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To: Ways and Means

HOUSE BILL NO. 938

1 AN ACT TO CREATE THE MISSISSIPPI CULTURAL DEVELOPMENT ACT; TO
2 CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE DESIGNATED AS
3 THE "BUILDING FUND FOR THE ARTS"; TO AUTHORIZE MONEY FROM ANY
4 SOURCE TO BE DEPOSITED INTO THE FUND; TO PROVIDE THAT MONEY
5 DEPOSITED INTO THE FUND SHALL BE DISBURSED, IN THE DISCRETION OF
6 THE MISSISSIPPI ARTS COMMISSION, TO PROVIDE GRANTS TO NONPROFIT
7 ORGANIZATIONS OR UNITS OF LOCAL GOVERNMENT, TO PAY THE COST OF
8 REPAIR, UPGRADING, EXPANSION, RENOVATION OR ENHANCEMENT OF
9 EXISTING BUILDINGS OR FACILITIES FOR THE PRESENTATION, TEACHING OR
10 EXHIBITION OF THE ARTS AND FURNITURE, EQUIPMENT AND/OR TECHNOLOGY
11 FOR SUCH BUILDINGS OR FACILITIES; TO PROVIDE THAT THE ENTITY TO
12 WHICH SUCH GRANTS ARE MADE SHALL PROVIDE MATCHING FUNDS EQUAL TO
13 40% OF THE PROPOSED PROJECT COST IN ORDER TO BE ELIGIBLE FOR A
14 GRANT UNDER THIS ACT; TO PROVIDE FOR THE ISSUANCE OF
15 \$12,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS
16 FOR THE BUILDING FUND FOR THE ARTS; AND FOR RELATED PURPOSES.

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

18 SECTION 1. This act may be cited as the "Mississippi
19 Cultural Development Act."

20 SECTION 2. (1) (a) A special fund, to be designated as the
21 "Building Fund for the Arts" is created within the State Treasury.
22 The fund shall be maintained by the State Treasurer as a separate
23 and special fund, separate and apart from the General Fund of the
24 state. The fund shall consist of any money designated for deposit
25 therein from any source, including, but not limited to, any state
26 general obligation bonds issued for the purposes described in this
27 section. Unexpended amounts remaining in the fund at the end of a
28 fiscal year shall not lapse into the State General Fund, and
29 investment earnings on amounts in the fund shall be deposited into
30 such fund.

31 (b) Money deposited into the fund shall be disbursed,
32 in the discretion of the Mississippi Arts Commission, to provide

33 grants to nonprofit organizations that are qualified as tax exempt
34 under Section 501(c)(3) of the Internal Revenue Code and units of
35 local government to pay the costs of repair, upgrading, expansion,
36 renovation or enhancement of existing buildings and facilities for
37 the presentation, teaching or exhibition of the arts in any and
38 all of its forms and furniture, equipment and/or technology for
39 such buildings or facilities. The entity to which such grants are
40 made shall provide matching funds from local, federal or private
41 sources equal to forty percent (40%) of the proposed project cost
42 in order to be eligible for a grant under this section.

43 (2) Amounts deposited into such special fund shall be
44 disbursed to pay the costs of projects described in subsection (1)
45 of this section. If any monies in the special fund are derived
46 from proceeds of bonds issued under Sections 3 through 18 of this
47 act and are not used within four (4) years after the date such
48 bond proceeds are deposited into the special fund, then the
49 Mississippi Arts Commission shall provide an accounting of such
50 unused monies to the State Bond Commission.

51 (3) The Mississippi Arts Commission is expressly authorized
52 and empowered to receive and expend any local or other source
53 funds in connection with the expenditure of funds provided for in
54 this section. The expenditure of money deposited into the special
55 fund shall be under the direction of the Mississippi Arts
56 Commission, and such funds shall be paid by the State Treasurer
57 upon warrants issued by the Department of Finance and
58 Administration upon request of the Mississippi Arts Commission,
59 which warrants shall be issued upon requisitions signed by the
60 Executive Director of the Mississippi Arts Commission or his or
61 her designee.

62 (4) The Mississippi Arts Commission shall adopt necessary
63 rules and regulations to govern the administration of the program
64 described in subsection (1) of this section, including, but not
65 limited to, rules and regulations governing applications for

66 grants and rules and regulations providing for the distribution of
67 grant funds. The Mississippi Arts Commission shall comply with
68 the provisions of the Mississippi Administrative Procedures Law.

69 SECTION 3. As used in Sections 3 through 18 of this act, the
70 following words shall have the meanings ascribed herein unless the
71 context clearly requires otherwise:

72 (a) "Accreted value" of any bonds means, as of any date
73 of computation, an amount equal to the sum of (i) the stated
74 initial value of such bond, plus (ii) the interest accrued thereon
75 from the issue date to the date of computation at the rate,
76 compounded semiannually, that is necessary to produce the
77 approximate yield to maturity shown for bonds of the same
78 maturity.

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

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

81 SECTION 4. (1) The Mississippi Arts Commission, at one
82 time, or from time to time, may declare by resolution the
83 necessity for issuance of general obligation bonds of the State of
84 Mississippi to provide funds for the grant program authorized in
85 Section 2 of this act. Upon the adoption of a resolution by the
86 Mississippi Arts Commission, declaring the necessity for the
87 issuance of any part or all of the general obligation bonds
88 authorized by this section, the Mississippi Arts Commission shall
89 deliver a certified copy of its resolution or resolutions to the
90 commission. Upon receipt of such resolution, the commission, in
91 its discretion, may act as the issuing agent, prescribe the form
92 of the bonds, advertise for and accept bids, issue and sell the
93 bonds so authorized to be sold and do any and all other things
94 necessary and advisable in connection with the issuance and sale
95 of such bonds. The total amount of bonds issued under Sections 3
96 through 18 of this act shall not exceed Twelve Million Dollars
97 (\$12,000,000.00).

98 (2) The proceeds of bonds issued pursuant to Sections 3
99 through 18 of this act shall be deposited into the Building Fund
100 for the Arts created pursuant to Section 2 of this act. Any
101 investment earnings on bonds issued pursuant to Sections 3 through
102 18 of this act shall be used to pay debt service on bonds issued
103 under Sections 3 through 18 of this act, in accordance with the
104 proceedings authorizing issuance of such bonds.

105 SECTION 5. The principal of and interest on the bonds
106 authorized under Sections 3 through 18 of this act shall be
107 payable in the manner provided in this section. Such bonds shall
108 bear such date or dates, be in such denomination or denominations,
109 bear interest at such rate or rates (not to exceed the limits set
110 forth in Section 75-17-101, Mississippi Code of 1972), be payable
111 at such place or places within or without the State of
112 Mississippi, shall mature absolutely at such time or times not to
113 exceed twenty-five (25) years from date of issue, be redeemable
114 before maturity at such time or times and upon such terms, with or
115 without premium, shall bear such registration privileges, and
116 shall be substantially in such form, all as shall be determined by
117 resolution of the commission.

118 SECTION 6. The bonds authorized by Sections 3 through 18 of
119 this act shall be signed by the chairman of the commission, or by
120 his facsimile signature, and the official seal of the commission
121 shall be affixed thereto, attested by the secretary of the
122 commission. The interest coupons, if any, to be attached to such
123 bonds may be executed by the facsimile signatures of such
124 officers. Whenever any such bonds shall have been signed by the
125 officials designated to sign the bonds who were in office at the
126 time of such signing but who may have ceased to be such officers
127 before the sale and delivery of such bonds, or who may not have
128 been in office on the date such bonds may bear, the signatures of
129 such officers upon such bonds and coupons shall nevertheless be
130 valid and sufficient for all purposes and have the same effect as

131 if the person so officially signing such bonds had remained in
132 office until their delivery to the purchaser, or had been in
133 office on the date such bonds may bear. However, notwithstanding
134 anything herein to the contrary, such bonds may be issued as
135 provided in the Registered Bond Act of the State of Mississippi.

136 SECTION 7. All bonds and interest coupons issued under the
137 provisions of Sections 3 through 18 of this act have all the
138 qualities and incidents of negotiable instruments under the
139 provisions of the Uniform Commercial Code, and in exercising the
140 powers granted by Sections 3 through 18 of this act, the
141 commission shall not be required to and need not comply with the
142 provisions of the Uniform Commercial Code.

143 SECTION 8. The commission shall act as the issuing agent for
144 the bonds authorized under Sections 3 through 18 of this act,
145 prescribe the form of the bonds, advertise for and accept bids,
146 issue and sell the bonds so authorized to be sold, pay all fees
147 and costs incurred in such issuance and sale, and do any and all
148 other things necessary and advisable in connection with the
149 issuance and sale of such bonds. The commission is authorized and
150 empowered to pay the costs that are incident to the sale, issuance
151 and delivery of the bonds authorized under Sections 3 through 18
152 of this act from the proceeds derived from the sale of such bonds.
153 The commission shall sell such bonds on sealed bids at public
154 sale, and for such price as it may determine to be for the best
155 interest of the State of Mississippi, but no such sale shall be
156 made at a price less than par plus accrued interest to the date of
157 delivery of the bonds to the purchaser. All interest accruing on
158 such bonds so issued shall be payable semiannually or annually;
159 however, the first interest payment may be for any period of not
160 more than one (1) year.

161 Notice of the sale of any such bonds shall be published at
162 least one (1) time, not less than ten (10) days before the date of
163 sale, and shall be so published in one or more newspapers

164 published or having a general circulation in the City of Jackson,
165 Mississippi, and in one or more other newspapers or financial
166 journals with a national circulation, to be selected by the
167 commission.

168 The commission, when issuing any bonds under the authority of
169 Sections 3 through 18 of this act, may provide that bonds, at the
170 option of the State of Mississippi, may be called in for payment
171 and redemption at the call price named therein and accrued
172 interest on such date or dates named therein.

173 SECTION 9. The bonds issued under the provisions of Sections
174 3 through 18 of this act are general obligations of the State of
175 Mississippi, and for the payment thereof the full faith and credit
176 of the State of Mississippi is irrevocably pledged. If the funds
177 appropriated by the Legislature are insufficient to pay the
178 principal of and the interest on such bonds as they become due,
179 then the deficiency shall be paid by the State Treasurer from any
180 funds in the State Treasury not otherwise appropriated. All such
181 bonds shall contain recitals on their faces substantially covering
182 the provisions of this section.

183 SECTION 10. Upon the issuance and sale of bonds under the
184 provisions of Sections 3 through 18 of this act, the commission
185 shall transfer the proceeds of any such sale or sales to the
186 special fund created in Section 2 of this act. Except as
187 otherwise provided in Section 2 of this act, the proceeds of such
188 bonds shall be disbursed solely upon the order of the Department
189 of Finance and Administration under such restrictions, if any, as
190 may be contained in the resolution providing for the issuance of
191 the bonds.

192 SECTION 11. The bonds authorized under Sections 3 through 18
193 of this act may be issued without any other proceedings or the
194 happening of any other conditions or things other than those
195 proceedings, conditions and things which are specified or required
196 by Sections 3 through 18 of this act. Any resolution providing

197 for the issuance of bonds under the provisions of Sections 3
198 through 18 of this act shall become effective immediately upon its
199 adoption by the commission, and any such resolution may be adopted
200 at any regular or special meeting of the commission by a majority
201 of its members.

202 SECTION 12. The bonds authorized under the authority of
203 Sections 3 through 18 of this act may be validated in the Chancery
204 Court of the First Judicial District of Hinds County, Mississippi,
205 in the manner and with the force and effect provided by Chapter
206 13, Title 31, Mississippi Code of 1972, for the validation of
207 county, municipal, school district and other bonds. The notice to
208 taxpayers required by such statutes shall be published in a
209 newspaper published or having a general circulation in the City of
210 Jackson, Mississippi.

211 SECTION 13. Any holder of bonds issued under the provisions
212 of Sections 3 through 18 of this act or of any of the interest
213 coupons pertaining thereto may, either at law or in equity, by
214 suit, action, mandamus or other proceeding, protect and enforce
215 any and all rights granted under Sections 3 through 18 of this
216 act, or under such resolution, and may enforce and compel
217 performance of all duties required by Sections 3 through 18 of
218 this act to be performed, in order to provide for the payment of
219 bonds and interest thereon.

220 SECTION 14. All bonds issued under the provisions of
221 Sections 3 through 18 of this act shall be legal investments for
222 trustees and other fiduciaries, and for savings banks, trust
223 companies and insurance companies organized under the laws of the
224 State of Mississippi, and such bonds shall be legal securities
225 which may be deposited with and shall be received by all public
226 officers and bodies of this state and all municipalities and
227 political subdivisions for the purpose of securing the deposit of
228 public funds.

229 SECTION 15. Bonds issued under the provisions of Sections 3
230 through 18 of this act and income therefrom shall be exempt from
231 all taxation in the State of Mississippi.

232 SECTION 16. The proceeds of the bonds issued under Sections
233 3 through 18 of this act shall be used solely for the purposes
234 therein provided, including the costs incident to the issuance and
235 sale of such bonds.

236 SECTION 17. The State Treasurer is authorized, without
237 further process of law, to certify to the Department of Finance
238 and Administration the necessity for warrants, and the Department
239 of Finance and Administration is authorized and directed to issue
240 such warrants, in such amounts as may be necessary to pay when due
241 the principal of, premium, if any, and interest on, or the
242 accreted value of, all bonds issued under Sections 3 through 18 of
243 this act; and the State Treasurer shall forward the necessary
244 amount to the designated place or places of payment of such bonds
245 in ample time to discharge such bonds, or the interest thereon, on
246 the due dates thereof.

247 SECTION 18. Sections 3 through 18 of this act shall be
248 deemed to be full and complete authority for the exercise of the
249 powers therein granted, but Sections 3 through 18 of this act
250 shall not be deemed to repeal or to be in derogation of any
251 existing law of this state.

252 SECTION 19. This act shall take effect and be in force from
253 and after its passage.