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To: Ways and Means

HOUSE BILL NO. 1431

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR REPAIR, RENOVATION
 3 AND UPGRADING OF CAMPUS BUILDINGS, FACILITIES AND INFRASTRUCTURE
 4 AT ALCORN STATE UNIVERSITY, JACKSON STATE UNIVERSITY AND
 5 MISSISSIPPI VALLEY STATE UNIVERSITY; 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 as the "2021
 20 Alcorn State University, Jackson State University and Mississippi
 21 Valley State University Improvements Fund," is created within the
 22 State Treasury. The fund shall be maintained by the State
 23 Treasurer as a separate and special fund, separate and apart from
 24 the General Fund of the state. Unexpended amounts remaining in
 25 the fund at the end of a fiscal year shall not lapse into the
 26 State General Fund, and any interest earned or investment earnings
 27 on amounts in the fund shall be deposited into such fund.

28 (ii) Monies deposited into the fund shall be
 29 disbursed, in the discretion of the Department of Finance and
 30 Administration, with the approval of the Board of Trustees of
 31 State Institutions of Higher Learning on those projects related to
 32 the universities under its management and control to pay the costs
 33 of capital improvements, renovation and/or repair of existing
 34 facilities, furnishings and/or equipping facilities for public
 35 facilities as hereinafter described:

		AMOUNT
NAME	PROJECT	ALLOCATED
38 Alcorn State University.....	\$	20,000,000.00
39 Repair, renovation and		
40 upgrading of campus		
41 buildings, facilities		
42 and infrastructure.....	\$	20,000,000.00
43 Jackson State University.....	\$	20,000,000.00



44 Repair, renovation and
 45 upgrading of campus
 46 buildings, facilities
 47 and infrastructure.....\$ 20,000,000.00
 48 Mississippi Valley State University.....\$ 20,000,000.00
 49 Repair, renovation and
 50 upgrading of campus
 51 buildings, facilities
 52 and infrastructure.....\$ 20,000,000.00
 53 **TOTAL.....\$ 60,000,000.00**

54 (b) (i) Amounts deposited into such special fund shall
 55 be disbursed to pay the costs of projects described in paragraph
 56 (a) of this subsection. If any monies in such special fund are
 57 not used within four (4) years after the date the proceeds of the
 58 bonds authorized under this section are deposited into the special
 59 fund, then the institution of higher learning for which any unused
 60 monies are allocated under paragraph (a) of this subsection shall
 61 provide an accounting of such unused monies to the commission.
 62 Promptly after the commission has certified, by resolution duly
 63 adopted, that the projects described in paragraph (a) of this
 64 subsection shall have been completed, abandoned, or cannot be
 65 completed in a timely fashion, any amounts remaining in such
 66 special fund shall be applied to pay debt service on the bonds
 67 issued under this section, in accordance with the proceedings



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

70 (ii) Monies in the special fund may be used to
71 reimburse reasonable actual and necessary costs incurred by the
72 Department of Finance and Administration, acting through the
73 Bureau of Building, Grounds and Real Property Management, in
74 administering or providing assistance directly related to a
75 project described in paragraph (a) of this subsection. An
76 accounting of actual costs incurred for which reimbursement is
77 sought shall be maintained for each project by the Department of
78 Finance and Administration, Bureau of Building, Grounds and Real
79 Property Management. Reimbursement of reasonable actual and
80 necessary costs for a project shall not exceed two percent (2%) of
81 the proceeds of bonds issued for such project. Monies authorized
82 for a particular project may not be used to reimburse
83 administrative costs for unrelated projects.

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



93 shall be issued upon requisitions signed by the Executive Director
94 of the Department of Finance and Administration, or his designee.

95 (3) (a) The commission, at one time, or from time to time,
96 may declare by resolution the necessity for issuance of general
97 obligation bonds of the State of Mississippi to provide funds for
98 all costs incurred or to be incurred for the purposes described in
99 subsection (2) of this section. Upon the adoption of a resolution
100 by the Department of Finance and Administration declaring the
101 necessity for the issuance of any part or all of the general
102 obligation bonds authorized by this section, the Department of
103 Finance and Administration shall deliver a certified copy of its
104 resolution or resolutions to the commission. Upon receipt of such
105 resolution, the commission, in its discretion, may act as issuing
106 agent, prescribe the form of the bonds, determine the appropriate
107 method for sale of the bonds, advertise for and accept bids or
108 negotiate the sale of the bonds, issue and sell the bonds so
109 authorized to be sold, and do any and all other things necessary
110 and advisable in connection with the issuance and sale of such
111 bonds. The total amount of bonds issued under this section shall
112 not exceed Sixty Million Dollars (\$60,000,000.00). No bonds shall
113 be issued under this section after July 1, 2025.

114 (b) Any investment earnings on amounts deposited into
115 the special fund created in subsection (2) of this section shall
116 be used to pay debt service on bonds issued under this section, in



117 accordance with the proceedings authorizing issuance of such
118 bonds.

119 (4) The principal of and interest on the bonds authorized
120 under this section shall be payable in the manner provided in this
121 subsection. Such bonds shall bear such date or dates, be in such
122 denomination or denominations, bear interest at such rate or rates
123 (not to exceed the limits set forth in Section 75-17-101,
124 Mississippi Code of 1972), be payable at such place or places
125 within or without the State of Mississippi, shall mature
126 absolutely at such time or times not to exceed twenty-five (25)
127 years from date of issue, be redeemable before maturity at such
128 time or times and upon such terms, with or without premium, shall
129 bear such registration privileges, and shall be substantially in
130 such form, all as shall be determined by resolution of the
131 commission.

132 (5) The bonds authorized by this section shall be signed by
133 the chairman of the commission, or by his facsimile signature, and
134 the official seal of the commission shall be affixed thereto,
135 attested by the secretary of the commission. The interest
136 coupons, if any, to be attached to such bonds may be executed by
137 the facsimile signatures of such officers. Whenever any such
138 bonds shall have been signed by the officials designated to sign
139 the bonds who were in office at the time of such signing but who
140 may have ceased to be such officers before the sale and delivery
141 of such bonds, or who may not have been in office on the date such



142 bonds may bear, the signatures of such officers upon such bonds
143 and coupons shall nevertheless be valid and sufficient for all
144 purposes and have the same effect as if the person so officially
145 signing such bonds had remained in office until their delivery to
146 the purchaser, or had been in office on the date such bonds may
147 bear. However, notwithstanding anything herein to the contrary,
148 such bonds may be issued as provided in the Registered Bond Act of
149 the State of Mississippi.

150 (6) All bonds and interest coupons issued under the
151 provisions of this section have all the qualities and incidents of
152 negotiable instruments under the provisions of the Uniform
153 Commercial Code, and in exercising the powers granted by this
154 section, the commission shall not be required to and need not
155 comply with the provisions of the Uniform Commercial Code.

156 (7) The commission shall act as issuing agent for the bonds
157 authorized under this section, prescribe the form of the bonds,
158 determine the appropriate method for sale of the bonds, advertise
159 for and accept bids or negotiate the sale of the bonds, issue and
160 sell the bonds, pay all fees and costs incurred in such issuance
161 and sale, and do any and all other things necessary and advisable
162 in connection with the issuance and sale of such bonds. The
163 commission is authorized and empowered to pay the costs that are
164 incident to the sale, issuance and delivery of the bonds
165 authorized under this section from the proceeds derived from the
166 sale of such bonds. The commission may sell such bonds on sealed



167 bids at public sale or may negotiate the sale of the bonds for
168 such price as it may determine to be for the best interest of the
169 State of Mississippi. All interest accruing on such bonds so
170 issued shall be payable semiannually or annually.

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

177 The commission, when issuing any bonds under the authority of
178 this section, may provide that bonds, at the option of the State
179 of Mississippi, may be called in for payment and redemption at the
180 call price named therein and accrued interest on such date or
181 dates named therein.

182 (8) The bonds issued under the provisions of this section
183 are general obligations of the State of Mississippi, and for the
184 payment thereof the full faith and credit of the State of
185 Mississippi is irrevocably pledged. If the funds appropriated by
186 the Legislature are insufficient to pay the principal of and the
187 interest on such bonds as they become due, then the deficiency
188 shall be paid by the State Treasurer from any funds in the State
189 Treasury not otherwise appropriated. All such bonds shall contain
190 recitals on their faces substantially covering the provisions of
191 this subsection.



192 (9) Upon the issuance and sale of bonds under the provisions
193 of this section, the commission shall transfer the proceeds of any
194 such sale or sales to the special funds created in subsection (2)
195 of this section. The proceeds of such bonds shall be disbursed
196 solely upon the order of the Department of Finance and
197 Administration under such restrictions, if any, as may be
198 contained in the resolution providing for the issuance of the
199 bonds.

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

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



217 (12) Any holder of bonds issued under the provisions of this
218 section or of any of the interest coupons pertaining thereto may,
219 either at law or in equity, by suit, action, mandamus or other
220 proceeding, protect and enforce any and all rights granted under
221 this section, or under such resolution, and may enforce and compel
222 performance of all duties required by this section to be
223 performed, in order to provide for the payment of bonds and
224 interest thereon.

225 (13) All bonds issued under the provisions of this section
226 shall be legal investments for trustees and other fiduciaries, and
227 for savings banks, trust companies and insurance companies
228 organized under the laws of the State of Mississippi, and such
229 bonds shall be legal securities which may be deposited with and
230 shall be received by all public officers and bodies of this state
231 and all municipalities and political subdivisions for the purpose
232 of securing the deposit of public funds.

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

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

239 (16) The State Treasurer is authorized, without further
240 process of law, to certify to the Department of Finance and
241 Administration the necessity for warrants, and the Department of



242 Finance and Administration is authorized and directed to issue
243 such warrants, in such amounts as may be necessary to pay when due
244 the principal of, premium, if any, and interest on, or the
245 accreted value of, all bonds issued under this section; and the
246 State Treasurer shall forward the necessary amount to the
247 designated place or places of payment of such bonds in ample time
248 to discharge such bonds, or the interest thereon, on the due dates
249 thereof.

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

254 **SECTION 2.** This act shall take effect and be in force from
255 and after July 1, 2021.

