

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2003

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO
3 AID IN THE CONSTRUCTION, FURNISHING, EQUIPPING AND OPERATING OF
4 THE UNIVERSITY MEDICAL CENTER CANCER INSTITUTE; TO AUTHORIZE THE
5 ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI
6 FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE EQUIPMENT FOR THE
7 UNIVERSITY MEDICAL CENTER; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

29 (b) Monies deposited into the fund shall be disbursed,
30 in the discretion of the Department of Finance and Administration,
31 to aid in the construction, furnishing, equipping and operating of
32 the University Medical Center Cancer Institute as determined by
33 the Vice Chancellor for Health Affairs for the University Medical
34 Center to be in the best interest of the University Medical Center
35 and approved by the Board of Trustees of State Institutions of
36 Higher Learning.

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

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

58 **SECTION 3.** (1) (a) A special fund, to be designated as the
59 "2005 University Medical Center Equipment Fund," is created within
60 the State Treasury. The fund shall be maintained by the State
61 Treasurer as a separate and special fund, separate and apart from

62 the General Fund of the state. Unexpended amounts remaining in
63 the fund at the end of a fiscal year shall not lapse into the
64 State General Fund, and any interest earned or investment earnings
65 on amounts in the fund shall be deposited into such fund.

66 (b) Monies deposited into the fund shall be disbursed,
67 in the discretion of the Department of Finance and Administration,
68 to purchase equipment for the University Medical Center as
69 determined by the Vice Chancellor for Health Affairs for the
70 University Medical Center.

71 (2) Amounts deposited into such special fund shall be
72 disbursed to pay the costs of the projects described in subsection
73 (1) of this section. Promptly after the commission has certified,
74 by resolution duly adopted, that the project described in
75 subsection (1) of this section shall have been completed,
76 abandoned, or cannot be completed in a timely fashion, any amounts
77 remaining in such special fund shall be applied to pay debt
78 service on the bonds issued under this act, in accordance with the
79 proceedings authorizing the issuance of such bonds and as directed
80 by the commission.

81 (3) The Department of Finance and Administration, acting
82 through the Bureau of Building, Grounds and Real Property
83 Management, is expressly authorized and empowered to receive and
84 expend any local or other source funds in connection with the
85 expenditure of funds provided for in this section. The
86 expenditure of monies deposited into the special fund shall be
87 under the direction of the Department of Finance and
88 Administration, and such funds shall be paid by the State
89 Treasurer upon warrants issued by such department, which warrants
90 shall be issued upon requisitions signed by the Executive Director
91 of the Department of Finance and Administration, or his designee.

92 **SECTION 4.** (1) The commission, at one time, or from time to
93 time, may declare by resolution the necessity for issuance of
94 general obligation bonds of the State of Mississippi to provide

95 funds for all costs incurred or to be incurred for the purposes
96 described in Sections 2 and 3 of this act. Upon the adoption of a
97 resolution by the Department of Finance and Administration,
98 declaring the necessity for the issuance of any part or all of the
99 general obligation bonds authorized by this section, the
100 Department of Finance and Administration shall deliver a certified
101 copy of its resolution or resolutions to the commission. Upon
102 receipt of such resolution, the commission, in its discretion, may
103 act as the issuing agent, prescribe the form of the bonds,
104 advertise for and accept bids, issue and sell the bonds so
105 authorized to be sold and do any and all other things necessary
106 and advisable in connection with the issuance and sale of such
107 bonds. The total amount of bonds issued under this act shall not
108 exceed Eleven Million Dollars (\$11,000,000.00). No bonds shall be
109 issued under this act after July 1, 2008.

110 (2) The proceeds of the bonds issued pursuant to this act
111 shall be deposited into the following special funds in not more
112 than the following amounts:

113 (a) The University Medical Center Cancer Institute Fund
114 created pursuant to Section 2 of this act..... \$ 5,000,000.00.

115 (b) The 2005 University Medical Center Equipment Fund
116 created pursuant to Section 3 of this act..... \$ 6,000,000.00.

117 (3) Any investment earnings on amounts deposited into the
118 special fund created in Sections 2 and 3 of this act shall be used
119 to pay debt service on bonds issued under this act, in accordance
120 with the proceedings authorizing issuance of such bonds.

121 **SECTION 5.** The principal of and interest on the bonds
122 authorized under this act shall be payable in the manner provided
123 in this section. Such bonds shall bear such date or dates, be in
124 such denomination or denominations, bear interest at such rate or
125 rates (not to exceed the limits set forth in Section 75-17-101,
126 Mississippi Code of 1972), be payable at such place or places
127 within or without the State of Mississippi, shall mature

128 absolutely at such time or times not to exceed twenty-five (25)
129 years from date of issue, be redeemable before maturity at such
130 time or times and upon such terms, with or without premium, shall
131 bear such registration privileges, and shall be substantially in
132 such form, all as shall be determined by resolution of the
133 commission.

134 **SECTION 6.** The bonds authorized by this act shall be signed
135 by the chairman of the commission, or by his facsimile signature,
136 and the official seal of the commission shall be affixed thereto,
137 attested by the secretary of the commission. The interest
138 coupons, if any, to be attached to such bonds may be executed by
139 the facsimile signatures of such officers. Whenever any such
140 bonds shall have been signed by the officials designated to sign
141 the bonds who were in office at the time of such signing but who
142 may have ceased to be such officers before the sale and delivery
143 of such bonds, or who may not have been in office on the date such
144 bonds may bear, the signatures of such officers upon such bonds
145 and coupons shall nevertheless be valid and sufficient for all
146 purposes and have the same effect as if the person so officially
147 signing such bonds had remained in office until their delivery to
148 the purchaser, or had been in office on the date such bonds may
149 bear. However, notwithstanding anything herein to the contrary,
150 such bonds may be issued as provided in the Registered Bond Act of
151 the State of Mississippi.

152 **SECTION 7.** All bonds and interest coupons issued under the
153 provisions of this act have all the qualities and incidents of
154 negotiable instruments under the provisions of the Uniform
155 Commercial Code, and in exercising the powers granted by this act,
156 the commission shall not be required to and need not comply with
157 the provisions of the Uniform Commercial Code.

158 **SECTION 8.** The commission shall act as the issuing agent for
159 the bonds authorized under this act, prescribe the form of the
160 bonds, advertise for and accept bids, issue and sell the bonds so

161 authorized to be sold, pay all fees and costs incurred in such
162 issuance and sale, and do any and all other things necessary and
163 advisable in connection with the issuance and sale of such bonds.
164 The commission is authorized and empowered to pay the costs that
165 are incident to the sale, issuance and delivery of the bonds
166 authorized under this act from the proceeds derived from the sale
167 of such bonds. The commission shall sell such bonds on sealed
168 bids at public sale, and for such price as it may determine to be
169 for the best interest of the State of Mississippi, but no such
170 sale shall be made at a price less than par plus accrued interest
171 to the date of delivery of the bonds to the purchaser. All
172 interest accruing on such bonds so issued shall be payable
173 semiannually or annually; however, the first interest payment may
174 be for any period of not more than one (1) year.

175 Notice of the sale of any such bonds shall be published at
176 least one time, not less than ten (10) days before the date of
177 sale, and shall be so published in one or more newspapers
178 published or having a general circulation in the City of Jackson,
179 Mississippi, and in one or more other newspapers or financial
180 journals with a national circulation, to be selected by the
181 commission.

182 The commission, when issuing any bonds under the authority of
183 this act, may provide that bonds, at the option of the State of
184 Mississippi, may be called in for payment and redemption at the
185 call price named therein and accrued interest on such date or
186 dates named therein.

187 **SECTION 9.** The bonds issued under the provisions of this act
188 are general obligations of the State of Mississippi, and for the
189 payment thereof the full faith and credit of the State of
190 Mississippi is irrevocably pledged. If the funds appropriated by
191 the Legislature are insufficient to pay the principal of and the
192 interest on such bonds as they become due, then the deficiency
193 shall be paid by the State Treasurer from any funds in the State

194 Treasury not otherwise appropriated. All such bonds shall contain
195 recitals on their faces substantially covering the provisions of
196 this section.

197 **SECTION 10.** Upon the issuance and sale of bonds under the
198 provisions of this act, the commission shall transfer the proceeds
199 of any such sale or sales to the special fund created in Sections
200 1 and 2 of this act. The proceeds of such bonds shall be
201 disbursed solely upon the order of the Department of Finance and
202 Administration under such restrictions, if any, as may be
203 contained in the resolution providing for the issuance of the
204 bonds.

205 **SECTION 11.** The bonds authorized under this act may be
206 issued without any other proceedings or the happening of any other
207 conditions or things other than those proceedings, conditions and
208 things which are specified or required by this act. Any
209 resolution providing for the issuance of bonds under the
210 provisions of this act shall become effective immediately upon its
211 adoption by the commission, and any such resolution may be adopted
212 at any regular or special meeting of the commission by a majority
213 of its members.

214 **SECTION 12.** The bonds authorized under the authority of this
215 act may be validated in the Chancery Court of the First Judicial
216 District of Hinds County, Mississippi, in the manner and with the
217 force and effect provided by Chapter 13, Title 31, Mississippi
218 Code of 1972, for the validation of county, municipal, school
219 district and other bonds. The notice to taxpayers required by
220 such statutes shall be published in a newspaper published or
221 having a general circulation in the City of Jackson, Mississippi.

222 **SECTION 13.** Any holder of bonds issued under the provisions
223 of this act or of any of the interest coupons pertaining thereto
224 may, either at law or in equity, by suit, action, mandamus or
225 other proceeding, protect and enforce any and all rights granted
226 under this act, or under such resolution, and may enforce and

227 compel performance of all duties required by this act to be
228 performed, in order to provide for the payment of bonds and
229 interest thereon.

230 **SECTION 14.** All bonds issued under the provisions of this
231 act shall be legal investments for trustees and other fiduciaries,
232 and for savings banks, trust companies and insurance companies
233 organized under the laws of the State of Mississippi, and such
234 bonds shall be legal securities which may be deposited with and
235 shall be received by all public officers and bodies of this state
236 and all municipalities and political subdivisions for the purpose
237 of securing the deposit of public funds.

238 **SECTION 15.** Bonds issued under the provisions of this act
239 and income therefrom shall be exempt from all taxation in the
240 State of Mississippi.

241 **SECTION 16.** The proceeds of the bonds issued under this act
242 shall be used solely for the purposes herein provided, including
243 the costs incident to the issuance and sale of such bonds.

244 **SECTION 17.** The State Treasurer is authorized, without
245 further process of law, to certify to the Department of Finance
246 and Administration the necessity for warrants, and the Department
247 of Finance and Administration is authorized and directed to issue
248 such warrants, in such amounts as may be necessary to pay when due
249 the principal of, premium, if any, and interest on, or the
250 accreted value of, all bonds issued under this act; and the State
251 Treasurer shall forward the necessary amount to the designated
252 place or places of payment of such bonds in ample time to
253 discharge such bonds, or the interest thereon, on the due dates
254 thereof.

255 **SECTION 18.** This act shall be deemed to be full and complete
256 authority for the exercise of the powers herein granted, but this
257 act shall not be deemed to repeal or to be in derogation of any
258 existing law of this state.

259 **SECTION 19.** This act shall take effect and be in force from
260 and after its passage.