

By: Representative Snowden

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1554

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST IN PAYING COSTS ASSOCIATED WITH
3 CONSTRUCTION, FURNISHING AND EQUIPPING OF THE MISSISSIPPI
4 CHILDREN'S MUSEUM - MERIDIAN IN MERIDIAN, MISSISSIPPI; AND FOR
5 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 Mississippi Children's Museum - Meridian Construction 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, to assist in paying costs associated with
30 construction, furnishing and equipping of the Mississippi
31 Children's Museum - Meridian in Meridian, Mississippi.

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

42 (3) (a) The commission, at one time, or from time to time,
43 may declare by resolution the necessity for issuance of general



obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in subsection (2) of this section. Upon the adoption of a resolution by the Department of Finance and Administration, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed One Million Dollars (\$1,000,000.00). No bonds shall be issued under this section after July 1, 2022.

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

(4) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such bonds shall bear such date or dates, be in such



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

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



94 bear. However, notwithstanding anything herein to the contrary,
95 such bonds may be issued as provided in the Registered Bond Act of
96 the State of Mississippi.

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

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



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

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

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

139 (9) Upon the issuance and sale of bonds under the provisions
140 of this section, the commission shall transfer the proceeds of any
141 such sale or sales to the special fund created in subsection (2)
142 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, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under



168 this section, or under such resolution, and may enforce and compel
169 performance of all duties required by this section to be
170 performed, in order to provide for the payment of bonds and
171 interest thereon.

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

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

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

186 (16) The State Treasurer is authorized, without further
187 process of law, to certify to the Department of Finance and
188 Administration the necessity for warrants, and the Department of
189 Finance and Administration is authorized and directed to issue
190 such warrants, in such amounts as may be necessary to pay when due
191 the principal of, premium, if any, and interest on, or the
192 accreted value of, all bonds issued under this section; and the



193 State Treasurer shall forward the necessary amount to the
194 designated place or places of payment of such bonds in ample time
195 to discharge such bonds, or the interest thereon, on the due dates
196 thereof.

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

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

