

By: Representative Bennett

To: Ways and Means

HOUSE BILL NO. 1531

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE CITY OF GULFPORT,
3 MISSISSIPPI, IN PAYING COSTS ASSOCIATED WITH THE CONSTRUCTION OF
4 THE MISSISSIPPI AQUARIUM IN THE CITY OF GULFPORT; AND FOR RELATED
5 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 Mississippi Aquarium Construction Fund," is created within the
21 State Treasury. The fund shall be maintained by the State
22 Treasurer as a separate and special fund, separate and apart from
23 the General Fund of the state. Unexpended amounts remaining in
24 the fund at the end of a fiscal year shall not lapse into the
25 State General Fund, and any interest earned or investment earnings
26 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, to assist the City of Gulfport, Mississippi, in
30 paying costs associated with the construction, furnishing and
31 equipping of the Mississippi Aquarium and related facilities in
32 Gulfport, Mississippi, and infrastructure related to the aquarium
33 and related facilities.

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



44 (3) (a) The commission, at one time, or from time to time,
45 may declare by resolution the necessity for issuance of general
46 obligation bonds of the State of Mississippi to provide funds for
47 all costs incurred or to be incurred for the purposes described in
48 subsection (2) of this section. Upon the adoption of a resolution
49 by the Department of Finance and Administration, declaring the
50 necessity for the issuance of any part or all of the general
51 obligation bonds authorized by this subsection, the department
52 shall deliver a certified copy of its resolution or resolutions to
53 the commission. Upon receipt of such resolution, the commission,
54 in its discretion, may act as the issuing agent, prescribe the
55 form of the bonds, determine the appropriate method for sale of
56 the bonds, advertise for and accept bids or negotiate the sale of
57 the bonds, issue and sell the bonds so authorized to be sold, and
58 do any and all other things necessary and advisable in connection
59 with the issuance and sale of such bonds. The total amount of
60 bonds issued under this section shall not exceed Twenty Million
61 Dollars (\$20,000,000.00). No bonds shall be issued under this
62 section after July 1, 2022.

63 (b) Any investment earnings on amounts deposited into
64 the special fund created in subsection (2) of this section shall
65 be used to pay debt service on bonds issued under this section, in
66 accordance with the proceedings authorizing issuance of such
67 bonds.



68 (4) The principal of and interest on the bonds authorized
69 under this section shall be payable in the manner provided in this
70 subsection. Such bonds shall bear such date or dates, be in such
71 denomination or denominations, bear interest at such rate or rates
72 (not to exceed the limits set forth in Section 75-17-101,
73 Mississippi Code of 1972), be payable at such place or places
74 within or without the State of Mississippi, shall mature
75 absolutely at such time or times not to exceed twenty-five (25)
76 years from date of issue, be redeemable before maturity at such
77 time or times and upon such terms, with or without premium, shall
78 bear such registration privileges, and shall be substantially in
79 such form, all as shall be determined by resolution of the
80 commission.

81 (5) The bonds authorized by this section shall be signed by
82 the chairman of the commission, or by his facsimile signature, and
83 the official seal of the commission shall be affixed thereto,
84 attested by the secretary of the commission. The interest
85 coupons, if any, to be attached to such bonds may be executed by
86 the facsimile signatures of such officers. Whenever any such
87 bonds shall have been signed by the officials designated to sign
88 the bonds who were in office at the time of such signing but who
89 may have ceased to be such officers before the sale and delivery
90 of such bonds, or who may not have been in office on the date such
91 bonds may bear, the signatures of such officers upon such bonds
92 and coupons shall nevertheless be valid and sufficient for all



93 purposes and have the same effect as if the person so officially
94 signing such bonds had remained in office until their delivery to
95 the purchaser, or had been in office on the date such bonds may
96 bear. However, notwithstanding anything herein to the contrary,
97 such bonds may be issued as provided in the Registered Bond Act of
98 the State of Mississippi.

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

105 (7) The commission shall act as issuing agent for the bonds
106 authorized under this section, prescribe the form of the bonds,
107 determine the appropriate method for sale of the bonds, advertise
108 for and accept bids or negotiate the sale of the bonds, issue and
109 sell the bonds so authorized to be sold, pay all fees and costs
110 incurred in such issuance and sale, and do any and all other
111 things necessary and advisable in connection with the issuance and
112 sale of such bonds. The commission is authorized and empowered to
113 pay the costs that are incident to the sale, issuance and delivery
114 of the bonds authorized under this section from the proceeds
115 derived from the sale of such bonds. The commission may sell such
116 bonds on sealed bids at public sale or may negotiate the sale of
117 the bonds for such price as it may determine to be for the best



118 interest of the State of Mississippi. All interest accruing on
119 such bonds so issued shall be payable semiannually or annually.

120 If such bonds are sold by sealed bids at public sale, notice
121 of the sale shall be published at least one time, not less than
122 ten (10) days before the date of sale, and shall be so published
123 in one or more newspapers published or having a general
124 circulation in the City of Jackson, Mississippi, selected by the
125 commission.

126 The commission, when issuing any bonds under the authority of
127 this section, may provide that bonds, at the option of the State
128 of Mississippi, may be called in for payment and redemption at the
129 call price named therein and accrued interest on such date or
130 dates named therein.

131 (8) The bonds issued under the provisions of this section
132 are general obligations of the State of Mississippi, and for the
133 payment thereof the full faith and credit of the State of
134 Mississippi is irrevocably pledged. If the funds appropriated by
135 the Legislature are insufficient to pay the principal of and the
136 interest on such bonds as they become due, then the deficiency
137 shall be paid by the State Treasurer from any funds in the State
138 Treasury not otherwise appropriated. All such bonds shall contain
139 recitals on their faces substantially covering the provisions of
140 this subsection.

141 (9) Upon the issuance and sale of bonds under the provisions
142 of this section, the commission shall transfer the proceeds of any



such sale or sales to the special fund created in subsection (2) of this section. The proceeds of such bonds shall be disbursed solely upon the order of the Department of Finance and Administration under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

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

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

(12) Any holder of bonds issued under the provisions of this section or of any of the interest coupons pertaining thereto may,



168 either at law or in equity, by suit, action, mandamus or other
169 proceeding, protect and enforce any and all rights granted under
170 this section, or under such resolution, and may enforce and compel
171 performance of all duties required by this section to be
172 performed, in order to provide for the payment of bonds and
173 interest thereon.

174 (13) All bonds issued under the provisions of this section
175 shall be legal investments for trustees and other fiduciaries, and
176 for savings banks, trust companies and insurance companies
177 organized under the laws of the State of Mississippi, and such
178 bonds shall be legal securities which may be deposited with and
179 shall be received by all public officers and bodies of this state
180 and all municipalities and political subdivisions for the purpose
181 of securing the deposit of public funds.

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

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

188 (16) The State Treasurer is authorized, without further
189 process of law, to certify to the Department of Finance and
190 Administration the necessity for warrants, and the Department of
191 Finance and Administration is authorized and directed to issue
192 such warrants, in such amounts as may be necessary to pay when due



193 the principal of, premium, if any, and interest on, or the
194 accreted value of, all bonds issued under this section; and the
195 State Treasurer shall forward the necessary amount to the
196 designated place or places of payment of such bonds in ample time
197 to discharge such bonds, or the interest thereon, on the due dates
198 thereof.

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

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

