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To: Finance

SENATE BILL NO. 2968

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO ASSIST THE BOARD OF TRUSTEES OF STATE
3 INSTITUTIONS OF HIGHER LEARNING IN PROVIDING THE REMAINDER OF THE
4 AMOUNT, ADJUSTED FOR INFLATION, THAT IT WAS CHARGED WITH RAISING
5 FOR A PRIVATELY-FUNDED ENDOWMENT FOR JACKSON STATE UNIVERSITY,
6 MISSISSIPPI VALLEY STATE UNIVERSITY AND ALCORN STATE UNIVERSITY
7 UNDER THE SETTLEMENT OF AYERS V. MUSGROVE; TO PROVIDE THAT THE
8 PRIVATELY-FUNDED ENDOWMENT SHALL BE USED FOR PROGRAM
9 STABILIZATION, PROGRAM DEVELOPMENT AND EXPANSION AT THE THREE
10 BENEFICIARY UNIVERSITIES; AND FOR RELATED PURPOSES.

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

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

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

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



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

(2) (a) (i) A special fund, to be designated the "2021 Ayers Restoration 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, to assist the Board of Trustees of State Institutions of Higher Learning in providing the remainder of the amount, adjusted for inflation, that it was charged with raising for a privately-funded endowment for Jackson State University, Mississippi Valley State University and Alcorn State University under the settlement of Ayers v. Musgrove (Civil Action No. 4:75CV9B-D, in the United States District Court for the Northern District of Mississippi), as endorsed by the Legislature in House Concurrent Resolution 28, 2002 Regular Session. The privately-funded endowment shall be used for program stabilization, program development and expansion at these three (3) beneficiary universities.

(b) Amounts deposited into such special fund shall be disbursed to pay the costs of the projects described in paragraph



48 (a) of this subsection. Promptly after the commission has
49 certified, by resolution duly adopted, that the projects described
50 in paragraph (a) of this subsection have been completed,
51 abandoned, or cannot be completed in a timely fashion, any amounts
52 remaining in such special fund shall be applied to pay debt
53 service on the bonds issued under this section, in accordance with
54 the proceedings authorizing the issuance of such bonds and as
55 directed by the commission.

56 (3) (a) The commission, at one time, or from time to time,
57 may declare by resolution the necessity for issuance of general
58 obligation bonds of the State of Mississippi to provide funds for
59 all costs incurred or to be incurred for the purposes described in
60 subsection (2) of this section. Upon the adoption of a resolution
61 by the Department of Finance and Administration, declaring the
62 necessity for the issuance of any part or all of the general
63 obligation bonds authorized by this subsection, the department
64 shall deliver a certified copy of its resolution or resolutions to
65 the commission. Upon receipt of such resolution, the commission,
66 in its discretion, may act as the issuing agent, prescribe the
67 form of the bonds, determine the appropriate method for sale of
68 the bonds, advertise for and accept bids or negotiate the sale of
69 the bonds, issue and sell the bonds so authorized to be sold, and
70 do any and all other things necessary and advisable in connection
71 with the issuance and sale of such bonds. The total amount of
72 bonds issued under this section shall not exceed Fifty Million Ten



73 Thousand Dollars (\$50,010,000.00). No bonds shall be issued under
74 this section after July 1, 2025.

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

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

93 (5) The bonds authorized by this section shall be signed by
94 the chairman of the commission, or by his facsimile signature, and
95 the official seal of the commission shall be affixed thereto,
96 attested by the secretary of the commission. The interest
97 coupons, if any, to be attached to such bonds may be executed by



the facsimile signatures of such officers. Whenever any such bonds 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



123 things necessary and advisable in connection with the issuance and
124 sale of such bonds. The commission is authorized and empowered to
125 pay the costs that are incident to the sale, issuance and delivery
126 of the bonds authorized under this section from the proceeds
127 derived from the sale of such bonds. The commission may sell such
128 bonds on sealed bids at public sale or may negotiate the sale of
129 the bonds for such price as it may determine to be for the best
130 interest of the State of Mississippi. All interest accruing on
131 such bonds so issued shall be payable semiannually or annually.

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

138 The commission, when issuing any bonds under the authority of
139 this section, may provide that bonds, at the option of the State
140 of Mississippi, may be called in for payment and redemption at the
141 call price named therein and accrued interest on such date or
142 dates named therein.

143 (8) The bonds issued under the provisions of this section
144 are general obligations of the State of Mississippi, and for the
145 payment thereof the full faith and credit of the State of
146 Mississippi is irrevocably pledged. If the funds appropriated by
147 the Legislature are insufficient to pay the principal of and the



148 interest on such bonds as they become due, then the deficiency
149 shall be paid by the State Treasurer from any funds in the State
150 Treasury not otherwise appropriated. All such bonds shall contain
151 recitals on their faces substantially covering the provisions of
152 this subsection.

153 (9) Upon the issuance and sale of bonds under the provisions
154 of this section, the commission shall transfer the proceeds of any
155 such sale or sales to the special fund created in subsection (2)
156 of this section. The proceeds of such bonds shall be disbursed
157 solely upon the order of the Department of Finance and
158 Administration under such restrictions, if any, as may be
159 contained in the resolution providing for the issuance of the
160 bonds.

161 (10) The bonds authorized under this section may be issued
162 without any other proceedings or the happening of any other
163 conditions or things other than those proceedings, conditions and
164 things which are specified or required by this section. Any
165 resolution providing for the issuance of bonds under the
166 provisions of this section shall become effective immediately upon
167 its adoption by the commission, and any such resolution may be
168 adopted at any regular or special meeting of the commission by a
169 majority of its members.

170 (11) The bonds authorized under the authority of this
171 section may be validated in the Chancery Court of the First
172 Judicial District of Hinds County, Mississippi, in the manner and



with the force and effect provided by Title 31, Chapter 13, 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.



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

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

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

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

