 SCHOOL AND RAY BROOKS SCHOOL; 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 "2018  
20 West Bolivar Consolidated School District 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 Seven Hundred Fifty Thousand  
31 Dollars (\$750,000.00) of the monies in the special fund shall be  
32 used to assist the West Bolivar Consolidated School District in  
33 paying costs associated with the following purposes at West  
34 Bolivar High School:

35   a. Repair, renovation, rehabilitation  
36 and/or replacement of the heating, ventilation and air  
37 conditioning systems (HVAC),

38   b. Repair, renovation, rehabilitation  
39 and/or replacement of the water and sewer systems, and

40   c. Removal of mold from interior  
41 surfaces of structures and repair of mold damaged structures;

42                           2. Not more than Seven Hundred Fifty Thousand  
43 Dollars (\$750,000.00) of the monies in the special fund shall be



44 used to assist the West Bolivar Consolidated School District in  
45 paying costs associated with the following purposes at Shaw High  
46 School:

47                   a. Repair, renovation, rehabilitation  
48 and/or replacement of the heating, ventilation and air  
49 conditioning systems (HVAC),

50                   b. Repair, renovation, rehabilitation  
51 and/or replacement of the water and sewer systems, and

52                   c. Removal of mold from interior  
53 surfaces of structures and repair of mold damaged structures; and

54                   3. Not more than Seven Hundred Fifty Thousand  
55 Dollars (\$750,000.00) of the monies in the special fund shall be  
56 used to assist the West Bolivar Consolidated School District in  
57 paying costs associated with the following purposes at Ray Brooks  
58 School:

59                   a. Repair, renovation, rehabilitation  
60 and/or replacement of the heating, ventilation and air  
61 conditioning systems (HVAC),

62                   b. Repair, renovation, rehabilitation  
63 and/or replacement of the water and sewer systems, and

64                   c. Removal of mold from interior  
65 surfaces of structures and repair of mold damaged structures.

66                   (b) Amounts deposited into such special fund shall be  
67 disbursed to pay the costs of the projects described in paragraph  
68 (a) of this subsection. Promptly after the commission has



69 certified, by resolution duly adopted, that the projects described  
70 in paragraph (a) of this subsection shall have been completed,  
71 abandoned, or cannot be completed in a timely fashion, any amounts  
72 remaining in such special fund shall be applied to pay debt  
73 service on the bonds issued under this section, in accordance with  
74 the proceedings authorizing the issuance of such bonds and as  
75 directed by the commission.

76 (c) The expenditure of monies deposited into the  
77 special fund shall be under the direction of the Department of  
78 Finance and Administration, and such funds shall be paid by the  
79 State Treasurer upon warrants issued by such department, which  
80 warrants shall be issued upon requisitions signed by the Executive  
81 Director of the Department of Finance and Administration, or his  
82 designee.

83 (3) (a) The commission, at one time, or from time to time,  
84 may declare by resolution the necessity for issuance of general  
85 obligation bonds of the State of Mississippi to provide funds for  
86 all costs incurred or to be incurred for the purposes described in  
87 subsection (2) of this section. Upon the adoption of a resolution  
88 by the Department of Finance and Administration, declaring the  
89 necessity for the issuance of any part or all of the general  
90 obligation bonds authorized by this section, the department shall  
91 deliver a certified copy of its resolution or resolutions to the  
92 commission. Upon receipt of such resolution, the commission, in  
93 its discretion, may act as the issuing agent, prescribe the form



94 of the bonds, determine the appropriate method for sale of the  
95 bonds, advertise for and accept bids or negotiate the sale of the  
96 bonds, issue and sell the bonds so authorized to be sold and do  
97 any and all other things necessary and advisable in connection  
98 with the issuance and sale of such bonds. The total amount of  
99 bonds issued under this section shall not exceed Two Million Two  
100 Hundred Fifty Thousand Dollars (\$2,250,000.00). No bonds shall be  
101 issued under this section after July 1, 2022.

102 (b) Any investment earnings on amounts deposited into  
103 the special fund created in subsection (2) of this section shall  
104 be used to pay debt service on bonds issued under this section, in  
105 accordance with the proceedings authorizing issuance of such  
106 bonds.

107 (4) The principal of and interest on the bonds authorized  
108 under this section shall be payable in the manner provided in this  
109 subsection. Such bonds shall bear such date or dates, be in such  
110 denomination or denominations, bear interest at such rate or rates  
111 (not to exceed the limits set forth in Section 75-17-101,  
112 Mississippi Code of 1972), be payable at such place or places  
113 within or without the State of Mississippi, shall mature  
114 absolutely at such time or times not to exceed twenty-five (25)  
115 years from date of issue, be redeemable before maturity at such  
116 time or times and upon such terms, with or without premium, shall  
117 bear such registration privileges, and shall be substantially in



118 such form, all as shall be determined by resolution of the  
119 commission.

120 (5) The bonds authorized by this section shall be signed by  
121 the chairman of the commission, or by his facsimile signature, and  
122 the official seal of the commission shall be affixed thereto,  
123 attested by the secretary of the commission. The interest  
124 coupons, if any, to be attached to such bonds may be executed by  
125 the facsimile signatures of such officers. Whenever any such  
126 bonds shall have been signed by the officials designated to sign  
127 the bonds who were in office at the time of such signing but who  
128 may have ceased to be such officers before the sale and delivery  
129 of such bonds, or who may not have been in office on the date such  
130 bonds may bear, the signatures of such officers upon such bonds  
131 and coupons shall nevertheless be valid and sufficient for all  
132 purposes and have the same effect as if the person so officially  
133 signing such bonds had remained in office until their delivery to  
134 the purchaser, or had been in office on the date such bonds may  
135 bear. However, notwithstanding anything herein to the contrary,  
136 such bonds may be issued as provided in the Registered Bond Act of  
137 the State of Mississippi.

138 (6) All bonds and interest coupons issued under the  
139 provisions of this section have all the qualities and incidents of  
140 negotiable instruments under the provisions of the Uniform  
141 Commercial Code, and in exercising the powers granted by this



142 section, the commission shall not be required to and need not  
143 comply with the provisions of the Uniform Commercial Code.

144 (7) The commission shall act as issuing agent for the bonds  
145 authorized under this section, prescribe the form of the bonds,  
146 determine the appropriate method for sale of the bonds, advertise  
147 for and accept bids or negotiate the sale of the bonds, issue and  
148 sell the bonds so authorized to be sold, pay all fees and costs  
149 incurred in such issuance and sale, and do any and all other  
150 things necessary and advisable in connection with the issuance and  
151 sale of such bonds. The commission is authorized and empowered to  
152 pay the costs that are incident to the sale, issuance and delivery  
153 of the bonds authorized under this section from the proceeds  
154 derived from the sale of such bonds. The commission may sell such  
155 bonds on sealed bids at public sale or may negotiate the sale of  
156 the bonds for such price as it may determine to be for the best  
157 interest of the State of Mississippi. All interest accruing on  
158 such bonds so issued shall be payable semiannually or annually.

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

165 The commission, when issuing any bonds under the authority of  
166 this section, may provide that bonds, at the option of the State



167 of Mississippi, may be called in for payment and redemption at the  
168 call price named therein and accrued interest on such date or  
169 dates named therein.

170 (8) The bonds issued under the provisions of this section  
171 are general obligations of the State of Mississippi, and for the  
172 payment thereof the full faith and credit of the State of  
173 Mississippi is irrevocably pledged. If the funds appropriated by  
174 the Legislature are insufficient to pay the principal of and the  
175 interest on such bonds as they become due, then the deficiency  
176 shall be paid by the State Treasurer from any funds in the State  
177 Treasury not otherwise appropriated. All such bonds shall contain  
178 recitals on their faces substantially covering the provisions of  
179 this subsection.

180 (9) Upon the issuance and sale of bonds under the provisions  
181 of this section, the commission shall transfer the proceeds of any  
182 such sale or sales to the special fund created in subsection (2)  
183 of this section. The proceeds of such bonds shall be disbursed  
184 solely upon the order of the Department of Finance and  
185 Administration under such restrictions, if any, as may be  
186 contained in the resolution providing for the issuance of the  
187 bonds.

188 (10) The bonds authorized under this section may be issued  
189 without any other proceedings or the happening of any other  
190 conditions or things other than those proceedings, conditions and  
191 things which are specified or required by this section. Any





192 resolution providing for the issuance of bonds under the  
193 provisions of this section shall become effective immediately upon  
194 its adoption by the commission, and any such resolution may be  
195 adopted at any regular or special meeting of the commission by a  
196 majority of its members.

197 (11) The bonds authorized under the authority of this  
198 section may be validated in the Chancery Court of the First  
199 Judicial District of Hinds County, Mississippi, in the manner and  
200 with the force and effect provided by Chapter 13, Title 31,  
201 Mississippi Code of 1972, for the validation of county, municipal,  
202 school district and other bonds. The notice to taxpayers required  
203 by such statutes shall be published in a newspaper published or  
204 having a general circulation in the City of Jackson, Mississippi.

205 (12) Any holder of bonds issued under the provisions of this  
206 section or of any of the interest coupons pertaining thereto may,  
207 either at law or in equity, by suit, action, mandamus or other  
208 proceeding, protect and enforce any and all rights granted under  
209 this section, or under such resolution, and may enforce and compel  
210 performance of all duties required by this section to be  
211 performed, in order to provide for the payment of bonds and  
212 interest thereon.

213 (13) All bonds issued under the provisions of this section  
214 shall be legal investments for trustees and other fiduciaries, and  
215 for savings banks, trust companies and insurance companies  
216 organized under the laws of the State of Mississippi, and such



217 bonds shall be legal securities which may be deposited with and  
218 shall be received by all public officers and bodies of this state  
219 and all municipalities and political subdivisions for the purpose  
220 of securing the deposit of public funds.

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

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

227 (16) The State Treasurer is authorized, without further  
228 process of law, to certify to the Department of Finance and  
229 Administration the necessity for warrants, and the Department of  
230 Finance and Administration is authorized and directed to issue  
231 such warrants, in such amounts as may be necessary to pay when due  
232 the principal of, premium, if any, and interest on, or the  
233 accreted value of, all bonds issued under this section; and the  
234 State Treasurer shall forward the necessary amount to the  
235 designated place or places of payment of such bonds in ample time  
236 to discharge such bonds, or the interest thereon, on the due dates  
237 thereof.

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



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

