

By: Representatives Dortch, Dixon

To: Ways and Means

## HOUSE BILL NO. 1550

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS FOR IMPROVEMENT PROJECTS WITHIN THE CAPITOL  
3 COMPLEX IMPROVEMENT DISTRICT; TO ASSIST THE CITY OF JACKSON,  
4 MISSISSIPPI, IN PAYING COSTS ASSOCIATED WITH MAKING REPAIRS,  
5 UPGRADES AND IMPROVEMENTS TO THE CITY'S WATER AND SEWER SYSTEMS  
6 AND RELATED INFRASTRUCTURE, AND TO ASSIST THE JACKSON PUBLIC  
7 SCHOOL DISTRICT IN PAYING COSTS ASSOCIATED WITH CONSTRUCTION,  
8 REPAIR, RENOVATION, REPLACEMENT AND IMPROVEMENT OF DISTRICT SCHOOL  
9 BUILDINGS AND FACILITIES AND RELATED INFRASTRUCTURE; TO PROVIDE  
10 THAT THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE PAID  
11 PRIMARILY FROM MONIES IN THE CAPITOL COMPLEX IMPROVEMENT DISTRICT  
12 PROJECT FUND; TO AMEND SECTION 29-5-215, MISSISSIPPI CODE OF 1972,  
13 IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

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



approximate yield to maturity shown for bonds of the same maturity.

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

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

(2) (a) (i) A special fund, to be designated the "2019 Capitol Complex Improvement District, City of Jackson and Jackson Public School District Improvements Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund.

(ii) Monies deposited into the fund shall be disbursed, in the discretion of the Department of Finance and Administration, as follows:

1. Not more than forty percent (40%) of the monies in the fund shall be used for improvement projects within the Capitol Complex Improvement District in accordance with the comprehensive plan described in Section 29-5-209;

2. Not more than forty percent (40%) of the monies in the fund shall be used to assist the City of Jackson, Mississippi, in paying costs associated with making repairs, upgrades and improvements to the city's water and sewer systems and related infrastructure; and



48                   3. Not more than twenty percent (20%) of the  
49 monies in the fund shall be used to assist the Jackson Public  
50 School District in paying costs associated with construction,  
51 repair, renovation, replacement and improvement of district school  
52 buildings and facilities and related infrastructure.

53                   (b) Amounts deposited into such special fund shall be  
54 disbursed to pay the costs of the projects described in paragraph  
55 (a) of this subsection. Promptly after the commission has  
56 certified, by resolution duly adopted, that the projects described  
57 in paragraph (a) of this subsection shall have been completed,  
58 abandoned, or cannot be completed in a timely fashion, any amounts  
59 remaining in such special fund shall be applied to pay debt  
60 service on the bonds issued under this section, in accordance with  
61 the proceedings authorizing the issuance of such bonds and as  
62 directed by the commission.

63                   (3) (a) The commission, at one time, or from time to time,  
64 may declare by resolution the necessity for issuance of general  
65 obligation bonds of the State of Mississippi to provide funds for  
66 all costs incurred or to be incurred for the purposes described in  
67 subsection (2) of this section. Upon the adoption of a resolution  
68 by the Department of Finance and Administration, declaring the  
69 necessity for the issuance of any part or all of the general  
70 obligation bonds authorized by this subsection, the department  
71 shall deliver a certified copy of its resolution or resolutions to  
72 the commission. Upon receipt of such resolution, the commission,



73 in its discretion, may act as the issuing agent, prescribe the  
74 form of the bonds, determine the appropriate method for sale of  
75 the bonds, advertise for and accept bids or negotiate the sale of  
76 the bonds, issue and sell the bonds so authorized to be sold and  
77 do any and all other things necessary and advisable in connection  
78 with the issuance and sale of such bonds. The total amount of  
79 bonds issued under this section shall not exceed One Hundred  
80 Million Dollars (\$100,000,000.00). No bonds shall be issued under  
81 this section after July 1, 2023.

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

87 (4) The principal of and interest on the bonds authorized  
88 under this section shall be payable in the manner provided in this  
89 subsection. Such bonds shall bear such date or dates, be in such  
90 denomination or denominations, bear interest at such rate or rates  
91 (not to exceed the limits set forth in Section 75-17-101,  
92 Mississippi Code of 1972), be payable at such place or places  
93 within or without the State of Mississippi, shall mature  
94 absolutely at such time or times not to exceed twenty-five (25)  
95 years from date of issue, be redeemable before maturity at such  
96 time or times and upon such terms, with or without premium, shall  
97 bear such registration privileges, and shall be substantially in



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

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

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



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

(7) The commission shall act as issuing agent for the bonds  
authorized under this section, 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, pay all fees and costs  
incurred in such issuance and sale, and do any and all other  
things necessary and advisable in connection with the issuance and  
sale of such bonds. The commission is authorized and empowered to  
pay the costs that are incident to the sale, issuance and delivery  
of the bonds authorized under this section from the proceeds  
derived from the sale of such bonds. The commission may sell such  
bonds on sealed bids at public sale or may negotiate the sale of  
the bonds for such price as it may determine to be for the best  
interest of the State of Mississippi. All interest accruing on  
such bonds so issued shall be payable semiannually or annually.

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

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



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

(8) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. The principal of and the interest on the bonds shall be payable primarily from the funds in the Capitol Complex Improvement District Project Fund as provided in Section 29-5-215(4). If the funds available in the Capitol Complex Improvement District Project Fund and any funds appropriated by the Legislature are insufficient to pay the principal of and the interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(9) Upon the issuance and sale of bonds under the provisions 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.



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

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

189           (12) Any holder of bonds issued under the provisions of this  
190 section or of any of the interest coupons pertaining thereto may,  
191 either at law or in equity, by suit, action, mandamus or other  
192 proceeding, protect and enforce any and all rights granted under  
193 this section, or under such resolution, and may enforce and compel  
194 performance of all duties required by this section to be  
195 performed, in order to provide for the payment of bonds and  
196 interest thereon.





197           (13) All bonds issued under the provisions of this section  
198 shall be legal investments for trustees and other fiduciaries, and  
199 for savings banks, trust companies and insurance companies  
200 organized under the laws of the State of Mississippi, and such  
201 bonds shall be legal securities which may be deposited with and  
202 shall be received by all public officers and bodies of this state  
203 and all municipalities and political subdivisions for the purpose  
204 of securing the deposit of public funds.

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

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

211           (16) The State Treasurer is authorized, without further  
212 process of law, to certify to the Department of Finance and  
213 Administration the necessity for warrants, and the Department of  
214 Finance and Administration is authorized and directed to issue  
215 such warrants, in such amounts as may be necessary to pay when due  
216 the principal of, premium, if any, and interest on, or the  
217 accreted value of, all bonds issued under this section; and the  
218 State Treasurer shall forward the necessary amount to the  
219 designated place or places of payment of such bonds in ample time  
220 to discharge such bonds, or the interest thereon, on the due dates  
221 thereof.



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

**SECTION 2.** Section 29-5-215, Mississippi Code of 1972, is amended as follows:

29-5-215. (1) There is created in the State Treasury the Capitol Complex Improvement District Project Fund, into which shall be deposited the money specified in Section 27-65-75(1)(c) and such other money from whatever source derived.

(2) An amount not to exceed five percent (5%) of the amount deposited into the fund may be utilized to reimburse the Department of Finance and Administration for the cost of providing necessary personnel, services or other expenses it incurs in performing its duties under Sections 29-5-201 through 29-5-217.

(3) An amount not to exceed ten percent (10%) of the amount deposited into the fund may be utilized, in the discretion of the Executive Director of the Department of Finance and Administration, to compensate the City of Jackson for general police and fire protection provided by the city in the Capitol Complex Improvement District created in Section 29-5-203 and for police coverage for major events conducted within such district.

(4) (a) Subject to the provisions of subsection (6) of this section relating to the use of monies in the fund to secure debt incurred by the Department of Finance and Administration, an



247 amount of not less than eighty-five percent (85%) of the amount  
248 deposited into the fund shall be used solely for the repayment of  
249 bonds issued under Section 1 of this act. Upon the repayment in  
250 full of bonds issued under Section 1 of this act, monies in the  
251 fund shall be used for the purposes provided in paragraph (b) of  
252 this subsection (4).

253       (b) Subject to the provisions of paragraph (a) of this  
254 subsection (4), an amount of not less than eighty-five percent  
255 (85%) of the amount deposited into the fund, which shall be  
256 designated as "improvement project funds," shall be utilized  
257 within the district for improvement projects in accordance with  
258 the comprehensive plan described in Section 29-5-209. In addition  
259 to fully funding improvement projects, money in the fund may be  
260 utilized to fund a portion of an improvement project in cases in  
261 which other funds are available for a project and may be used as  
262 leverage or matching funds for projects in the district that  
263 comport with the district's comprehensive plan.

264       (5) Money in the fund shall be expended upon appropriation  
265 by the Legislature. Unexpended amounts remaining in the fund at  
266 the end of the state fiscal year shall not lapse into the State  
267 General Fund, and investment earnings on amounts in the fund shall  
268 be deposited to the credit of the fund.

269       (6) The Department of Finance and Administration, with the  
270 concurrence of the State Bond Commission, is authorized to incur  
271 debt, including notes or other evidences of indebtedness, for the



272 purpose of paying the costs of implementing and administering the  
273 improvement projects outlined in the comprehensive plan  
274 established pursuant to Section 29-5-209. Any debt incurred to  
275 pay such costs may be secured by the sales tax revenue that is  
276 required to be deposited to the Capitol Complex Improvement  
277 District Project Fund under Section 27-65-75(1)(c). All notes or  
278 certificates of indebtedness issued for purposes of this  
279 subsection shall mature in approximately equal installments of  
280 principal and interest over a period not to exceed five (5) years  
281 from the date of issuance thereof. The maximum amount of debt  
282 that may be incurred by the Department of Finance and  
283 Administration under this subsection shall not exceed Seven  
284 Million Dollars (\$7,000,000.00).

285       **SECTION 3.** This act shall take effect and be in force from  
286 and after July 1, 2019.

