

By: Representative Hudson

To: Ways and Means

HOUSE BILL NO. 401

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS TO ASSIST THE NORTH BOLIVAR CONSOLIDATED
 3 SCHOOL DISTRICT IN PAYING COSTS ASSOCIATED WITH THE REPAIR,
 4 RENOVATION, REHABILITATION AND/OR REPLACEMENT OF THE HEATING,
 5 VENTILATION AND AIR CONDITIONING SYSTEM AND THE WATER AND PLUMBING
 6 SYSTEMS OF BROAD STREET HIGH SCHOOL AND MAKING UPGRADES TO THE
 7 VOCATIONAL AND TECHNICAL EDUCATION PROGRAM OPERATED AT JOHN F.
 8 KENNEDY MEMORIAL HIGH SCHOOL; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** (1) As used in this section, the following words
 11 shall have the meanings ascribed herein unless the context clearly
 12 requires otherwise:

13 (a) "Accreted value" of any bond means, as of any date
 14 of computation, an amount equal to the sum of (i) the stated
 15 initial value of such bond, plus (ii) the interest accrued thereon
 16 from the issue date to the date of computation at the rate,
 17 compounded semiannually, that is necessary to produce the
 18 approximate yield to maturity shown for bonds of the same
 19 maturity.

20 (b) "State" means the State of Mississippi.

21 (c) "Commission" means the State Bond Commission.



22 (2) (a) (i) A special fund, to be designated the "2018
23 North Bolivar Consolidated School District Improvements Fund," is
24 created within the State Treasury. The fund shall be maintained
25 by the State Treasurer as a separate and special fund, separate
26 and apart from the General Fund of the state. Unexpended amounts
27 remaining in the fund at the end of a fiscal year shall not lapse
28 into the State General Fund, and any interest earned or investment
29 earnings on amounts in the fund shall be deposited into such fund.

30 (ii) Monies deposited into the fund shall be
31 disbursed, in the discretion of the Department of Finance and
32 Administration, as follows:

33 1. Not more than Seven Hundred Fifty Thousand
34 Dollars (\$750,000.00) of the monies in the special fund shall be
35 used to assist the North Bolivar Consolidated School District in
36 paying costs associated with the repair, renovation,
37 rehabilitation and/or replacement of the heating, ventilation and
38 air conditioning system (HVAC) and the water and plumbing systems
39 of Broad Street High School; and

40 2. Not more than Seven Hundred Fifty Thousand
41 Dollars (\$750,000.00) of the monies in the special fund shall be
42 used to assist the North Bolivar Consolidated School District in
43 paying costs associated with making upgrades to the vocational and
44 technical education program operated at John F. Kennedy Memorial
45 High School.



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

56 (c) The expenditure of monies deposited into the
57 special fund shall be under the direction of the Department of
58 Finance and Administration, and such funds shall be paid by the
59 State Treasurer upon warrants issued by such department, which
60 warrants shall be issued upon requisitions signed by the Executive
61 Director of the Department of Finance and Administration, or his
62 designee.

63 (3) (a) The commission, at one time, or from time to time,
64 may declare by resolution the necessity for issuance of general
65 obligation bonds of the State of Mississippi to provide funds for
66 all costs incurred or to be incurred for the purposes described in
67 subsection (2) of this section. Upon the adoption of a resolution
68 by the Department of Finance and Administration, declaring the
69 necessity for the issuance of any part or all of the general
70 obligation bonds authorized by this section, the department shall



71 deliver a certified copy of its resolution or resolutions to the
72 commission. Upon receipt of such resolution, the commission, in
73 its discretion, may act as the issuing agent, prescribe the form
74 of the bonds, determine the appropriate method for sale of the
75 bonds, advertise for and accept bids or negotiate the sale of the
76 bonds, issue and sell the bonds so authorized to be sold and do
77 any and all other things necessary and advisable in connection
78 with the issuance and sale of such bonds. The total amount of
79 bonds issued under this section shall not exceed One Million Five
80 Hundred Thousand Dollars (\$1,500,000.00). No bonds shall be
81 issued under this section after July 1, 2022.

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.

