

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3075

1 AN ACT TO AUTHORIZE THE DEPARTMENT OF FINANCE AND
 2 ADMINISTRATION TO SELL AND CONVEY OR PURCHASE REAL PROPERTY IN THE
 3 JACKSON METROPOLITAN AREA IN ORDER TO EFFICIENTLY MEET THE
 4 FACILITY NEEDS OF STATE AGENCIES; TO PROVIDE THAT MONEY FROM THE
 5 SALE OF STATE-OWNED PROPERTY IN THE JACKSON METROPOLITAN AREA
 6 SHALL BE DEPOSITED INTO THE REAL PROPERTY AND FACILITIES FUND; TO
 7 CREATE THE REAL PROPERTY AND FACILITIES FUND WHICH SHALL CONSIST
 8 OF MONEY DEPOSITED FROM THE SALE OF ALL REAL PROPERTY OF THE STATE
 9 OF MISSISSIPPI IN THE JACKSON METROPOLITAN AREA AND MONEY
 10 DESIGNATED FOR DEPOSIT THEREIN FROM ANY OTHER SOURCE; TO PROVIDE
 11 THAT MONEY IN THE FUND MAY BE EXPENDED BY THE DEPARTMENT OF
 12 FINANCE AND ADMINISTRATION FOR THE ACQUISITION OF PROPERTY FOR
 13 STATE AGENCIES AND RELATED FACILITY NEEDS IN THE JACKSON
 14 METROPOLITAN AREA; TO AUTHORIZE THE ISSUANCE OF STATE GENERAL
 15 OBLIGATION BONDS IN THE AMOUNT OF \$1,000,000.00 AND TO PROVIDE
 16 THAT THE PROCEEDS OF SUCH BONDS SHALL BE DEPOSITED INTO THE REAL
 17 PROPERTY AND FACILITIES FUND; TO AMEND SECTIONS 29-1-1 AND
 18 31-11-3, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR
 19 RELATED PURPOSES.

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

21 **SECTION 1.** (1) The Department of Finance and Administration
 22 is authorized to sell and convey or purchase real property in the
 23 Jackson metropolitan area in order to efficiently meet the
 24 facility needs of state agencies.

25 (2) Money from the sale of state-owned property in the
 26 Jackson metropolitan area shall be deposited into the Real
 27 Property and Facilities Fund.

28 **SECTION 2.** There is created a special fund in the State
 29 Treasury to be designated as the "Real Property and Facilities
 30 Fund," referred to in this act as the "fund," which shall consist
 31 of money deposited from the sale of all real property of the State
 32 of Mississippi in the Jackson metropolitan area and money
 33 designated for deposit therein from any other source, public or
 34 private, including, but not limited to, appropriations, bond
 35 proceeds, grants, gifts or donations. Unexpended amounts

36 remaining in the fund at the end of the fiscal year shall not
37 lapse into the State General Fund, and any interest earned on
38 amounts in the fund shall be deposited to the fund. Money in the
39 fund may be expended by the Department of Finance and
40 Administration for the acquisition or leasing of property for
41 state agency real property and related facility needs in the
42 Jackson metropolitan area. The department may charge and collect
43 rents from state agencies that utilize the properties.

44 **SECTION 3.** As used in Sections 3 through 18 of this act, the
45 following words shall have the meanings ascribed herein unless the
46 context clearly requires otherwise:

47 (a) "Accreted value" of any bonds means, as of any date
48 of computation, an amount equal to the sum of (i) the stated
49 initial value of such bond, plus (ii) the interest accrued thereon
50 from the issue date to the date of computation at the rate,
51 compounded semiannually, that is necessary to produce the
52 approximate yield to maturity shown for bonds of the same
53 maturity.

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

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

56 (d) "This act" means Section 3 through 18 of this act.

57 **SECTION 4.** (1) The Department of Finance and
58 Administration, at one time, or from time to time, may declare by
59 resolution the necessity for issuance of general obligation bonds
60 of the State of Mississippi to provide funds for the Real Property
61 and Facilities Fund created by Section 2 of this act. Upon the
62 adoption of a resolution by the Department of Finance and
63 Administration, declaring the necessity for the issuance of any
64 part or all of the general obligation bonds authorized by this
65 section, the Department of Finance and Administration shall
66 deliver a certified copy of its resolution or resolutions to the
67 commission. Upon receipt of such resolution, the commission, in
68 its discretion, may act as the issuing agent, prescribe the form

69 of the bonds, advertise for and accept bids, issue and sell the
70 bonds so authorized to be sold and do any and all other things
71 necessary and advisable in connection with the issuance and sale
72 of such bonds. The total amount of bonds issued under this act
73 shall not exceed One Million Dollars (\$1,000,000.00). No bonds
74 authorized under this act shall be issued after July 1, 2010.

75 (2) The proceeds of bonds issued pursuant to this act shall
76 be deposited into the Real Property and Facilities Fund created
77 pursuant to Section 2 of this act. Any investment earnings on
78 bonds issued pursuant to this act shall be used to pay debt
79 service on bonds issued under this act, in accordance with the
80 proceedings authorizing issuance of such bonds.

81 **SECTION 5.** The principal of and interest on the bonds
82 authorized under this act shall be payable in the manner provided
83 in this section. Such bonds shall bear such date or dates, be in
84 such denomination or denominations, bear interest at such rate or
85 rates (not to exceed the limits set forth in Section 75-17-101,
86 Mississippi Code of 1972), be payable at such place or places
87 within or without the State of Mississippi, shall mature
88 absolutely at such time or times not to exceed twenty-five (25)
89 years from date of issue, be redeemable before maturity at such
90 time or times and upon such terms, with or without premium, shall
91 bear such registration privileges, and shall be substantially in
92 such form, all as shall be determined by resolution of the
93 commission.

94 **SECTION 6.** The bonds authorized by this act shall be signed
95 by the chairman of the commission, or by his facsimile signature,
96 and the official seal of the commission shall be affixed thereto,
97 attested by the secretary of the commission. The interest
98 coupons, if any, to be attached to such bonds may be executed by
99 the facsimile signatures of such officers. Whenever any such
100 bonds shall have been signed by the officials designated to sign
101 the bonds who were in office at the time of such signing but who

102 may have ceased to be such officers before the sale and delivery
103 of such bonds, or who may not have been in office on the date such
104 bonds may bear, the signatures of such officers upon such bonds
105 and coupons shall nevertheless be valid and sufficient for all
106 purposes and have the same effect as if the person so officially
107 signing such bonds had remained in office until their delivery to
108 the purchaser, or had been in office on the date such bonds may
109 bear. However, notwithstanding anything herein to the contrary,
110 such bonds may be issued as provided in the Registered Bond Act of
111 the State of Mississippi.

112 **SECTION 7.** All bonds and interest coupons issued under the
113 provisions of this act have all the qualities and incidents of
114 negotiable instruments under the provisions of the Uniform
115 Commercial Code, and in exercising the powers granted by this act,
116 the commission shall not be required to and need not comply with
117 the provisions of the Uniform Commercial Code.

118 **SECTION 8.** The commission shall act as the issuing agent for
119 the bonds authorized under this act, prescribe the form of the
120 bonds, advertise for and accept bids, issue and sell the bonds so
121 authorized to be sold, pay all fees and costs incurred in such
122 issuance and sale, and do any and all other things necessary and
123 advisable in connection with the issuance and sale of such bonds.
124 The commission is authorized and empowered to pay the costs that
125 are incident to the sale, issuance and delivery of the bonds
126 authorized under this act from the proceeds derived from the sale
127 of such bonds. The commission shall sell such bonds on sealed
128 bids at public sale, and for such price as it may determine to be
129 for the best interest of the State of Mississippi, but no such
130 sale shall be made at a price less than par plus accrued interest
131 to the date of delivery of the bonds to the purchaser. All
132 interest accruing on such bonds so issued shall be payable
133 semiannually or annually; however, the first interest payment may
134 be for any period of not more than one (1) year.

135 Notice of the sale of any such bonds shall be published at
136 least one time, not less than ten (10) days before the date of
137 sale, and shall be so published in one or more newspapers
138 published or having a general circulation in the City of Jackson,
139 Mississippi, and in one or more other newspapers or financial
140 journals with a national circulation, to be selected by the
141 commission.

142 The commission, when issuing any bonds under the authority of
143 this act, may provide that bonds, at the option of the State of
144 Mississippi, may be called in for payment and redemption at the
145 call price named therein and accrued interest on such date or
146 dates named therein.

147 **SECTION 9.** The bonds issued under the provisions of this act
148 are general obligations of the State of Mississippi, and for the
149 payment thereof the full faith and credit of the State of
150 Mississippi is irrevocably pledged. If the funds appropriated by
151 the Legislature are insufficient to pay the principal of and the
152 interest on such bonds as they become due, then the deficiency
153 shall be paid by the State Treasurer from any funds in the State
154 Treasury not otherwise appropriated. All such bonds shall contain
155 recitals on their faces substantially covering the provisions of
156 this section.

157 **SECTION 10.** Upon the issuance and sale of bonds under the
158 provisions of this act, the commission shall transfer the proceeds
159 of any such sale or sales to the Real Property and Facilities Fund
160 created in Section 2 of this act. The proceeds of the bonds shall
161 be disbursed solely upon the order of the Department of Finance
162 and Administration under such restrictions, if any, as may be
163 contained in the resolution providing for the issuance of the
164 bonds.

165 **SECTION 11.** The bonds authorized under this act may be
166 issued without any other proceedings or the happening of any other
167 conditions or things other than those proceedings, conditions and

168 things which are specified or required by this act. Any
169 resolution providing for the issuance of bonds under the
170 provisions of this act shall become effective immediately upon its
171 adoption by the commission, and any such resolution may be adopted
172 at any regular or special meeting of the commission by a majority
173 of its members.

174 **SECTION 12.** The bonds authorized under the authority of this
175 act may be validated in the Chancery Court of the First Judicial
176 District of Hinds County, Mississippi, in the manner and with the
177 force and effect provided by Chapter 13, Title 31, Mississippi
178 Code of 1972, for the validation of county, municipal, school
179 district and other bonds. The notice to taxpayers required by
180 such statutes shall be published in a newspaper published or
181 having a general circulation in the City of Jackson, Mississippi.

182 **SECTION 13.** Any holder of bonds issued under the provisions
183 of this act or of any of the interest coupons pertaining thereto
184 may, either at law or in equity, by suit, action, mandamus or
185 other proceeding, protect and enforce any and all rights granted
186 under this act, or under such resolution, and may enforce and
187 compel performance of all duties required by this act to be
188 performed, in order to provide for the payment of bonds and
189 interest thereon.

190 **SECTION 14.** All bonds issued under the provisions of this
191 act shall be legal investments for trustees and other fiduciaries,
192 and for savings banks, trust companies and insurance companies
193 organized under the laws of the State of Mississippi, and such
194 bonds shall be legal securities which may be deposited with and
195 shall be received by all public officers and bodies of this state
196 and all municipalities and political subdivisions for the purpose
197 of securing the deposit of public funds.

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

201 **SECTION 16.** The proceeds of the bonds issued under this act
202 shall be used solely for the purposes therein provided, including
203 the costs incident to the issuance and sale of such bonds.

204 **SECTION 17.** The State Treasurer is authorized, without
205 further process of law, to certify to the Department of Finance
206 and Administration the necessity for warrants, and the Department
207 of Finance and Administration is authorized and directed to issue
208 such warrants, in such amounts as may be necessary to pay when due
209 the principal of, premium, if any, and interest on, or the
210 accreted value of, all bonds issued under this act; and the State
211 Treasurer shall forward the necessary amount to the designated
212 place or places of payment of such bonds in ample time to
213 discharge such bonds, or the interest thereon, on the due dates
214 thereof.

215 **SECTION 18.** This act shall be deemed to be full and complete
216 authority for the exercise of the powers therein granted, but this
217 act shall not be deemed to repeal or to be in derogation of any
218 existing law of this state.

219 **SECTION 19.** Section 29-1-1, Mississippi Code of 1972, is
220 amended as follows:

221 29-1-1. (1) Except as otherwise provided in subsections
222 (7), (8), (9) and (10) of this section, the title to all lands
223 held by any agency of the State of Mississippi which were acquired
224 solely by the use of funds appropriated by the state shall appear
225 on all deeds and land records under the name of the "State of
226 Mississippi." For the purpose of this section, the term "agency"
227 shall be defined as set forth in Section 31-7-1(a). The
228 provisions of this section shall not affect the authority of any
229 agency to use any land held by the agency. No assets or property
230 of the Public Employees' Retirement System of Mississippi shall be
231 transferred in violation of Section 272A of the Mississippi
232 Constitution of 1890. Before September 1, 1993, each state agency
233 shall inventory any state-held lands which were acquired solely by

234 the use of funds appropriated by the state, and which are titled
235 in the name of the agency. The agency shall execute quitclaim
236 deeds and any other necessary documents to transfer the name and
237 title of the property to the State of Mississippi.

238 (2) The Secretary of State, under the general direction of
239 the Governor and as authorized by law, shall sell and convey the
240 public lands in the manner and on the terms provided herein for
241 the several classes thereof; he shall perform all the
242 administrative and executive duties appertaining to the selection,
243 location, surveying, platting, listing, and registering these
244 lands or otherwise concerning them; and he shall investigate the
245 status of the various "percent" funds accrued and accruing to the
246 state from the sale of lands by the United States, and shall
247 collect and pay the funds into the treasury in the manner provided
248 by law.

249 (3) In accordance with Sections 7-11-11 and 7-11-13, the
250 Secretary of State shall be required to sign all conveyances of
251 all state-held land. For purposes of this section, the term
252 "conveyance" shall mean any sale or purchase of land by the State
253 of Mississippi for use by any agency, board or commission thereof.
254 Failure to obtain legislative approval pursuant to subsection (4)
255 of this section and the signature of the Secretary of State on any
256 conveyance regarding the sale or purchase of lands for the state
257 including any agency, board or commission thereof, shall render
258 the attempted sale or purchase of the lands void. Nothing in this
259 section shall be construed to authorize any state agency, board,
260 commission or public official to convey any state-held land unless
261 this authority is otherwise granted by law. The Secretary of
262 State shall not withhold arbitrarily his signature from any
263 purchase or sale authorized by the Mississippi State Legislature.
264 All sales of state-held lands, except those lands forfeited to the
265 state for the nonpayment of taxes and those lands acquired by the
266 Mississippi Transportation Commission under Section 65-1-123,

267 shall be sold for not less than the fair market value as
268 determined by two (2) professional appraisers selected by the
269 State Department of Finance and Administration, who are certified
270 general appraisers of the State of Mississippi. The proceeds from
271 any sale by an agency, board, commission or public official of
272 state-held lands shall be deposited into the State General Fund
273 unless otherwise provided by law.

274 (4) Before any state-held land is sold to any individual or
275 private entity, thirty (30) days' advance notice of the intended
276 sale shall be provided by the Secretary of State to the State
277 Legislature, to all state agencies and to all governing
278 authorities within the state for the purpose of ascertaining
279 whether an agency or governing authority has a need for the land
280 and for the purpose of ascertaining whether the sale of the land
281 was authorized by law. If no agency or governing authority within
282 the state expresses in writing to the Secretary of State by the
283 end of the thirty-day period a desire to use the land, then the
284 Secretary of State, with the prior approval of the Mississippi
285 Legislature to sell the state-held land, may offer the land for
286 sale to any individual or private entity.

287 (5) A cultural resources survey may be performed on any
288 state-held land before the disposition of the land if the State
289 Department of Archives and History deems this survey necessary.
290 The cost of the survey and any archaeological studies deemed
291 necessary by the State Department of Archives and History shall be
292 paid by the selling agency and recouped from the proceeds of the
293 sale.

294 (6) Before any land may be purchased by the state for the
295 benefit of any state agency, the Secretary of State, or his
296 designee, shall search and examine all state land records to
297 determine whether the state owns any land that may fit the
298 particular need of the agency. The Secretary of State, or his
299 designee, shall notify the agency if it is determined that any

300 state-held land is available for use by the agency. The agency
301 shall determine if such land accommodates its needs and shall
302 determine whether to make an official request to the proper
303 authorities to have the use of the land.

304 (7) Any lands purchased or acquired for construction and
305 maintenance of highways or highway rights-of-way by the
306 Mississippi Department of Transportation shall be excluded from
307 the provisions of this section.

308 (8) This section shall not apply to any agency of the State
309 of Mississippi that holds title to lands purchased solely by the
310 use of federal funds or whose authority to transfer or dispose of
311 these lands is governed by federal law or federal regulations.

312 (9) Any lands purchased by the Mississippi Major Economic
313 Impact Authority for a "project" as defined in Section 57-75-5
314 shall be excluded from the provisions of this section.

315 (10) Any lands purchased by the Department of Finance and
316 Administration purchased pursuant to Section 1 of Senate Bill No.
317 3075, 2006 Regular Session, shall be excluded from the provisions
318 of this section.

319 (11) The Secretary of State may recover from any agency,
320 corporation, board, commission, entity or individual any cost that
321 is incurred by his office for the record-keeping responsibilities
322 regarding the sale or purchase of any state-held lands.

323 (12) Subsections (3), (4), (5) and (6) of this section shall
324 not apply to sales or purchases of land when the Legislature
325 expressly authorizes or directs a state agency to sell, purchase
326 or lease-purchase a specifically described property. However,
327 when the Legislature authorizes a state agency to sell or
328 otherwise convey specifically described real property to another
329 state agency or other entity such as a county, municipality,
330 economic development district created under Section 19-5-99 or
331 similar entity, without providing that the conveyance may not be
332 made for less than the fair market value of the property, then the

333 state agency authorized to convey such property must make the
334 following determinations before conveying the property:

335 (a) That the state agency or other entity to which the
336 proposed conveyance is to be made has an immediate need for the
337 property;

338 (b) That there are quantifiable benefits that will
339 inure to the state agency or other entity to which the proposed
340 conveyance is to be made which outweigh any quantifiable costs to
341 the state agency authorized to make the conveyance; and

342 (c) That the state agency or other entity to which the
343 proposed conveyance is to be made lacks available funds to pay
344 fair market value for the property. If the state agency
345 authorized to convey such property fails to make such
346 determinations, then it shall not convey the property for less
347 than the fair market value of the property.

348 **SECTION 20.** Section 31-11-3, Mississippi Code of 1972, is
349 amended as follows:

350 31-11-3. (1) The Department of Finance and Administration,
351 for the purposes of carrying out the provisions of this chapter,
352 in addition to all other rights and powers granted by law, shall
353 have full power and authority to employ and compensate architects
354 or other employees necessary for the purpose of making
355 inspections, preparing plans and specifications, supervising the
356 erection of any buildings, and making any repairs or additions as
357 may be determined by the Department of Finance and Administration
358 to be necessary, pursuant to the rules and regulations of the
359 State Personnel Board. The department shall have entire control
360 and supervision of, and determine what, if any, buildings,
361 additions, repairs or improvements are to be made under the
362 provisions of this chapter, subject to the approval of the Public
363 Procurement Review Board.

364 (2) The department shall have full power to erect buildings,
365 make repairs, additions or improvements, and buy materials,

366 supplies and equipment for any of the institutions or departments
367 of the state subject to the approval of the Public Procurement
368 Review Board. In addition to other powers conferred, the
369 department shall have full power and authority as directed by the
370 Legislature, or when funds have been appropriated for its use for
371 these purposes, to:

372 (a) Build a state office building;

373 (b) Build suitable plants or buildings for the use and
374 housing of any state schools or institutions, including the
375 building of plants or buildings for new state schools or
376 institutions, as provided for by the Legislature;

377 (c) Provide state aid for the construction of school
378 buildings;

379 (d) Promote and develop the training of returned
380 veterans of the United States in all sorts of educational and
381 vocational learning to be supplied by the proper educational
382 institution of the State of Mississippi, and in so doing allocate
383 monies appropriated to it for these purposes to the Governor for
384 use by him in setting up, maintaining and operating an office and
385 employing a state director of on-the-job training for veterans and
386 the personnel necessary in carrying out Public Law No. 346 of the
387 United States;

388 (e) Build and equip a hospital and administration
389 building at the Mississippi State Penitentiary;

390 (f) Build and equip additional buildings and wards at
391 the Boswell Retardation Center;

392 (g) Construct a sewage disposal and treatment plant at
393 the state insane hospital, and in so doing acquire additional land
394 as may be necessary, and to exercise the right of eminent domain
395 in the acquisition of this land;

396 (h) Build and equip the Mississippi central market and
397 purchase or acquire by eminent domain, if necessary, any lands
398 needed for this purpose;

399 (i) Build and equip suitable facilities for a training
400 and employing center for the blind;

401 (j) Build and equip a gymnasium at Columbia Training
402 School;

403 (k) Approve or disapprove the expenditure of any money
404 appropriated by the Legislature when authorized by the bill making
405 the appropriation;

406 (l) Expend monies appropriated to it in paying the
407 state's part of the cost of any street paving;

408 (m) Sell and convey state lands when authorized by the
409 Legislature, cause said lands to be properly surveyed and platted,
410 execute all deeds or other legal instruments, and do any and all
411 other things required to effectively carry out the purpose and
412 intent of the Legislature. Any transaction which involves state
413 lands under the provisions of this paragraph shall be done in a
414 manner consistent with the provisions of Section 29-1-1;

415 (n) Collect and receive from educational institutions
416 of the State of Mississippi monies required to be paid by these
417 institutions to the state in carrying out any veterans'
418 educational programs;

419 (o) Purchase lands for building sites, or as additions
420 to building sites, for the erection of buildings and other
421 facilities which the department is authorized to erect, and
422 demolish and dispose of old buildings, when necessary for the
423 proper construction of new buildings. Except as otherwise
424 provided in Section 1 of Senate Bill No. 3075, 2006 Regular
425 Session, any transaction which involves state lands under the
426 provisions of this paragraph shall be done in a manner consistent
427 with the provisions of Section 29-1-1;

428 (p) Obtain business property insurance with a
429 deductible of not less than One Hundred Thousand Dollars
430 (\$100,000.00) on state-owned buildings under the management and
431 control of the department; and

432 (q) In consultation with and approval by the Chairmen
433 of the Public Property Committees of the Senate and the House of
434 Representatives, enter into contracts for the purpose of providing
435 parking spaces for state employees who work in the Woolfolk
436 Building, the Carroll Gartin Justice Building or the Walter
437 Sillers Office Building. The provisions of this paragraph (q)
438 shall stand repealed on July 1, 2006.

439 (3) The department shall survey state-owned and
440 state-utilized buildings to establish an estimate of the costs of
441 architectural alterations, pursuant to the Americans With
442 Disabilities Act of 1990, 42 USCS, Section 12111 et seq. The
443 department shall establish priorities for making the identified
444 architectural alterations and shall make known to the Legislative
445 Budget Office and to the Legislature the required cost to
446 effectuate such alterations. To meet the requirements of this
447 section, the department shall use standards of accessibility that
448 are at least as stringent as any applicable federal requirements
449 and may consider:

450 (a) Federal minimum guidelines and requirements issued
451 by the United States Architectural and Transportation Barriers
452 Compliance Board and standards issued by other federal agencies;

453 (b) The criteria contained in the American Standard
454 Specifications for Making Buildings Accessible and Usable by the
455 Physically Handicapped and any amendments thereto as approved by
456 the American Standards Association, Incorporated (ANSI Standards);

457 (c) Design manuals;

458 (d) Applicable federal guidelines;

459 (e) Current literature in the field;

460 (f) Applicable safety standards; and

461 (g) Any applicable environmental impact statements.

462 (4) The department shall observe the provisions of Section
463 31-5-23, in letting contracts and shall use Mississippi products,
464 including paint, varnish and lacquer which contain as vehicles

465 tung oil and either ester gum or modified resin (with rosin as the
466 principal base of constituents), and turpentine shall be used as a
467 solvent or thinner, where these products are available at a cost
468 not to exceed the cost of products grown, produced, prepared, made
469 or manufactured outside of the State of Mississippi.

470 (5) The department shall have authority to accept grants,
471 loans or donations from the United States government or from any
472 other sources for the purpose of matching funds in carrying out
473 the provisions of this chapter.

474 (6) The department shall build a wheelchair ramp at the War
475 Memorial Building which complies with all applicable federal laws,
476 regulations and specifications regarding wheelchair ramps.

477 (7) The department shall review and preapprove all
478 architectural or engineering service contracts entered into by any
479 state agency, institution, commission, board or authority
480 regardless of the source of funding used to defray the costs of
481 the construction or renovation project for which services are to
482 be obtained. The provisions of this subsection (7) shall not
483 apply to any architectural or engineering contract paid for by
484 self-generated funds of any of the state institutions of higher
485 learning, nor shall they apply to community college projects that
486 are funded from local funds or other nonstate sources which are
487 outside the Department of Finance and Administration's
488 appropriations or as directed by the Legislature. The provisions
489 of this subsection (7) shall not apply to any construction or
490 design projects of the State Military Department that are funded
491 from federal funds or other nonstate sources.

492 (8) The department shall have the authority to obtain
493 annually from the state institutions of higher learning
494 information on all building, construction and renovation projects
495 including duties, responsibilities and costs of any architect or
496 engineer hired by any such institutions.

497 (9) (a) As an alternative to other methods of awarding
498 contracts as prescribed by law, the department may use the
499 design-build method or the design-build bridging method of
500 contracting for new capital construction projects to be used as a
501 pilot program for the following projects:

502 (i) Projects for the Mississippi Development
503 Authority pursuant to agreements between both governmental
504 entities;

505 (ii) Any project with an estimated cost of not
506 more than Ten Million Dollars (\$10,000,000.00), not to exceed two
507 (2) projects per fiscal year; and

508 (iii) Any project which has an estimated cost of
509 more than Fifty Million Dollars (\$50,000,000.00), not to exceed
510 one (1) project per fiscal year.

511 (b) As used in this subsection:

512 (i) "Design-build method of contracting" means a
513 contract that combines the design and construction phases of a
514 project into a single contract and the contractor is required to
515 satisfactorily perform, at a minimum, both the design and
516 construction of the project.

517 (ii) "Design-build bridging method of contracting"
518 means a contract that requires design through the design
519 development phase by a professional designer, after which a
520 request for qualifications for design completion and construction
521 is required for the completion of the project from a single
522 contractor that combines the balance of design and construction
523 phases of a project into a single contract. The contractor is
524 required to satisfactorily perform, at a minimum, both the balance
525 of design and construction of the project.

526 (c) The department shall establish detailed criteria
527 for the selection of the successful design-build/design-build
528 bridging contractor in each request for design-build/design-build
529 bridging proposals. The request for qualifications evaluation of

530 the selection committee is a public record and shall be maintained
531 for a minimum of three (3) years after project completion.

532 (d) The department shall maintain detailed records on
533 projects separate and apart from its regular record keeping. The
534 department shall file a report to the Legislature evaluating the
535 design-build/design-build bridging method of contracting by
536 comparing it to the low-bid method of contracting. At a minimum,
537 the report must include:

538 (i) The management goals and objectives for the
539 design-build/design-build bridging system of management;

540 (ii) A complete description of the components of
541 the design-build/design-build bridging management system,
542 including a description of the system the department put into
543 place on all projects managed under the system to insure that it
544 has the complete information on building segment costs and to
545 insure proper analysis of any proposal the department receives
546 from a contractor;

547 (iii) The accountability systems the department
548 established to monitor any design-build/design-build bridging
549 project's compliance with specific goals and objectives for the
550 project;

551 (iv) The outcome of any project or any interim
552 report on an ongoing project let under a design-build/design-build
553 bridging management system showing compliance with the goals,
554 objectives, policies and procedures the department set for the
555 project; and

556 (v) The method used by the department to select
557 projects to be let under the design-build/design-build bridging
558 system of management and all other systems, policies and
559 procedures that the department considered as necessary components
560 to a design-build/design-build bridging management system.

561 (e) All contracts let under the provisions of this
562 subsection shall be subject to oversight and review by the State
563 Auditor.

564 **SECTION 21.** This act shall take effect and be in force from
565 and after its passage.