

By: Representative Hudson

To: Ways and Means

HOUSE BILL NO. 50

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE WEST BOLIVAR CONSOLIDATED
3 SCHOOL DISTRICT IN PAYING COSTS ASSOCIATED WITH MAKING CERTAIN
4 REPAIRS AND RENOVATIONS AT WEST BOLIVAR HIGH SCHOOL, SHAW HIGH
5 SCHOOL AND RAY BROOKS SCHOOL; AND FOR 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 "2019
20 West Bolivar Consolidated School District Improvements 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, as follows:

30 1. Not more than Seven Hundred Fifty Thousand
31 Dollars (\$750,000.00) of the monies in the special fund shall be
32 used to assist the West Bolivar Consolidated School District in
33 paying costs associated with the following purposes at West
34 Bolivar High School:

35 a. Repair, renovation, rehabilitation
36 and/or replacement of the heating, ventilation and air
37 conditioning systems (HVAC),

38 b. Repair, renovation, rehabilitation
39 and/or replacement of the water and sewer systems, and

40 c. Removal of mold from interior
41 surfaces of structures and repair of mold damaged structures;

42 2. Not more than Seven Hundred Fifty Thousand
43 Dollars (\$750,000.00) of the monies in the special fund shall be



44 used to assist the West Bolivar Consolidated School District in
45 paying costs associated with the following purposes at Shaw High
46 School:

47 a. Repair, renovation, rehabilitation
48 and/or replacement of the heating, ventilation and air
49 conditioning systems (HVAC),

50 b. Repair, renovation, rehabilitation
51 and/or replacement of the water and sewer systems, and

52 c. Removal of mold from interior
53 surfaces of structures and repair of mold damaged structures; and

54 3. Not more than Seven Hundred Fifty Thousand
55 Dollars (\$750,000.00) of the monies in the special fund shall be
56 used to assist the West Bolivar Consolidated School District in
57 paying costs associated with the following purposes at Ray Brooks
58 School:

59 a. Repair, renovation, rehabilitation
60 and/or replacement of the heating, ventilation and air
61 conditioning systems (HVAC),

62 b. Repair, renovation, rehabilitation
63 and/or replacement of the water and sewer systems, and

64 c. Removal of mold from interior
65 surfaces of structures and repair of mold damaged structures.

66 (b) Amounts deposited into such special fund shall be
67 disbursed to pay the costs of the projects described in paragraph
68 (a) of this subsection. Promptly after the commission has



69 certified, by resolution duly adopted, that the projects described
70 in paragraph (a) of this subsection shall have been completed,
71 abandoned, or cannot be completed in a timely fashion, any amounts
72 remaining in such special fund shall be applied to pay debt
73 service on the bonds issued under this section, in accordance with
74 the proceedings authorizing the issuance of such bonds and as
75 directed by the commission.

76 (c) The expenditure of monies deposited into the
77 special fund shall be under the direction of the Department of
78 Finance and Administration, and such funds shall be paid by the
79 State Treasurer upon warrants issued by such department, which
80 warrants shall be issued upon requisitions signed by the Executive
81 Director of the Department of Finance and Administration, or his
82 designee.

83 (3) (a) The commission, at one time, or from time to time,
84 may declare by resolution the necessity for issuance of general
85 obligation bonds of the State of Mississippi to provide funds for
86 all costs incurred or to be incurred for the purposes described in
87 subsection (2) of this section. Upon the adoption of a resolution
88 by the Department of Finance and Administration, declaring the
89 necessity for the issuance of any part or all of the general
90 obligation bonds authorized by this section, the department shall
91 deliver a certified copy of its resolution or resolutions to the
92 commission. Upon receipt of such resolution, the commission, in
93 its discretion, may act as the issuing agent, prescribe the form



94 of the bonds, determine the appropriate method for sale of the
95 bonds, advertise for and accept bids or negotiate the sale of the
96 bonds, issue and sell the bonds so authorized to be sold and do
97 any and all other things necessary and advisable in connection
98 with the issuance and sale of such bonds. The total amount of
99 bonds issued under this section shall not exceed Two Million Two
100 Hundred Fifty Thousand Dollars (\$2,250,000.00). No bonds shall be
101 issued under this section after July 1, 2023.

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

107 (4) The principal of and interest on the bonds authorized
108 under this section shall be payable in the manner provided in this
109 subsection. Such bonds shall bear such date or dates, be in such
110 denomination or denominations, bear interest at such rate or rates
111 (not to exceed the limits set forth in Section 75-17-101,
112 Mississippi Code of 1972), be payable at such place or places
113 within or without the State of Mississippi, shall mature
114 absolutely at such time or times not to exceed twenty-five (25)
115 years from date of issue, be redeemable before maturity at such
116 time or times and upon such terms, with or without premium, shall
117 bear such registration privileges, and shall be substantially in



118 such form, all as shall be determined by resolution of the
119 commission.

120 (5) The bonds authorized by this section shall be signed by
121 the chairman of the commission, or by his facsimile signature, and
122 the official seal of the commission shall be affixed thereto,
123 attested by the secretary of the commission. The interest
124 coupons, if any, to be attached to such bonds may be executed by
125 the facsimile signatures of such officers. Whenever any such
126 bonds shall have been signed by the officials designated to sign
127 the bonds who were in office at the time of such signing but who
128 may have ceased to be such officers before the sale and delivery
129 of such bonds, or who may not have been in office on the date such
130 bonds may bear, the signatures of such officers upon such bonds
131 and coupons shall nevertheless be valid and sufficient for all
132 purposes and have the same effect as if the person so officially
133 signing such bonds had remained in office until their delivery to
134 the purchaser, or had been in office on the date such bonds may
135 bear. However, notwithstanding anything herein to the contrary,
136 such bonds may be issued as provided in the Registered Bond Act of
137 the State of Mississippi.

138 (6) All bonds and interest coupons issued under the
139 provisions of this section have all the qualities and incidents of
140 negotiable instruments under the provisions of the Uniform
141 Commercial Code, and in exercising the powers granted by this



142 section, the commission shall not be required to and need not
143 comply with the provisions of the Uniform Commercial Code.

144 (7) The commission shall act as issuing agent for the bonds
145 authorized under this section, prescribe the form of the bonds,
146 determine the appropriate method for sale of the bonds, advertise
147 for and accept bids or negotiate the sale of the bonds, issue and
148 sell the bonds so authorized to be sold, pay all fees and costs
149 incurred in such issuance and sale, and do any and all other
150 things necessary and advisable in connection with the issuance and
151 sale of such bonds. The commission is authorized and empowered to
152 pay the costs that are incident to the sale, issuance and delivery
153 of the bonds authorized under this section from the proceeds
154 derived from the sale of such bonds. The commission may sell such
155 bonds on sealed bids at public sale or may negotiate the sale of
156 the bonds for such price as it may determine to be for the best
157 interest of the State of Mississippi. All interest accruing on
158 such bonds so issued shall be payable semiannually or annually.

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

165 The commission, when issuing any bonds under the authority of
166 this section, may provide that bonds, at the option of the State



167 of Mississippi, may be called in for payment and redemption at the
168 call price named therein and accrued interest on such date or
169 dates named therein.

170 (8) The bonds issued under the provisions of this section
171 are general obligations of the State of Mississippi, and for the
172 payment thereof the full faith and credit of the State of
173 Mississippi is irrevocably pledged. If the funds appropriated by
174 the Legislature are insufficient to pay the principal of and the
175 interest on such bonds as they become due, then the deficiency
176 shall be paid by the State Treasurer from any funds in the State
177 Treasury not otherwise appropriated. All such bonds shall contain
178 recitals on their faces substantially covering the provisions of
179 this subsection.

180 (9) Upon the issuance and sale of bonds under the provisions
181 of this section, the commission shall transfer the proceeds of any
182 such sale or sales to the special fund created in subsection (2)
183 of this section. The proceeds of such bonds shall be disbursed
184 solely upon the order of the Department of Finance and
185 Administration under such restrictions, if any, as may be
186 contained in the resolution providing for the issuance of the
187 bonds.

188 (10) The bonds authorized under this section may be issued
189 without any other proceedings or the happening of any other
190 conditions or things other than those proceedings, conditions and
191 things which are specified or required by this section. Any



192 resolution providing for the issuance of bonds under the
193 provisions of this section shall become effective immediately upon
194 its adoption by the commission, and any such resolution may be
195 adopted at any regular or special meeting of the commission by a
196 majority of its members.

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

205 (12) Any holder of bonds issued under the provisions of this
206 section or of any of the interest coupons pertaining thereto may,
207 either at law or in equity, by suit, action, mandamus or other
208 proceeding, protect and enforce any and all rights granted under
209 this section, or under such resolution, and may enforce and compel
210 performance of all duties required by this section to be
211 performed, in order to provide for the payment of bonds and
212 interest thereon.

213 (13) All bonds issued under the provisions of this section
214 shall be legal investments for trustees and other fiduciaries, and
215 for savings banks, trust companies and insurance companies
216 organized under the laws of the State of Mississippi, and such



217 bonds shall be legal securities which may be deposited with and
218 shall be received by all public officers and bodies of this state
219 and all municipalities and political subdivisions for the purpose
220 of securing the deposit of public funds.

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

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

227 (16) The State Treasurer is authorized, without further
228 process of law, to certify to the Department of Finance and
229 Administration the necessity for warrants, and the Department of
230 Finance and Administration is authorized and directed to issue
231 such warrants, in such amounts as may be necessary to pay when due
232 the principal of, premium, if any, and interest on, or the
233 accreted value of, all bonds issued under this section; and the
234 State Treasurer shall forward the necessary amount to the
235 designated place or places of payment of such bonds in ample time
236 to discharge such bonds, or the interest thereon, on the due dates
237 thereof.

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



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

