

By: Representatives Clarke, Blackmon, Ellis, Evans, Flaggs, Fleming, Fredericks, Green, Huddleston, Morris, Myers, Straughter, Wallace To: Ways and Means

HOUSE BILL NO. 1591

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS FOR
3 WORK NECESSARY TO CORRECT CERTAIN DRAINAGE PROBLEMS ON THE CAMPUS
4 OF JACKSON STATE UNIVERSITY; AND FOR RELATED PURPOSES.

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

6 SECTION 1. As used in this act, the following words shall
7 have the meanings ascribed herein unless the context clearly
8 requires otherwise:

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

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

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

18 SECTION 2. (1) (a) A special fund, to be designated as the
19 "2003 Jackson State University Campus Drainage Improvements Fund"
20 is created within the State Treasury. The fund shall be
21 maintained by the State Treasurer as a separate and special fund,
22 separate and apart from the General Fund of the state. Unexpended
23 amounts remaining in the fund at the end of a fiscal year shall
24 not lapse into the State General Fund, and any interest earned or
25 investment earnings on amounts in the fund shall be deposited into
26 such fund.

27 (b) Monies deposited into the fund shall be disbursed,
28 in the discretion of the Department of Finance and Administration,



29 to pay the costs of work necessary to correct drainage problems on  
30 the west side of the campus of Jackson State University.

31 (2) Amounts deposited into such special fund shall be  
32 disbursed to pay the costs of the projects described in subsection  
33 (1) of this section. Promptly after the commission has certified,  
34 by resolution duly adopted, that the projects described in  
35 subsection (1) of this section shall have been completed,  
36 abandoned, or cannot be completed in a timely fashion, any amounts  
37 remaining in such special fund shall be applied to pay debt  
38 service on the bonds issued under this act, in accordance with the  
39 proceedings authorizing the issuance of such bonds and as directed  
40 by the commission.

41 (3) The Department of Finance and Administration, acting  
42 through the Bureau of Building, Grounds and Real Property  
43 Management, is expressly authorized and empowered to receive and  
44 expend any local or other source funds in connection with the  
45 expenditure of funds provided for in this section. The  
46 expenditure of monies deposited into the special fund shall be  
47 under the direction of the Department of Finance and  
48 Administration, and such funds shall be paid by the State  
49 Treasurer upon warrants issued by such department, which warrants  
50 shall be issued upon requisitions signed by the Executive Director  
51 of the Department of Finance and Administration or his designee.

52 **SECTION 3.** (1) The commission, at one time, or from time to  
53 time, may declare by resolution the necessity for issuance of  
54 general obligation bonds of the State of Mississippi to provide  
55 funds for all costs incurred or to be incurred for the purposes  
56 described in Section 2 of this act. Upon the adoption of a  
57 resolution by the Department of Finance and Administration,  
58 declaring the necessity for the issuance of any part or all of the  
59 general obligation bonds authorized by this section, the  
60 Department of Finance and Administration shall deliver a certified  
61 copy of its resolution or resolutions to the commission. Upon



62 receipt of such resolution, the commission, in its discretion, may  
63 act as the issuing agent, prescribe the form of the bonds,  
64 advertise for and accept bids, issue and sell the bonds so  
65 authorized to be sold and do any and all other things necessary  
66 and advisable in connection with the issuance and sale of such  
67 bonds. The total amount of bonds issued under this act shall not  
68 exceed Four Hundred Thousand Dollars (\$400,000.00).

69 (2) Any investment earnings on amounts deposited into the  
70 special fund created in Section 2 of this act shall be used to pay  
71 debt service on bonds issued under this act, in accordance with  
72 the proceedings authorizing issuance of such bonds.

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

86 **SECTION 5.** The bonds authorized by this act shall be signed  
87 by the chairman of the commission, or by his facsimile signature,  
88 and the official seal of the commission shall be affixed thereto,  
89 attested by the secretary of the commission. The interest  
90 coupons, if any, to be attached to such bonds may be executed by  
91 the facsimile signatures of such officers. Whenever any such  
92 bonds shall have been signed by the officials designated to sign  
93 the bonds who were in office at the time of such signing but who  
94 may have ceased to be such officers before the sale and delivery



95 of such bonds, or who may not have been in office on the date such  
96 bonds may bear, the signatures of such officers upon such bonds  
97 and coupons shall nevertheless be valid and sufficient for all  
98 purposes and have the same effect as if the person so officially  
99 signing such bonds had remained in office until their delivery to  
100 the purchaser, or had been in office on the date such bonds may  
101 bear. However, notwithstanding anything herein to the contrary,  
102 such bonds may be issued as provided in the Registered Bond Act of  
103 the State of Mississippi.

104       **SECTION 6.** All bonds and interest coupons issued under the  
105 provisions of this act have all the qualities and incidents of  
106 negotiable instruments under the provisions of the Uniform  
107 Commercial Code, and in exercising the powers granted by this act,  
108 the commission shall not be required to and need not comply with  
109 the provisions of the Uniform Commercial Code.

110       **SECTION 7.** The commission shall act as the issuing agent for  
111 the bonds authorized under this act, prescribe the form of the  
112 bonds, advertise for and accept bids, issue and sell the bonds so  
113 authorized to be sold, pay all fees and costs incurred in such  
114 issuance and sale, and do any and all other things necessary and  
115 advisable in connection with the issuance and sale of such bonds.  
116 The commission is authorized and empowered to pay the costs that  
117 are incident to the sale, issuance and delivery of the bonds  
118 authorized under this act from the proceeds derived from the sale  
119 of such bonds. The commission shall sell such bonds on sealed  
120 bids at public sale, and for such price as it may determine to be  
121 for the best interest of the State of Mississippi, but no such  
122 sale shall be made at a price less than par plus accrued interest  
123 to the date of delivery of the bonds to the purchaser. All  
124 interest accruing on such bonds so issued shall be payable  
125 semiannually or annually; however, the first interest payment may  
126 be for any period of not more than one (1) year.



127 Notice of the sale of any such bonds shall be published at  
128 least one time, not less than ten (10) days before the date of  
129 sale, and shall be so published in one or more newspapers  
130 published or having a general circulation in the City of Jackson,  
131 Mississippi, and in one or more other newspapers or financial  
132 journals with a national circulation, to be selected by the  
133 commission.

134 The commission, when issuing any bonds under the authority of  
135 this act, may provide that bonds, at the option of the State of  
136 Mississippi, may be called in for payment and redemption at the  
137 call price named therein and accrued interest on such date or  
138 dates named therein.

139 **SECTION 8.** The bonds issued under the provisions of this act  
140 are general obligations of the State of Mississippi, and for the  
141 payment thereof the full faith and credit of the State of  
142 Mississippi is irrevocably pledged. If the funds appropriated by  
143 the Legislature are insufficient to pay the principal of and the  
144 interest on such bonds as they become due, then the deficiency  
145 shall be paid by the State Treasurer from any funds in the State  
146 Treasury not otherwise appropriated. All such bonds shall contain  
147 recitals on their faces substantially covering the provisions of  
148 this section.

149 **SECTION 9.** Upon the issuance and sale of bonds under the  
150 provisions of this act, the commission shall transfer the proceeds  
151 of any such sale or sales to the special fund created in Section 2  
152 of this act. The proceeds of such bonds shall be disbursed solely  
153 upon the order of the Department of Finance and Administration  
154 under such restrictions, if any, as may be contained in the  
155 resolution providing for the issuance of the bonds.

156 **SECTION 10.** The bonds authorized under this act may be  
157 issued without any other proceedings or the happening of any other  
158 conditions or things other than those proceedings, conditions and  
159 things which are specified or required by this act. Any



160 resolution providing for the issuance of bonds under the  
161 provisions of this act shall become effective immediately upon its  
162 adoption by the commission, and any such resolution may be adopted  
163 at any regular or special meeting of the commission by a majority  
164 of its members.

165         **SECTION 11.** The bonds authorized under the authority of this  
166 act may be validated in the Chancery Court of the First Judicial  
167 District of Hinds County, Mississippi, in the manner and with the  
168 force and effect provided by Chapter 13, Title 31, Mississippi  
169 Code of 1972, for the validation of county, municipal, school  
170 district and other bonds. The notice to taxpayers required by  
171 such statutes shall be published in a newspaper published or  
172 having a general circulation in the City of Jackson, Mississippi.

173         **SECTION 12.** Any holder of bonds issued under the provisions  
174 of this act or of any of the interest coupons pertaining thereto  
175 may, either at law or in equity, by suit, action, mandamus or  
176 other proceeding, protect and enforce any and all rights granted  
177 under this act, or under such resolution, and may enforce and  
178 compel performance of all duties required by this act to be  
179 performed, in order to provide for the payment of bonds and  
180 interest thereon.

181         **SECTION 13.** All bonds issued under the provisions of this  
182 act shall be legal investments for trustees and other fiduciaries,  
183 and for savings banks, trust companies and insurance companies  
184 organized under the laws of the State of Mississippi, and such  
185 bonds shall be legal securities which may be deposited with and  
186 shall be received by all public officers and bodies of this state  
187 and all municipalities and political subdivisions for the purpose  
188 of securing the deposit of public funds.

189         **SECTION 14.** Bonds issued under the provisions of this act  
190 and income therefrom shall be exempt from all taxation in the  
191 State of Mississippi.



192           **SECTION 15.** The proceeds of the bonds issued under this act  
193 shall be used solely for the purposes herein provided, including  
194 the costs incident to the issuance and sale of such bonds.

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

206           **SECTION 17.** This act shall be deemed to be full and complete  
207 authority for the exercise of the powers herein granted, but this  
208 act shall not be deemed to repeal or to be in derogation of any  
209 existing law of this state.

210           **SECTION 18.** This act shall take effect and be in force from  
211 and after its passage.

