

By: Senator(s) Gollott, Hewes

To: Finance

SENATE BILL NO. 2971

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR CONSTRUCTION OF THE OHR-O'KEEFE MUSEUM
3 OF ART IN BILOXI, MISSISSIPPI, WHICH INCLUDES CONSTRUCTION OF THE
4 AFRICAN-AMERICAN ART CENTER AT THE MUSEUM AND RESTORATION OF THE
5 PLEASANT REED HOUSE; AND FOR RELATED PURPOSES.

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

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

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

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

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

19 **SECTION 2.** (1) The Department of Finance and
20 Administration, at one time or from time to time, may declare by
21 resolution the necessity for issuance of general obligation bonds
22 of the State of Mississippi in an amount not to exceed Two Million
23 Dollars (\$2,000,000.00) to provide funds to pay the costs of
24 construction of the Ohr-O'Keefe Museum of Art in Biloxi,
25 Mississippi, which includes construction of the African-American
26 Art Center at the museum and restoration of the Pleasant Reed
27 House.



28 (2) (a) A special fund, to be designated as the
29 "Ohr-O'Keefe Museum of Art Fund," is created in the State
30 Treasury. The fund shall be maintained by the State Treasurer
31 separate and apart from the General Fund of the state. Unexpended
32 amounts remaining in the fund at the end of a fiscal year shall
33 not lapse into the State General Fund, and any interest earned or
34 investment earnings on amounts in the fund shall be deposited into
35 the fund.

36 (b) Monies deposited into the fund shall be disbursed,
37 in the discretion of the Department of Finance and Administration,
38 to pay all costs incurred or to be incurred in connection with the
39 project described in subsection (1) of this section.

40 (c) Any investment earnings on amounts deposited into
41 the fund shall be used to pay debt service on bonds issued under
42 this act, in accordance with the proceedings authorizing issuance
43 of the bonds.

44 (d) After the commission has certified, by resolution
45 duly adopted, that the project described in subsection (1) has
46 been completed, abandoned, or cannot be completed in a timely
47 fashion, any amounts remaining in the fund shall be applied to pay
48 debt service on the bonds issued under this act, in accordance
49 with the proceedings authorizing the issuance of the bonds and as
50 directed by the commission.

51 **SECTION 3.** Upon the adoption of a resolution by the
52 Department of Finance and Administration, declaring the necessity
53 for the issuance of any part or all of the general obligation
54 bonds authorized by this act, the Department of Finance and
55 Administration shall deliver a certified copy of its resolution or
56 resolutions to the commission. Upon receipt of the resolution,
57 the commission, in its discretion, may act as the issuing agent,
58 prescribe the form of the bonds, advertise for and accept bids,
59 issue and sell the bonds so authorized to be sold and do any and
60 all other things necessary and advisable in connection with the



61 issuance and sale of the bonds. The total amount of bonds issued
62 under this act shall not exceed Two Million Dollars
63 (\$2,000,000.00).

64 **SECTION 4.** The principal of and interest on the bonds
65 authorized under this act shall be payable in the manner provided
66 in this section. The bonds shall bear such date or dates, be in
67 such denomination or denominations, bear interest at such rate or
68 rates (not to exceed the limits set forth in Section 75-17-101,
69 Mississippi Code of 1972), be payable at such place or places
70 within or without the State of Mississippi, shall mature
71 absolutely at such time or times not to exceed twenty (20) years
72 from date of issue, be redeemable before maturity at such time or
73 times and upon such terms, with or without premium, shall bear
74 such registration privileges, and shall be substantially in such
75 form, all as shall be determined by resolution of the commission.

76 **SECTION 5.** The bonds authorized by this act shall be signed
77 by the chairman of the commission, or by his facsimile signature,
78 and the official seal of the commission shall be affixed to the
79 bonds, attested by the secretary of the commission. The interest
80 coupons, if any, to be attached to the bonds may be executed by
81 the facsimile signatures of those officers. Whenever any of the
82 bonds have been signed by the officials designated to sign the
83 bonds who were in office at the time of the signing, but who may
84 have ceased to be those officers before the sale and delivery of
85 the bonds, or who may not have been in office on the date the
86 bonds may bear, the signatures of those officers upon the bonds
87 and coupons nevertheless shall be valid and sufficient for all
88 purposes and have the same effect as if the person so officially
89 signing the bonds had remained in office until their delivery to
90 the purchaser, or had been in office on the date the bonds may
91 bear. However, notwithstanding anything in this act to the
92 contrary, the bonds may be issued as provided in the Registered
93 Bond Act of the State of Mississippi.



94 **SECTION 6.** All bonds and interest coupons issued under the
95 provisions of this act have all the qualities and incidents of
96 negotiable instruments under the provisions of the Uniform
97 Commercial Code, and in exercising the powers granted by this act,
98 the commission shall not be required to and need not comply with
99 the provisions of the Uniform Commercial Code.

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

117 Notice of the sale of any such bonds shall be published at
118 least one time, not less than ten (10) days before the date of
119 sale, and shall be so published in one or more newspapers
120 published or having a general circulation in the City of Jackson,
121 Mississippi, and in one or more other newspapers or financial
122 journals with a national circulation, to be selected by the
123 commission.

124 The commission, when issuing any bonds under the authority of
125 this act, may provide that bonds, at the option of the State of
126 Mississippi, may be called in for payment and redemption at the



127 call price named therein and accrued interest on such date or
128 dates named therein.

129 **SECTION 8.** The bonds issued under the provisions of this act
130 are general obligations of the State of Mississippi, and for the
131 payment of the bonds the full faith and credit of the State of
132 Mississippi is irrevocably pledged. If the funds appropriated by
133 the Legislature are insufficient to pay the principal of and the
134 interest on the bonds as they become due, then the deficiency
135 shall be paid by the State Treasurer from any funds in the State
136 Treasury not otherwise appropriated. All such bonds shall contain
137 recitals on their faces substantially covering the provisions of
138 this section.

139 **SECTION 9.** Upon the issuance and sale of bonds under the
140 provisions of this act, the commission shall transfer the proceeds
141 of any such sale or sales to the special fund created in Section 2
142 of this act. The proceeds of the bonds shall be disbursed solely
143 upon the order of the Department of Finance and Administration
144 under such restrictions, if any, as may be contained in the
145 resolution providing for the issuance of the bonds.

146 **SECTION 10.** The bonds authorized under this act may be
147 issued without any other proceedings or the happening of any other
148 conditions or things other than those proceedings, conditions and
149 things that are specified or required by this act. Any resolution
150 providing for the issuance of bonds under the provisions of this
151 act shall become effective immediately upon its adoption by the
152 commission, and any such resolution may be adopted at any regular
153 or special meeting of the commission by a majority of its members.

154 **SECTION 11.** The bonds authorized under the authority of this
155 act may be validated in the Chancery Court of the First Judicial
156 District of Hinds County, Mississippi, in the manner and with the
157 force and effect provided by Chapter 13, Title 31, Mississippi
158 Code of 1972, for the validation of county, municipal, school
159 district and other bonds. The notice to taxpayers required by



160 those statutes shall be published in a newspaper published or
161 having a general circulation in the City of Jackson, Mississippi.

162 **SECTION 12.** Any holder of bonds issued under the provisions
163 of this act or of any of the interest coupons pertaining to the
164 bonds may, either at law or in equity, by suit, action, mandamus
165 or other proceeding, protect and enforce any and all rights
166 granted under this act, or under the resolution, and may enforce
167 and compel performance of all duties required by this act to be
168 performed, in order to provide for the payment of bonds and
169 interest on the bonds.

170 **SECTION 13.** All bonds issued under the provisions of this
171 act shall be legal investments for trustees and other fiduciaries,
172 and for savings banks, trust companies and insurance companies
173 organized under the laws of the State of Mississippi, and the
174 bonds shall be legal securities that may be deposited with and
175 shall be received by all public officers and bodies of this state
176 and all municipalities and political subdivisions for the purpose
177 of securing the deposit of public funds.

178 **SECTION 14.** Bonds issued under the provisions of this act
179 and income from the bonds shall be exempt from all taxation in the
180 State of Mississippi.

181 **SECTION 15.** The proceeds of the bonds issued under this act
182 shall be used solely for the purposes provided in this act,
183 including the costs incident to the issuance and sale of the
184 bonds.

185 **SECTION 16.** The State Treasurer may, without further process
186 of law, certify to the Department of Finance and Administration
187 the necessity for warrants, and the Department of Finance and
188 Administration shall issue those warrants, in such amounts as may
189 be necessary to pay when due the principal of, premium, if any,
190 and interest on, or the accreted value of, all bonds issued under
191 this act; and the State Treasurer shall forward the necessary
192 amount to the designated place or places of payment of the bonds



193 in ample time to discharge the bonds, or the interest on the
194 bonds, on the due dates thereof.

195 **SECTION 17.** This act shall be deemed to be full and complete
196 authority for the exercise of the powers granted in this act, but
197 this act shall not be deemed to repeal or to be in derogation of
198 any existing law of this state.

199 **SECTION 18.** This act shall take effect and be in force from
200 and after July 1, 2003.

