

By: Representatives Hines, Bailey, Dixon

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1579

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST IN PAYING THE COSTS ASSOCIATED
3 WITH CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW MULTIPURPOSE
4 BUILDING AND RELATED FACILITIES TO HOUSE ACADEMIC SHOPS AND
5 CLASSROOMS AT THE GREENVILLE HIGHER EDUCATION CENTER/MISSISSIPPI
6 DELTA COMMUNITY COLLEGE; AND FOR RELATED PURPOSES.

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

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

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

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

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



20 (2) (a) (i) A special fund, to be designated the "2019
21 Greenville Higher Education Center/Mississippi Delta Community
22 College Improvements Fund," is created within the State Treasury.
23 The fund shall be maintained by the State Treasurer as a separate
24 and special fund, separate and apart from the General Fund of the
25 state. Unexpended amounts remaining in the fund at the end of a
26 fiscal year shall not lapse into the State General Fund, and any
27 interest earned or investment earnings on amounts in the fund
28 shall be deposited into such fund.

29 (ii) Monies deposited into the fund shall be
30 disbursed, in the discretion of the Department of Finance and
31 Administration, to assist in paying the costs associated with
32 construction, furnishing and equipping of a new multipurpose
33 building and related facilities to house academic shops and
34 classrooms at the Greenville Higher Education Center/Mississippi
35 Delta Community College.

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



the proceedings authorizing the issuance of such bonds and as directed by the commission.

(c) The Department of Finance and Administration, acting through the Bureau of Building, Grounds and Real Property Management, is expressly authorized and empowered to receive and expend any local or other source funds in connection with the expenditure of funds provided for in this subsection. The expenditure of monies deposited into the special fund shall be under the direction of the Department of Finance and Administration, and such funds shall be paid by the State Treasurer upon warrants issued by such department, which warrants shall be issued upon requisitions signed by the Executive Director of the Department of Finance and Administration, or his designee.

(3) (a) The commission, at one time, or from time to time, 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



69 the bonds, advertise for and accept bids or negotiate the sale of
70 the bonds, issue and sell the bonds so authorized to be sold and
71 do any and all other things necessary and advisable in connection
72 with the issuance and sale of such bonds. The total amount of
73 bonds issued under this section shall not exceed Two Million
74 Dollars (\$2,000,000.00). No bonds shall be issued under this
75 section after July 1, 2023.

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

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



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

112 (6) All bonds and interest coupons issued under the
113 provisions of this section have all the qualities and incidents of
114 negotiable instruments under the provisions of the Uniform
115 Commercial Code, and in exercising the powers granted by this
116 section, the commission shall not be required to and need not
117 comply with the provisions of the Uniform Commercial Code.



118 (7) The commission shall act as issuing agent for the bonds
119 authorized under this section, prescribe the form of the bonds,
120 determine the appropriate method for sale of the bonds, advertise
121 for and accept bids or negotiate the sale of the bonds, issue and
122 sell the bonds so authorized to be sold, pay all fees and costs
123 incurred in such issuance and sale, and do any and all other
124 things necessary and advisable in connection with the issuance and
125 sale of such bonds. The commission is authorized and empowered to
126 pay the costs that are incident to the sale, issuance and delivery
127 of the bonds authorized under this section from the proceeds
128 derived from the sale of such bonds. The commission may sell such
129 bonds on sealed bids at public sale or may negotiate the sale of
130 the bonds for such price as it may determine to be for the best
131 interest of the State of Mississippi. All interest accruing on
132 such bonds so issued shall be payable semiannually or annually.

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

139 The commission, when issuing any bonds under the authority of
140 this section, may provide that bonds, at the option of the State
141 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. If the 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.

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

(13) All bonds issued under the provisions of this section shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and such bonds shall be legal securities which may be deposited with and



shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

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

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

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



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

