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To: Finance

SENATE BILL NO. 3054

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.

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

57 (4) The Mississippi Arts Commission shall adopt necessary
58 rules and regulations to govern the administration of the program
59 described in subsection (1) of this section, including, but not
60 limited to, rules and regulations governing applications for
61 grants and rules and regulations providing for the distribution of
62 grant funds. The Mississippi Arts Commission shall comply with
63 the provisions of the Mississippi Administrative Procedures Law.

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

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

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

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

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

93 (2) The proceeds of bonds issued pursuant to Sections 3
94 through 18 of this act shall be deposited into the Building Fund
95 for the Arts created pursuant to Section 2 of this act. Any
96 investment earnings on bonds issued pursuant to Sections 3 through

97 18 of this act shall be used to pay debt service on bonds issued
98 under Sections 3 through 18 of this act, in accordance with the
99 proceedings authorizing issuance of such bonds.

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

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

129 anything herein to the contrary, such bonds may be issued as
130 provided in the Registered Bond Act of the State of Mississippi.

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

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

156 Notice of the sale of any such bonds shall be published at
157 least one (1) time, not less than ten (10) days before the date of
158 sale, and shall be so published in one or more newspapers
159 published or having a general circulation in the City of Jackson,
160 Mississippi, and in one or more other newspapers or financial

161 journals with a national circulation, to be selected by the
162 commission.

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

168 SECTION 9. The bonds issued under the provisions of Sections
169 3 through 18 of this act are general obligations of the State of
170 Mississippi, and for the payment thereof the full faith and credit
171 of the State of Mississippi is irrevocably pledged. If the funds
172 appropriated by the Legislature are insufficient to pay the
173 principal of and the interest on such bonds as they become due,
174 then the deficiency shall be paid by the State Treasurer from any
175 funds in the State Treasury not otherwise appropriated. All such
176 bonds shall contain recitals on their faces substantially covering
177 the provisions of this section.

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

187 SECTION 11. The bonds authorized under Sections 3 through 18
188 of this act may be issued without any other proceedings or the
189 happening of any other conditions or things other than those
190 proceedings, conditions and things which are specified or required
191 by Sections 3 through 18 of this act. Any resolution providing
192 for the issuance of bonds under the provisions of Sections 3
193 through 18 of this act shall become effective immediately upon its

194 adoption by the commission, and any such resolution may be adopted
195 at any regular or special meeting of the commission by a majority
196 of its members.

197 SECTION 12. The bonds authorized under the authority of
198 Sections 3 through 18 of this act may be validated in the Chancery
199 Court of the First Judicial District of Hinds County, Mississippi,
200 in the manner and with the force and effect provided by Chapter
201 13, Title 31, Mississippi Code of 1972, for the validation of
202 county, municipal, school district and other bonds. The notice to
203 taxpayers required by such statutes shall be published in a
204 newspaper published or having a general circulation in the City of
205 Jackson, Mississippi.

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

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

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

227 SECTION 16. The proceeds of the bonds issued under Sections
228 3 through 18 of this act shall be used solely for the purposes
229 therein provided, including the costs incident to the issuance and
230 sale of such bonds.

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

242 SECTION 18. Sections 3 through 18 of this act shall be
243 deemed to be full and complete authority for the exercise of the
244 powers therein granted, but Sections 3 through 18 of this act
245 shall not be deemed to repeal or to be in derogation of any
246 existing law of this state.

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