

By: Representative Bell (21st)

To: Ways and Means

HOUSE BILL NO. 555

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS TO PROVIDE FUNDS FOR THE STATE DEPARTMENT OF EDUCATION TO MAKE
 3 FUNDING AVAILABLE TO SCHOOL DISTRICTS FOR THE PURPOSE OF ENHANCING
 4 VOCATIONAL AND TECHNICAL EDUCATION PROGRAMS IN THE PUBLIC SCHOOL
 5 SYSTEM; TO ESTABLISH A PROGRAM IN THE STATE DEPARTMENT OF
 6 EDUCATION TO MAKE FUNDING AVAILABLE TO SCHOOL DISTRICTS FOR THE
 7 PURPOSE OF ENHANCING VOCATIONAL AND TECHNICAL EDUCATION PROGRAMS
 8 IN THE PUBLIC SCHOOL SYSTEM; TO SPECIFY CERTAIN INFORMATION THAT
 9 MUST BE INCLUDED IN A SCHOOL DISTRICT'S APPLICATION FOR AN
 10 ALLOCATION OF FUNDS UNDER THE PROGRAM; TO REQUIRE THE STATE BOARD
 11 OF EDUCATION TO ADOPT RULES AND REGULATIONS GOVERNING THE
 12 APPLICATION PROCESS; AND FOR RELATED PURPOSES.

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

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

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



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

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

26 (2) (a) The commission, at one time, or from time to time,
27 may declare by resolution the necessity for issuance of general
28 obligation bonds of the State of Mississippi to provide funds for
29 the program authorized in Section 2 of this act. Upon the
30 adoption of a resolution by the State Department of Education,
31 declaring the necessity for the issuance of any part or all of the
32 general obligation bonds authorized by this subsection, the State
33 Department of Education shall deliver a certified copy of its
34 resolution or resolutions to the commission. Upon receipt of such
35 resolution, the commission, in its discretion, may act as the
36 issuing agent, prescribe the form of the bonds, determine the
37 appropriate method for sale of the bonds, advertise for and accept
38 bids or negotiate the sale of the bonds, issue and sell the bonds
39 so authorized to be sold, and do any and all other things
40 necessary and advisable in connection with the issuance and sale
41 of such bonds. The total amount of bonds issued under this
42 section shall not exceed Ten Million Dollars (\$10,000,000.00). No
43 bonds authorized under this section shall be issued after July 1,
44 2022.

45 (b) The proceeds of bonds issued pursuant to this
46 section shall be deposited into the 2018 Public School Vocational
47 and Technical Education Fund created pursuant to Section 2 of this
48 act. Any investment earnings on bonds issued pursuant to this



49 section shall be used to pay debt service on bonds issued under
50 this section, in accordance with the proceedings authorizing
51 issuance of such bonds.

52 (3) The principal of and interest on the bonds authorized
53 under this section shall be payable in the manner provided in this
54 subsection. Such bonds shall bear such date or dates, be in such
55 denomination or denominations, bear interest at such rate or rates
56 (not to exceed the limits set forth in Section 75-17-101,
57 Mississippi Code of 1972), be payable at such place or places
58 within or without the State of Mississippi, shall mature
59 absolutely at such time or times not to exceed twenty-five (25)
60 years from date of issue, be redeemable before maturity at such
61 time or times and upon such terms, with or without premium, shall
62 bear such registration privileges, and shall be substantially in
63 such form, all as shall be determined by resolution of the
64 commission.

65 (4) The bonds authorized by this section shall be signed by
66 the chairman of the commission, or by his facsimile signature, and
67 the official seal of the commission shall be affixed thereto,
68 attested by the secretary of the commission. The interest
69 coupons, if any, to be attached to such bonds may be executed by
70 the facsimile signatures of such officers. Whenever any such
71 bonds shall have been signed by the officials designated to sign
72 the bonds who were in office at the time of such signing but who
73 may have ceased to be such officers before the sale and delivery



74 of such bonds, or who may not have been in office on the date such
75 bonds may bear, the signatures of such officers upon such bonds
76 and coupons shall nevertheless be valid and sufficient for all
77 purposes and have the same effect as if the person so officially
78 signing such bonds had remained in office until their delivery to
79 the purchaser, or had been in office on the date such bonds may
80 bear. However, notwithstanding anything herein to the contrary,
81 such bonds may be issued as provided in the Registered Bond Act of
82 the State of Mississippi.

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

89 (6) The commission shall act as issuing agent for the bonds
90 authorized under this section, prescribe the form of the bonds,
91 determine the appropriate method for sale of the bonds, advertise
92 for and accept bids or negotiate the sale of the bonds, issue and
93 sell the bonds so authorized to be sold, pay all fees and costs
94 incurred in such issuance and sale, and do any and all other
95 things necessary and advisable in connection with the issuance and
96 sale of such bonds. The commission is authorized and empowered to
97 pay the costs that are incident to the sale, issuance and delivery
98 of the bonds authorized under this section from the proceeds



99 derived from the sale of such bonds. The commission may sell such
100 bonds on sealed bids at public sale or may negotiate the sale of
101 the bonds for such price as it may determine to be for the best
102 interest of the State of Mississippi. All interest accruing on
103 such bonds so issued shall be payable semiannually or annually.

104 If such bonds are sold by sealed bids at public sale, notice
105 of the sale shall be published at least one time, not less than
106 ten (10) days before the date of sale, and shall be so published
107 in one or more newspapers published or having a general
108 circulation in the City of Jackson, Mississippi, selected by the
109 commission.

110 The commission, when issuing any bonds under the authority of
111 this section, may provide that bonds, at the option of the State
112 of Mississippi, may be called in for payment and redemption at the
113 call price named therein and accrued interest on such date or
114 dates named therein.

115 (7) The bonds issued under the provisions of this section
116 are general obligations of the State of Mississippi, and for the
117 payment thereof the full faith and credit of the State of
118 Mississippi is irrevocably pledged. If the funds appropriated by
119 the Legislature are insufficient to pay the principal of and the
120 interest on such bonds as they become due, then the deficiency
121 shall be paid by the State Treasurer from any funds in the State
122 Treasury not otherwise appropriated. All such bonds shall contain



123 recitals on their faces substantially covering the provisions of
124 this subsection.

125 (8) Upon the issuance and sale of bonds under the provisions
126 of this section, the commission shall transfer the proceeds of any
127 such sale or sales to the special fund created in Section 2 of
128 this act. The proceeds of such bonds shall be disbursed solely
129 upon the order of the State Department of Education under such
130 restrictions, if any, as may be contained in the resolution
131 providing for the issuance of the bonds.

132 (9) The bonds authorized under this section may be issued
133 without any other proceedings or the happening of any other
134 conditions or things other than those proceedings, conditions and
135 things which are specified or required by this section. Any
136 resolution providing for the issuance of bonds under the
137 provisions of this section shall become effective immediately upon
138 its adoption by the commission, and any such resolution may be
139 adopted at any regular or special meeting of the commission by a
140 majority of its members.

141 (10) The bonds authorized under the authority of this
142 section may be validated in the Chancery Court of the First
143 Judicial District of Hinds County, Mississippi, in the manner and
144 with the force and effect provided by Chapter 13, Title 31,
145 Mississippi Code of 1972, for the validation of county, municipal,
146 school district and other bonds. The notice to taxpayers required



147 by such statutes shall be published in a newspaper published or
148 having a general circulation in the City of Jackson, Mississippi.

149 (11) Any holder of bonds issued under the provisions of this
150 section or of any of the interest coupons pertaining thereto may,
151 either at law or in equity, by suit, action, mandamus or other
152 proceeding, protect and enforce any and all rights granted under
153 this section, or under such resolution, and may enforce and compel
154 performance of all duties required by this section to be
155 performed, in order to provide for the payment of bonds and
156 interest thereon.

157 (12) All bonds issued under the provisions of this section
158 shall be legal investments for trustees and other fiduciaries, and
159 for savings banks, trust companies and insurance companies
160 organized under the laws of the State of Mississippi, and such
161 bonds shall be legal securities which may be deposited with and
162 shall be received by all public officers and bodies of this state
163 and all municipalities and political subdivisions for the purpose
164 of securing the deposit of public funds.

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

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



171 (15) The State Treasurer is authorized, without further
172 process of law, to certify to the Department of Finance and
173 Administration the necessity for warrants, and the Department of
174 Finance and Administration is authorized and directed to issue
175 such warrants, in such amounts as may be necessary to pay when due
176 the principal of, premium, if any, and interest on, or the
177 accreted value of, all bonds issued under this section; and the
178 State Treasurer shall forward the necessary amount to the
179 designated place or places of payment of such bonds in ample time
180 to discharge such bonds, or the interest thereon, on the due dates
181 thereof.

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

186 **SECTION 2.** (1) (a) There is established within the State
187 Department of Education a program to make funding available to
188 school districts for the purpose of making needed improvements to
189 the vocational and technical education programs in the public
190 school system. Under the program, the State Department of
191 Education may make allocations to eligible school districts that
192 request funding to defray the expense of making certain
193 improvements to the vocational education program in those
194 districts.



195 (b) (i) A special fund, to be designated as the "2018
196 Public School Vocational and Technical Education Fund" is created
197 within the State Treasury. The fund shall be maintained by the
198 State Treasurer as a separate and special fund, separate and apart
199 from the General Fund of the state. Unexpended amounts remaining
200 in the fund at the end of a fiscal year shall not lapse into the
201 State General Fund, and any interest earned or investment earnings
202 on amounts in the fund shall be deposited into such fund.

203 (ii) Monies deposited into the fund shall be
204 disbursed, in the discretion of the State Department of Education,
205 to provide funds to school districts in the state for the purposes
206 described in this section.

207 (2) Any school district seeking funding under the program
208 established under this section must submit a written application
209 to the State Board of Education. The application must include no
210 less than the following information:

211 (a) The specific dollar amount of funds being
212 requested;

213 (b) A detailed description of the improvements for
214 which the funds are needed, which may include, but need not be
215 limited to: expanding vocational and technical education
216 facilities; repairing, upgrading or replacing existing equipment;
217 purchasing new equipment necessary to implement training in skills
218 or a trade previously not taught in the school district, which
219 training is necessitated by new job skill sets required to support



220 new or expanding industry in the vicinity of the school district;
221 providing training to vocational education instructors in the
222 latest applications and advancements in technology and in the use
223 of technology and equipment new to the school district; employing
224 additional vocational and technical education teachers needed to
225 meet the needs of training in a specific technology or due to a
226 documented increase in student enrollment; and such other purposes
227 determined to be appropriate by the State Department of Education;

228 (c) An explanation of the justifiable need for the
229 funds, supported by documentation reflecting an increase in the
230 number of students enrolled in or desiring to enroll in the
231 particular vocational training program to be enhanced by the
232 expenditures;

233 (d) Evidence of the vocational and technical education
234 program's success in providing training to students which has
235 enabled those students to be gainfully employed in an industry
236 dependent upon the training received through the vocational
237 education program; and

238 (e) Any other information that may be required by the
239 State Board of Education.

240 (3) The State Board of Education shall adopt rules and
241 regulations governing the application process and establishing the
242 criteria under which determinations on requests for allocations
243 under the program will be made.



244 **SECTION 3.** This act shall take effect and be in force from
245 and after July 1, 2018.

