

By: Representatives Bell (65th), Paden, Banks, Burnett, Calhoun, Clark, Dortch, Faulkner, Hines, Holloway, Jackson, Watson, Williams-Barnes

To: Ways and Means

HOUSE BILL NO. 427

1 AN ACT TO CREATE THE "SMART STATE ACT"; TO ESTABLISH A GRANT
2 PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT
3 AUTHORITY FOR THE PURPOSE OF MAKING GRANTS TO MUNICIPALITIES TO
4 ASSIST IN PAYING COSTS ASSOCIATED WITH USING TECHNOLOGY TO IMPROVE
5 LAW ENFORCEMENT AND OTHER FORMS OF PUBLIC SAFETY SERVICES, TRAFFIC
6 CONTROL AND SYSTEMS, TRANSPORTATION SYSTEMS, TRANSPORTATION
7 INFRASTRUCTURE, AND OTHER INFRASTRUCTURE; TO AUTHORIZE THE
8 ISSUANCE OF \$50,000,000.00 OF STATE GENERAL OBLIGATION BONDS TO
9 PROVIDE FUNDS FOR SUCH GRANT PROGRAM; TO ESTABLISH A GRANT PROGRAM
10 TO BE ADMINISTERED BY THE STATE DEPARTMENT OF HEALTH FOR THE
11 PURPOSE OF MAKING GRANTS TO CERTAIN HEALTH CARE ENTITIES TO ASSIST
12 IN PAYING COSTS ASSOCIATED WITH USING TECHNOLOGY TO IMPROVE THE
13 AVAILABILITY OF HEALTH CARE SERVICES THROUGHOUT THE STATE; TO
14 AUTHORIZE THE ISSUANCE OF \$30,000,000.00 OF STATE GENERAL
15 OBLIGATION BONDS TO PROVIDE FUNDS FOR SUCH GRANT PROGRAM; AND FOR
16 RELATED PURPOSES.

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

18 **SECTION 1.** This act shall be known and may be cited as the
19 "Smart State Act."

20 **SECTION 2.** (1) There is hereby created in the State
21 Treasury a special fund to be designated as the "Municipalities
22 Technology Improvements Fund," which shall consist of funds made
23 available by the Legislature in any manner and funds from any
24 other source designated for deposit into such fund. Unexpended
25 amounts remaining in the fund at the end of a fiscal year shall



26 not lapse into the State General Fund, and any investment earnings
27 or interest earned on amounts in the fund shall be deposited to
28 the credit of the fund. Monies in the fund shall be used to make
29 grants to municipalities for the purposes provided in this
30 section.

31 (2) The Mississippi Development Authority shall establish a
32 grant program to make grants to municipalities in this state to
33 assist in paying costs associated with using technology to improve
34 law enforcement and other public safety services, traffic control
35 and systems, transportation systems, transportation
36 infrastructure, and other infrastructure. The Mississippi
37 Development Authority shall consult with the Jackson State
38 University College of Science, Engineering and Technology for the
39 purpose of establishing guidelines for the grant program. The
40 maximum amount of a grant made to a municipality under this
41 section cannot exceed the lesser of Three Million Dollars
42 (\$3,000,000.00) or seventy-five percent (75%) of the cost of the
43 project for which assistance is requested. A municipality may
44 apply to the Mississippi Development Authority for a grant under
45 this section in the manner provided for in this section.

46 (3) A municipality desiring a grant under this section must
47 submit an application to the Mississippi Development Authority.
48 The application must include a description of the project for
49 which the grant is requested, the cost of the project for which
50 the grant is requested, the amount of the grant requested and any



51 other information required by the Mississippi Development
52 Authority.

53 (4) The Mississippi Development Authority shall have all
54 powers necessary to implement and administer the program
55 established under this section, and the Mississippi Development
56 Authority shall promulgate rules and regulations, in accordance
57 with the Mississippi Administrative Procedures Law, necessary for
58 the implementation of this section.

59 **SECTION 3.** (1) As used in this section, the following words
60 shall have the meanings ascribed herein unless the context clearly
61 requires otherwise:

62 (a) "Accreted value" of any bonds means, as of any date
63 of computation, an amount equal to the sum of (i) the stated
64 initial value of such bond, plus (ii) the interest accrued thereon
65 from the issue date to the date of computation at the rate,
66 compounded semiannually, that is necessary to produce the
67 approximate yield to maturity shown for bonds of the same
68 maturity.

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

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

71 (2) (a) The Mississippi Development Authority, at one time,
72 or from time to time, may declare by resolution the necessity for
73 issuance of general obligation bonds of the State of Mississippi
74 to provide funds for the grant program authorized in Section 2 of
75 this act. Upon the adoption of a resolution by the Mississippi



76 Development Authority, declaring the necessity for the issuance of
77 any part or all of the general obligation bonds authorized by this
78 subsection, the Mississippi Development Authority shall deliver a
79 certified copy of its resolution or resolutions to the commission.
80 Upon receipt of such resolution, the commission, in its
81 discretion, may act as the issuing agent, prescribe the form of
82 the bonds, determine the appropriate method for sale of the bonds,
83 advertise for and accept bids or negotiate the sale of the bonds,
84 issue and sell the bonds so authorized to be sold, and do any and
85 all other things necessary and advisable in connection with the
86 issuance and sale of such bonds. The total amount of bonds issued
87 under this section shall not exceed Fifty Million Dollars
88 (\$50,000,000.00). No bonds authorized under this section shall be
89 issued after July 1, 2022.

90 (b) The proceeds of bonds issued pursuant to this
91 section shall be deposited into the Municipalities Technology
92 Improvements Fund created pursuant to Section 2 of this act. Any
93 investment earnings on bonds issued pursuant to this section shall
94 be used to pay debt service on bonds issued under this section, in
95 accordance with the proceedings authorizing issuance of such
96 bonds.

97 (3) The principal of and interest on the bonds authorized
98 under this section shall be payable in the manner provided in this
99 subsection. Such bonds shall bear such date or dates, be in such
100 denomination or denominations, bear interest at such rate or rates



101 (not to exceed the limits set forth in Section 75-17-101,
102 Mississippi Code of 1972), be payable at such place or places
103 within or without the State of Mississippi, shall mature
104 absolutely at such time or times not to exceed twenty-five (25)
105 years from date of issue, be redeemable before maturity at such
106 time or times and upon such terms, with or without premium, shall
107 bear such registration privileges, and shall be substantially in
108 such form, all as shall be determined by resolution of the
109 commission.

110 (4) The bonds authorized by this section shall be signed by
111 the chairman of the commission, or by his facsimile signature, and
112 the official seal of the commission shall be affixed thereto,
113 attested by the secretary of the commission. The interest
114 coupons, if any, to be attached to such bonds may be executed by
115 the facsimile signatures of such officers. Whenever any such
116 bonds shall have been signed by the officials designated to sign
117 the bonds who were in office at the time of such signing but who
118 may have ceased to be such officers before the sale and delivery
119 of such bonds, or who may not have been in office on the date such
120 bonds may bear, the signatures of such officers upon such bonds
121 and coupons shall nevertheless be valid and sufficient for all
122 purposes and have the same effect as if the person so officially
123 signing such bonds had remained in office until their delivery to
124 the purchaser, or had been in office on the date such bonds may
125 bear. However, notwithstanding anything herein to the contrary,



126 such bonds may be issued as provided in the Registered Bond Act of
127 the State of Mississippi.

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

134 (6) The commission shall act as issuing agent for the bonds
135 authorized under this section, prescribe the form of the bonds,
136 determine the appropriate method for sale of the bonds, advertise
137 for and accept bids or negotiate the sale of the bonds, issue and
138 sell the bonds so authorized to be sold, pay all fees and costs
139 incurred in such issuance and sale, and do any and all other
140 things necessary and advisable in connection with the issuance and
141 sale of such bonds. The commission is authorized and empowered to
142 pay the costs that are incident to the sale, issuance and delivery
143 of the bonds authorized under this section from the proceeds
144 derived from the sale of such bonds. The commission may sell such
145 bonds on sealed bids at public sale or may negotiate the sale of
146 the bonds for such price as it may determine to be for the best
147 interest of the State of Mississippi. All interest accruing on
148 such bonds so issued shall be payable semiannually or annually.

149 If such bonds are sold by sealed bids at public sale, notice
150 of the sale shall be published at least one time, not less than



151 ten (10) days before the date of sale, and shall be so published
152 in one or more newspapers published or having a general
153 circulation in the City of Jackson, Mississippi, selected by the
154 commission.

155 The commission, when issuing any bonds under the authority of
156 this section, may provide that bonds, at the option of the State
157 of Mississippi, may be called in for payment and redemption at the
158 call price named therein and accrued interest on such date or
159 dates named therein.

160 (7) The bonds issued under the provisions of this section
161 are general obligations of the State of Mississippi, and for the
162 payment thereof the full faith and credit of the State of
163 Mississippi is irrevocably pledged. If the funds appropriated by
164 the Legislature are insufficient to pay the principal of and the
165 interest on such bonds as they become due, then the deficiency
166 shall be paid by the State Treasurer from any funds in the State
167 Treasury not otherwise appropriated. All such bonds shall contain
168 recitals on their faces substantially covering the provisions of
169 this subsection.

170 (8) Upon the issuance and sale of bonds under the provisions
171 of this section, the commission shall transfer the proceeds of any
172 such sale or sales to the Municipalities Technology Improvements
173 Fund created in Section 2 of this act. The proceeds of such bonds
174 shall be disbursed solely upon the order of the Mississippi
175 Development Authority under such restrictions, if any, as may be



176 contained in the resolution providing for the issuance of the
177 bonds.

178 (9) The bonds authorized under this section may be issued
179 without any other proceedings or the happening of any other
180 conditions or things other than those proceedings, conditions and
181 things which are specified or required by this section. Any
182 resolution providing for the issuance of bonds under the
183 provisions of this section shall become effective immediately upon
184 its adoption by the commission, and any such resolution may be
185 adopted at any regular or special meeting of the commission by a
186 majority of its members.

187 (10) The bonds authorized under the authority of this
188 section may be validated in the Chancery Court of the First
189 Judicial District of Hinds County, Mississippi, in the manner and
190 with the force and effect provided by Chapter 13, Title 31,
191 Mississippi Code of 1972, for the validation of county, municipal,
192 school district and other bonds. The notice to taxpayers required
193 by such statutes shall be published in a newspaper published or
194 having a general circulation in the City of Jackson, Mississippi.

195 (11) Any holder of bonds issued under the provisions of this
196 section or of any of the interest coupons pertaining thereto may,
197 either at law or in equity, by suit, action, mandamus or other
198 proceeding, protect and enforce any and all rights granted under
199 this section, or under such resolution, and may enforce and compel
200 performance of all duties required by this section to be



201 performed, in order to provide for the payment of bonds and
202 interest thereon.

203 (12) All bonds issued under the provisions of this section
204 shall be legal investments for trustees and other fiduciaries, and
205 for savings banks, trust companies and insurance companies
206 organized under the laws of the State of Mississippi, and such
207 bonds shall be legal securities which may be deposited with and
208 shall be received by all public officers and bodies of this state
209 and all municipalities and political subdivisions for the purpose
210 of securing the deposit of public funds.

211 (13) Bonds issued under the provisions of this section and
212 income therefrom shall be exempt from all taxation in the State of
213 Mississippi.

214 (14) The proceeds of the bonds issued under this section
215 shall be used solely for the purposes therein provided, including
216 the costs incident to the issuance and sale of such bonds.

217 (15) The State Treasurer is authorized, without further
218 process of law, to certify to the Department of Finance and
219 Administration the necessity for warrants, and the Department of
220 Finance and Administration is authorized and directed to issue
221 such warrants, in such amounts as may be necessary to pay when due
222 the principal of, premium, if any, and interest on, or the
223 accreted value of, all bonds issued under this section; and the
224 State Treasurer shall forward the necessary amount to the
225 designated place or places of payment of such bonds in ample time



226 to discharge such bonds, or the interest thereon, on the due dates
227 thereof.

228 (16) This section shall be deemed to be full and complete
229 authority for the exercise of the powers therein granted, but this
230 section shall not be deemed to repeal or to be in derogation of
231 any existing law of this state.

232 **SECTION 4.** (1) There is hereby created in the State
233 Treasury a special fund to be designated as the "Mississippi
234 Health Care Technology Improvements Fund," which shall consist of
235 funds made available by the Legislature in any manner and funds
236 from any other source designated for deposit into such fund.
237 Unexpended amounts remaining in the fund at the end of a fiscal
238 year shall not lapse into the State General Fund, and any
239 investment earnings or interest earned on amounts in the fund
240 shall be deposited to the credit of the fund. Monies in the fund
241 shall be used to make grants to health care entities for the
242 purposes provided in this section. For the purposes of this
243 section, the term "health care entity" means a hospital, a health
244 clinic affiliated with a community hospital as defined in Section
245 41-13-10, and a federally qualified health center.

246 (2) The State Department of Health shall establish a grant
247 program to make grants to health care entities to assist in paying
248 costs associated with using technology to improve the availability
249 of health care services throughout the state. The State
250 Department of Health shall consult with the Jackson State



251 University School of Public Health for the purpose of establishing
252 guidelines for the grant program. The maximum amount of a grant
253 made to a health care entity under this section cannot exceed the
254 lesser of Three Million Dollars (\$3,000,000.00) or seventy-five
255 percent (75%) of the cost of the project for which assistance is
256 requested. A health care entity may apply to the State Department
257 of Health for a grant under this section in the manner provided
258 for in this section.

259 (3) A health care entity desiring a grant under this section
260 must submit an application to the State Department of Health. The
261 application must include a description of the project for which
262 the grant is requested, the cost of the project for which the
263 grant is requested, the amount of the grant requested and any
264 other information required by the State Department of Health.

265 (4) The State Department of Health shall have all powers
266 necessary to implement and administer the program established
267 under this section, and the State Department of Health shall
268 promulgate rules and regulations, in accordance with the
269 Mississippi Administrative Procedures Law, necessary for the
270 implementation of this section.

271 **SECTION 5.** (1) As used in this section, the following words
272 shall have the meanings ascribed herein unless the context clearly
273 requires otherwise:

274 (a) "Accreted value" of any bonds means, as of any date
275 of computation, an amount equal to the sum of (i) the stated



276 initial value of such bond, plus (ii) the interest accrued thereon
277 from the issue date to the date of computation at the rate,
278 compounded semiannually, that is necessary to produce the
279 approximate yield to maturity shown for bonds of the same
280 maturity.

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

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

283 (2) (a) The Department of Finance and Administration, at
284 one time, or from time to time, may declare by resolution the
285 necessity for issuance of general obligation bonds of the State of
286 Mississippi to provide funds for the grant program authorized in
287 Section 4 of this act. Upon the adoption of a resolution by the
288 Department of Finance and Administration, declaring the necessity
289 for the issuance of any part or all of the general obligation
290 bonds authorized by this subsection, the department shall deliver
291 a certified copy of its resolution or resolutions to the
292 commission. Upon receipt of such resolution, the commission, in
293 its discretion, may act as the issuing agent, prescribe the form
294 of the bonds, determine the appropriate method for sale of the
295 bonds, advertise for and accept bids or negotiate the sale of the
296 bonds, issue and sell the bonds so authorized to be sold, and do
297 any and all other things necessary and advisable in connection
298 with the issuance and sale of such bonds. The total amount of
299 bonds issued under this section shall not exceed Thirty Million



300 Dollars (\$30,000,000.00). No bonds authorized under this section
301 shall be issued after July 1, 2022.

302 (b) The proceeds of bonds issued pursuant to this
303 section shall be deposited into the Mississippi Health Care
304 Technology Improvements Fund created pursuant to Section 4 of this
305 act. Any investment earnings on bonds issued pursuant to this
306 section shall be used to pay debt service on bonds issued under
307 this section, in accordance with the proceedings authorizing
308 issuance of such bonds.

309 (3) The principal of and interest on the bonds authorized
310 under this section shall be payable in the manner provided in this
311 subsection. Such bonds shall bear such date or dates, be in such
312 denomination or denominations, bear interest at such rate or rates
313 (not to exceed the limits set forth in Section 75-17-101,
314 Mississippi Code of 1972), be payable at such place or places
315 within or without the State of Mississippi, shall mature
316 absolutely at such time or times not to exceed twenty-five (25)
317 years from date of issue, be redeemable before maturity at such
318 time or times and upon such terms, with or without premium, shall
319 bear such registration privileges, and shall be substantially in
320 such form, all as shall be determined by resolution of the
321 commission.

322 (4) The bonds authorized by this section shall be signed by
323 the chairman of the commission, or by his facsimile signature, and
324 the official seal of the commission shall be affixed thereto,



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

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

346 (6) The commission shall act as issuing agent for the bonds
347 authorized under this section, prescribe the form of the bonds,
348 determine the appropriate method for sale of the bonds, advertise
349 for and accept bids or negotiate the sale of the bonds, issue and



350 sell the bonds so authorized to be sold, pay all fees and costs
351 incurred in such issuance and sale, and do any and all other
352 things necessary and advisable in connection with the issuance and
353 sale of such bonds. The commission is authorized and empowered to
354 pay the costs that are incident to the sale, issuance and delivery
355 of the bonds authorized under this section from the proceeds
356 derived from the sale of such bonds. The commission may sell such
357 bonds on sealed bids at public sale or may negotiate the sale of
358 the bonds for such price as it may determine to be for the best
359 interest of the State of Mississippi. All interest accruing on
360 such bonds so issued shall be payable semiannually or annually.

361 If such bonds are sold by sealed bids at public sale, notice
362 of the sale shall be published at least one time, not less than
363 ten (10) days before the date of sale, and shall be so published
364 in one or more newspapers published or having a general
365 circulation in the City of Jackson, Mississippi, selected by the
366 commission.

367 The commission, when issuing any bonds under the authority of
368 this section, may provide that bonds, at the option of the State
369 of Mississippi, may be called in for payment and redemption at the
370 call price named therein and accrued interest on such date or
371 dates named therein.

372 (7) The bonds issued under the provisions of this section
373 are general obligations of the State of Mississippi, and for the
374 payment thereof the full faith and credit of the State of



375 Mississippi is irrevocably pledged. If the funds appropriated by
376 the Legislature are insufficient to pay the principal of and the
377 interest on such bonds as they become due, then the deficiency
378 shall be paid by the State Treasurer from any funds in the State
379 Treasury not otherwise appropriated. All such bonds shall contain
380 recitals on their faces substantially covering the provisions of
381 this subsection.

382 (8) Upon the issuance and sale of bonds under the provisions
383 of this section, the commission shall transfer the proceeds of any
384 such sale or sales to the Mississippi Health Care Technology
385 Improvements Fund created in Section 4 of this act. The proceeds
386 of such bonds shall be disbursed solely upon the order of the
387 State Department of Health under such restrictions, if any, as may
388 be contained in the resolution providing for the issuance of the
389 bonds.

390 (9) The bonds authorized under this section may be issued
391 without any other proceedings or the happening of any other
392 conditions or things other than those proceedings, conditions and
393 things which are specified or required by this section. Any
394 resolution providing for the issuance of bonds under the
395 provisions of this section shall become effective immediately upon
396 its adoption by the commission, and any such resolution may be
397 adopted at any regular or special meeting of the commission by a
398 majority of its members.



399 (10) The bonds authorized under the authority of this
400 section may be validated in the Chancery Court of the First
401 Judicial District of Hinds County, Mississippi, in the manner and
402 with the force and effect provided by Chapter 13, Title 31,
403 Mississippi Code of 1972, for the validation of county, municipal,
404 school district and other bonds. The notice to taxpayers required
405 by such statutes shall be published in a newspaper published or
406 having a general circulation in the City of Jackson, Mississippi.

407 (11) Any holder of bonds issued under the provisions of this
408 section or of any of the interest coupons pertaining thereto may,
409 either at law or in equity, by suit, action, mandamus or other
410 proceeding, protect and enforce any and all rights granted under
411 this section, or under such resolution, and may enforce and compel
412 performance of all duties required by this section to be
413 performed, in order to provide for the payment of bonds and
414 interest thereon.

415 (12) All bonds issued under the provisions of this section
416 shall be legal investments for trustees and other fiduciaries, and
417 for savings banks, trust companies and insurance companies
418 organized under the laws of the State of Mississippi, and such
419 bonds shall be legal securities which may be deposited with and
420 shall be received by all public officers and bodies of this state
421 and all municipalities and political subdivisions for the purpose
422 of securing the deposit of public funds.



423 (13) Bonds issued under the provisions of this section and
424 income therefrom shall be exempt from all taxation in the State of
425 Mississippi.

426 (14) The proceeds of the bonds issued under this section
427 shall be used solely for the purposes therein provided, including
428 the costs incident to the issuance and sale of such bonds.

429 (15) The State Treasurer is authorized, without further
430 process of law, to certify to the Department of Finance and
431 Administration the necessity for warrants, and the Department of
432 Finance and Administration is authorized and directed to issue
433 such warrants, in such amounts as may be necessary to pay when due
434 the principal of, premium, if any, and interest on, or the
435 accreted value of, all bonds issued under this section; and the
436 State Treasurer shall forward the necessary amount to the
437 designated place or places of payment of such bonds in ample time
438 to discharge such bonds, or the interest thereon, on the due dates
439 thereof.

440 (16) This section shall be deemed to be full and complete
441 authority for the exercise of the powers therein granted, but this
442 section shall not be deemed to repeal or to be in derogation of
443 any existing law of this state.

444 **SECTION 6.** This act shall take effect and be in force from
445 and after July 1, 2018.

