

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2711

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) The provisions of this section shall apply
 13 to every section of this act that relates to the issuance of bonds
 14 unless otherwise provided in this act.

15 (2) As used in this act, the following words shall have the
 16 meanings ascribed herein unless the context clearly requires
 17 otherwise:

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

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

20 (3) The principal of and interest on the bonds authorized
 21 under this act shall be payable in the manner provided in this
 22 subsection. Such bonds shall bear such date or dates, be in such



23 denomination or denominations, bear interest at such rate or rates
24 (not to exceed the limits set forth in Section 75-17-101,
25 Mississippi Code of 1972), be payable at such place or places
26 within or without the State of Mississippi, shall mature
27 absolutely at such time or times not to exceed twenty-five (25)
28 years from date of issue, be redeemable before maturity at such
29 time or times and upon such terms, with or without premium, shall
30 bear such registration privileges, and shall be substantially in
31 such form, all as shall be determined by resolution of the
32 commission.

33 (4) The bonds authorized by this act shall be signed by the
34 chairman of the commission, or by his facsimile signature, and the
35 official seal of the commission shall be affixed thereto, attested
36 by the secretary of the commission. The interest coupons, if any,
37 to be attached to such bonds may be executed by the facsimile
38 signatures of such officers. Whenever any such bonds shall have
39 been signed by the officials designated to sign the bonds who were
40 in office at the time of such signing but who may have ceased to
41 be such officers before the sale and delivery of such bonds, or
42 who may not have been in office on the date such bonds may bear,
43 the signatures of such officers upon such bonds and coupons shall
44 nevertheless be valid and sufficient for all purposes and have the
45 same effect as if the person so officially signing such bonds had
46 remained in office until their delivery to the purchaser, or had
47 been in office on the date such bonds may bear. However,



48 notwithstanding anything herein to the contrary, such bonds may be
49 issued as provided in the Registered Bond Act of the State of
50 Mississippi.

51 (5) All bonds and interest coupons issued under the
52 provisions of this act have all the qualities and incidents of
53 negotiable instruments under the provisions of the Uniform
54 Commercial Code, and in exercising the powers granted by this act,
55 the commission shall not be required to and need not comply with
56 the provisions of the Uniform Commercial Code.

57 (6) The commission shall act as issuing agent for the bonds
58 authorized under this act, prescribe the form of the bonds,
59 determine the appropriate method for sale of the bonds, advertise
60 for and accept bids or negotiate the sale of the bonds, issue and
61 sell the bonds so authorized to be sold, pay all fees and costs
62 incurred in such issuance and sale, and do any and all other
63 things necessary and advisable in connection with the issuance and
64 sale of such bonds. The commission is authorized and empowered to
65 pay the costs that are incident to the sale, issuance and delivery
66 of the bonds authorized under this act from the proceeds derived
67 from the sale of such bonds. The commission may sell such bonds
68 on sealed bids at public sale or may negotiate the sale of the
69 bonds for such price as it may determine to be for the best
70 interest of the State of Mississippi. All interest accruing on
71 such bonds so issued shall be payable semiannually or annually.



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

78 The commission, when issuing any bonds under the authority of
79 this act, may provide that bonds, at the option of the State of
80 Mississippi, may be called in for payment and redemption at the
81 call price named therein and accrued interest on such date or
82 dates named therein.

83 (7) The bonds issued under the provisions of this act are
84 general obligations of the State of Mississippi, and for the
85 payment thereof the full faith and credit of the State of
86 Mississippi is irrevocably pledged. If the funds appropriated by
87 the Legislature are insufficient to pay the principal of and the
88 interest on such bonds as they become due, then the deficiency
89 shall be paid by the State Treasurer from any funds in the State
90 Treasury not otherwise appropriated. All such bonds shall contain
91 recitals on their faces substantially covering the provisions of
92 this subsection.

93 (8) Upon the issuance and sale of bonds under the provisions
94 of this act, the commission shall transfer the proceeds of any
95 such sale or sales to the special fund created in subsection (1)
96 of the applicable section of this act. The proceeds of such bonds



97 shall be disbursed from the special fund under such restrictions,
98 if any, as may be contained in the resolution providing for the
99 issuance of the bonds.

100 (9) The bonds authorized under this act may be issued
101 without any other proceedings or the happening of any other
102 conditions or things other than those proceedings, conditions and
103 things which are specified or required by this act. Any
104 resolution providing for the issuance of bonds under the
105 provisions of this act shall become effective immediately upon its
106 adoption by the commission, and any such resolution may be adopted
107 at any regular or special meeting of the commission by a majority
108 of its members.

109 (10) The bonds authorized under the authority of this act
110 may be validated in the Chancery Court of the First Judicial
111 District of Hinds County, Mississippi, in the manner and with the
112 force and effect provided by Title 31, Chapter 13, Mississippi
113 Code of 1972, for the validation of county, municipal, school
114 district and other bonds. The notice to taxpayers required by
115 such statutes shall be published in a newspaper published or
116 having a general circulation in the City of Jackson, Mississippi.

117 (11) Any holder of bonds issued under the provisions of this
118 act or of any of the interest coupons pertaining thereto may,
119 either at law or in equity, by suit, action, mandamus or other
120 proceeding, protect and enforce any and all rights granted under
121 this act, or under such resolution, and may enforce and compel



122 performance of all duties required by this act to be performed, in
123 order to provide for the payment of bonds and interest thereon.

124 (12) All bonds issued under the provisions of this act shall
125 be legal investments for trustees and other fiduciaries, and for
126 savings banks, trust companies and insurance companies organized
127 under the laws of the State of Mississippi, and such bonds shall
128 be legal securities which may be deposited with and shall be
129 received by all public officers and bodies of this state and all
130 municipalities and political subdivisions for the purpose of
131 securing the deposit of public funds.

132 (13) Bonds issued under the provisions of this act and
133 income therefrom shall be exempt from all taxation in the State of
134 Mississippi.

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

138 (15) The State Treasurer is authorized, without further
139 process of law, to certify to the Department of Finance and
140 Administration the necessity for warrants, and the Department of
141 Finance and Administration is authorized and directed to issue
142 such warrants, in such amounts as may be necessary to pay when due
143 the principal of, premium, if any, and interest on, or the
144 accreted value of, all bonds issued under this act; and the State
145 Treasurer shall forward the necessary amount to the designated
146 place or places of payment of such bonds in ample time to



147 discharge such bonds, or the interest thereon, on the due dates
148 thereof. As used in this section, the "accreted value" of any
149 bond means, as of any date of computation, an amount equal to the
150 sum of (a) the stated initial value of such bond, plus (b) the
151 interest accrued thereon from the issue date to the date of
152 computation at the rate, compounded semiannually, that is
153 necessary to produce the approximate yield to maturity shown for
154 bonds of the same maturity.

155 (16) This act shall be deemed to be full and complete
156 authority for the exercise of the powers granted in this act that
157 relate to the issuance of bonds, but this act shall not be deemed
158 to repeal or to be in derogation of any existing law of this state
159 that relates to the issuance of bonds.

160 **SECTION 2.** (1) (a) (i) A special fund, to be designated
161 as the "2023 Ayers Restoration Fund," is created within the State
162 Treasury. The fund shall be maintained by the State Treasurer as
163 a separate and special fund, separate and apart from the General
164 Fund of the state. Unexpended amounts remaining in the fund at
165 the end of a fiscal year shall not lapse into the State General
166 Fund, and any interest earned or investment earnings on amounts in
167 the fund shall be deposited into such fund.

168 (ii) Monies deposited into the fund shall be
169 disbursed, in the discretion of the Department of Finance and
170 Administration, to assist the Board of Trustees of State
171 Institutions of Higher Learning in providing the remainder of the



172 amount, adjusted for inflation, that it was charged with raising
173 for a privately funded endowment for Jackson State University,
174 Mississippi Valley State University and Alcorn State University
175 under the settlement of Ayers v. Musgrove (Civil Action No.
176 4:75CV9B-D, in the United States District Court for the Northern
177 District of Mississippi), as endorsed by the Legislature in House
178 Concurrent Resolution 28, 2002 Regular Session. The privately
179 funded endowment shall be used for program stabilization, program
180 development and expansion at these three (3) beneficiary
181 universities.

182 (b) Amounts deposited into such special fund shall be
183 disbursed to pay the costs of the projects described in paragraph
184 (a) of this subsection. Promptly after the commission has
185 certified, by resolution duly adopted, that the projects described
186 in paragraph (a) of this subsection shall have been completed,
187 abandoned, or cannot be completed in a timely fashion, any amounts
188 remaining in such special fund shall be applied to pay debt
189 service on the bonds issued under this section, in accordance with
190 the proceedings authorizing the issuance of such bonds and as
191 directed by the commission.

192 (2) (a) The commission, at one time, or from time to time,
193 may declare by resolution the necessity for issuance of general
194 obligation bonds of the State of Mississippi to provide funds for
195 all costs incurred or to be incurred for the purposes described in
196 subsection (1) of this section. Upon the adoption of a resolution



197 by the Department of Finance and Administration, declaring the
198 necessity for the issuance of any part or all of the general
199 obligation bonds authorized by this section, the department shall
200 deliver a certified copy of its resolution or resolutions to the
201 commission. Upon receipt of such resolution, the commission is
202 authorized to proceed under the provisions of Section 1(6) of this
203 act. The total amount of bonds issued under this section shall
204 not exceed Fifty Million Ten Thousand Dollars (\$50,010,000.00).
205 No bonds shall be issued under this section after July 1, 2027.

206 (b) Any investment earnings on amounts deposited into
207 the special fund created in subsection (1) of this section shall
208 be used to pay debt service on bonds issued under this section, in
209 accordance with the proceedings authorizing issuance of such
210 bonds.

211 (3) The provisions of Section 1 of this act shall apply to
212 the issuance of bonds authorized under this section.

213 **SECTION 3.** This act shall take effect and be in force from
214 and after its passage.

