

By: Representatives Watson, Guice

To: Ways and Means

HOUSE BILL NO. 246

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF MAKING CAPITAL IMPROVEMENTS FOR
3 INSTITUTIONS OF HIGHER LEARNING AND COMMUNITY AND JUNIOR COLLEGES;
4 AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) As used in this section, the following words
7 shall 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 (2) (a) (i) A special fund, to be designated as the "2007
19 IHL Capital Improvements Fund," is created within the State
20 Treasury. The fund shall be maintained by the State Treasurer as
21 a separate and special fund, separate and apart from the General
22 Fund of the state. Unexpended amounts remaining in the fund at
23 the end of a fiscal year shall not lapse into the State General
24 Fund, and any interest earned or investment earnings on amounts in
25 the fund shall be deposited into such fund.

26 (ii) Monies deposited into the fund shall be
27 disbursed, in the discretion of the Department of Finance and
28 Administration, as recommended by the Board of Trustees of State

29 Institutions of Higher Learning on those projects related to the
30 universities under its management and control to pay the costs of
31 capital improvements, renovation and/or repair of existing
32 facilities, furnishings and/or equipping facilities.

33 (b) (i) Amounts deposited into such special fund shall
34 be disbursed to pay the costs of projects described in paragraph
35 (a) of this subsection. If any monies in such special fund are
36 not used within four (4) years after the date the proceeds of the
37 bonds authorized under this section are deposited into the special
38 fund, then the Board of Trustees of State Institutions of Higher
39 Learning shall provide an accounting of such unused monies to the
40 commission. Promptly after the commission has certified, by
41 resolution duly adopted, that the projects described in paragraph
42 (a) of this subsection shall have been completed, abandoned, or
43 cannot be completed in a timely fashion, any amounts remaining in
44 such special fund shall be applied to pay debt service on the
45 bonds issued under this section, in accordance with the
46 proceedings authorizing the issuance of such bonds and as directed
47 by the commission.

48 (ii) Monies in the special fund may be used to
49 reimburse reasonable actual and necessary costs incurred by the
50 Department of Finance and Administration, acting through the
51 Bureau of Building, Grounds and Real Property Management, in
52 administering or providing assistance directly related to a
53 project described in paragraph (a) of this subsection. An
54 accounting of actual costs incurred for which reimbursement is
55 sought shall be maintained for each project by the Department of
56 Finance and Administration, Bureau of Building, Grounds and Real
57 Property Management. Reimbursement of reasonable actual and
58 necessary costs for a project shall not exceed two percent (2%) of
59 the proceeds of bonds issued for such project. Monies authorized
60 for a particular project may not be used to reimburse
61 administrative costs for unrelated projects.

62 (c) The Department of Finance and Administration,
63 acting through the Bureau of Building, Grounds and Real Property
64 Management, is expressly authorized and empowered to receive and
65 expend any local or other source funds in connection with the
66 expenditure of funds provided for in this subsection. The
67 expenditure of monies deposited into the special fund shall be
68 under the direction of the Department of Finance and
69 Administration, and such funds shall be paid by the State
70 Treasurer upon warrants issued by such department, which warrants
71 shall be issued upon requisitions signed by the Executive Director
72 of the Department of Finance and Administration, or his designee.

73 (3) (a) The commission, at one time, or from time to time,
74 may declare by resolution the necessity for issuance of general
75 obligation bonds of the State of Mississippi to provide funds for
76 all costs incurred or to be incurred for the purposes described in
77 this section. Upon the adoption of a resolution by the Board of
78 Trustees of State Institutions of Higher Learning, declaring the
79 necessity for the issuance of any part or all of the general
80 obligation bonds authorized by this section, the Board of Trustees
81 of State Institutions of Higher Learning shall deliver a certified
82 copy of its resolution or resolutions to the commission. Upon
83 receipt of such resolution, the commission, in its discretion, may
84 act as the issuing agent, prescribe the form of the bonds,
85 advertise for and accept bids, issue and sell the bonds so
86 authorized to be sold and do any and all other things necessary
87 and advisable in connection with the issuance and sale of such
88 bonds. The total amount of bonds issued under this section shall
89 not exceed One Hundred Twenty Million Dollars (\$120,000,000.00).
90 No bonds shall be issued under this section after July 1, 2011.

91 (b) Any investment earnings on amounts deposited into
92 the special fund created in subsection (2) of this section shall
93 be used to pay debt service on bonds issued under this section, in

94 accordance with the proceedings authorizing issuance of such
95 bonds.

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

109 (5) The bonds authorized by this section shall be signed by
110 the chairman of the commission, or by his facsimile signature, and
111 the official seal of the commission shall be affixed thereto,
112 attested by the secretary of the commission. The interest
113 coupons, if any, to be attached to such bonds may be executed by
114 the facsimile signatures of such officers. Whenever any such
115 bonds shall have been signed by the officials designated to sign
116 the bonds who were in office at the time of such signing but who
117 may have ceased to be such officers before the sale and delivery
118 of such bonds, or who may not have been in office on the date such
119 bonds may bear, the signatures of such officers upon such bonds
120 and coupons shall nevertheless be valid and sufficient for all
121 purposes and have the same effect as if the person so officially
122 signing such bonds had remained in office until their delivery to
123 the purchaser, or had been in office on the date such bonds may
124 bear. However, notwithstanding anything herein to the contrary,
125 such bonds may be issued as provided in the Registered Bond Act of
126 the State of Mississippi.

127 (6) All bonds and interest coupons issued under the
128 provisions of this section have all the qualities and incidents of
129 negotiable instruments under the provisions of the Uniform
130 Commercial Code, and in exercising the powers granted by this
131 section, the commission shall not be required to and need not
132 comply with the provisions of the Uniform Commercial Code.

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

150 Notice of the sale of any such bonds shall be published at
151 least one time, not less than ten (10) days before the date of
152 sale, and shall be so published in one or more newspapers
153 published or having a general circulation in the City of Jackson,
154 Mississippi, and in one or more other newspapers or financial
155 journals with a national circulation, to be selected by the
156 commission.

157 The commission, when issuing any bonds under the authority of
158 this section, may provide that bonds, at the option of the State
159 of Mississippi, may be called in for payment and redemption at the

160 call price named therein and accrued interest on such date or
161 dates named therein.

162 (8) The bonds issued under the provisions of this section
163 are general obligations of the State of Mississippi, and for the
164 payment thereof the full faith and credit of the State of
165 Mississippi is irrevocably pledged. If the funds appropriated by
166 the Legislature are insufficient to pay the principal of and the
167 interest on such bonds as they become due, then the deficiency
168 shall be paid by the State Treasurer from any funds in the State
169 Treasury not otherwise appropriated. All such bonds shall contain
170 recitals on their faces substantially covering the provisions of
171 this subsection.

172 (9) Upon the issuance and sale of bonds under the provisions
173 of this section, the commission shall transfer the proceeds of any
174 such sale or sales to the special fund created in subsection (2)
175 of this section. The proceeds of such bonds shall be disbursed
176 solely upon the order of the Department of Finance and
177 Administration under such restrictions, if any, as may be
178 contained in the resolution providing for the issuance of the
179 bonds.

180 (10) The bonds authorized under this section may be issued
181 without any other proceedings or the happening of any other
182 conditions or things other than those proceedings, conditions and
183 things which are specified or required by this section. Any
184 resolution providing for the issuance of bonds under the
185 provisions of this section shall become effective immediately upon
186 its adoption by the commission, and any such resolution may be
187 adopted at any regular or special meeting of the commission by a
188 majority of its members.

189 (11) The bonds authorized under the authority of this
190 section may be validated in the Chancery Court of the First
191 Judicial District of Hinds County, Mississippi, in the manner and
192 with the force and effect provided by Chapter 13, Title 31,

193 Mississippi Code of 1972, for the validation of county, municipal,
194 school district and other bonds. The notice to taxpayers required
195 by such statutes shall be published in a newspaper published or
196 having a general circulation in the City of Jackson, Mississippi.

197 (12) Any holder of bonds issued under the provisions of this
198 section or of any of the interest coupons pertaining thereto may,
199 either at law or in equity, by suit, action, mandamus or other
200 proceeding, protect and enforce any and all rights granted under
201 this section, or under such resolution, and may enforce and compel
202 performance of all duties required by this section to be
203 performed, in order to provide for the payment of bonds and
204 interest thereon.

205 (13) All bonds issued under the provisions of this section
206 shall be legal investments for trustees and other fiduciaries, and
207 for savings banks, trust companies and insurance companies
208 organized under the laws of the State of Mississippi, and such
209 bonds shall be legal securities which may be deposited with and
210 shall be received by all public officers and bodies of this state
211 and all municipalities and political subdivisions for the purpose
212 of securing the deposit of public funds.

213 (14) Bonds issued under the provisions of this section and
214 income therefrom shall be exempt from all taxation in the State of
215 Mississippi.

216 (15) The proceeds of the bonds issued under this section
217 shall be used solely for the purposes herein provided, including
218 the costs incident to the issuance and sale of such bonds.

219 (16) The State Treasurer is authorized, without further
220 process of law, to certify to the Department of Finance and
221 Administration the necessity for warrants, and the Department of
222 Finance and Administration is authorized and directed to issue
223 such warrants, in such amounts as may be necessary to pay when due
224 the principal of, premium, if any, and interest on, or the
225 accreted value of, all bonds issued under this section; and the

226 State Treasurer shall forward the necessary amount to the
227 designated place or places of payment of such bonds in ample time
228 to discharge such bonds, or the interest thereon, on the due dates
229 thereof.

230 (17) This section shall be deemed to be full and complete
231 authority for the exercise of the powers herein granted, but this
232 section shall not be deemed to repeal or to be in derogation of
233 any existing law of this state.

234 **SECTION 2.** (1) As used in this section, the following words
235 shall have the meanings ascribed herein unless the context clearly
236 requires otherwise:

237 (a) "Accreted value" of any bond means, as of any date
238 of computation, an amount equal to the sum of (i) the stated
239 initial value of such bond, plus (ii) the interest accrued thereon
240 from the issue date to the date of computation at the rate,
241 compounded semiannually, that is necessary to produce the
242 approximate yield to maturity shown for bonds of the same
243 maturity.

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

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

246 (2) (a) (i) A special fund, to be designated as the "2007
247 Community and Junior Colleges Capital Improvements Fund," is
248 created within the State Treasury. The fund shall be maintained
249 by the State Treasurer as a separate and special fund, separate
250 and apart from the General Fund of the state. Unexpended amounts
251 remaining in the fund at the end of a fiscal year shall not lapse
252 into the State General Fund, and any interest earned or investment
253 earnings on amounts in the fund shall be deposited into such fund.

254 (ii) Monies deposited into the fund shall be disbursed,
255 in the discretion of the Department of Finance and Administration,
256 as recommended by the State Board for Community and Junior
257 Colleges to pay the costs of acquisition of real property,
258 construction of new facilities, equipping and furnishing

259 facilities, including furniture and technology equipment and
260 infrastructure, and addition to or renovation of existing
261 facilities for community and junior college campuses.

262 (b) (i) Amounts deposited into such special fund shall
263 be disbursed to pay the costs of projects described in paragraph
264 (a) of this subsection. If any monies in such special fund are
265 not used within four (4) years after the date the proceeds of the
266 bonds authorized under this section are deposited into the special
267 fund, then the State Board for Community and Junior Colleges shall
268 provide an accounting of such unused monies to the commission.
269 Promptly after the commission has certified, by resolution duly
270 adopted, that the projects described in paragraph (a) of this
271 subsection shall have been completed, abandoned, or cannot be
272 completed in a timely fashion, any amounts remaining in such
273 special fund shall be applied to pay debt service on the bonds
274 issued under this section, in accordance with the proceedings
275 authorizing the issuance of such bonds and as directed by the
276 commission.

277 (ii) Monies in the special fund may be used to
278 reimburse reasonable actual and necessary costs incurred by the
279 Department of Finance and Administration, acting through the
280 Bureau of Building, Grounds and Real Property Management, in
281 administering or providing assistance directly related to a
282 project described in paragraph (a) of this subsection. An
283 accounting of actual costs incurred for which reimbursement is
284 sought shall be maintained for each project by the Department of
285 Finance and Administration, Bureau of Building, Grounds and Real
286 Property Management. Reimbursement of reasonable actual and
287 necessary costs for a project shall not exceed two percent (2%) of
288 the proceeds of bonds issued for such project. Monies authorized
289 for a particular project may not be used to reimburse
290 administrative costs for unrelated projects.

291 (c) The Department of Finance and Administration,
292 acting through the Bureau of Building, Grounds and Real Property
293 Management, is expressly authorized and empowered to receive and
294 expend any local or other source funds in connection with the
295 expenditure of funds provided for in this subsection. The
296 expenditure of monies deposited into the special fund shall be
297 under the direction of the Department of Finance and
298 Administration, and such funds shall be paid by the State
299 Treasurer upon warrants issued by such department, which warrants
300 shall be issued upon requisitions signed by the Executive Director
301 of the Department of Finance and Administration, or his designee.

302 (3) (a) The commission, at one time, or from time to time,
303 may declare by resolution the necessity for issuance of general
304 obligation bonds of the State of Mississippi to provide funds for
305 all costs incurred or to be incurred for the purposes described in
306 this section. Upon the adoption of a resolution by the State
307 Board for Community and Junior Colleges, declaring the necessity
308 for the issuance of any part or all of the general obligation
309 bonds authorized by this section, the State Board for Community
310 and Junior Colleges shall deliver a certified copy of its
311 resolution or resolutions to the commission. Upon receipt of such
312 resolution, the commission, in its discretion, may act as the
313 issuing agent, prescribe the form of the bonds, advertise for and
314 accept bids, issue and sell the bonds so authorized to be sold and
315 do any and all other things necessary and advisable in connection
316 with the issuance and sale of such bonds. The total amount of
317 bonds issued under this section shall not exceed Seventy-five
318 Million Dollars (\$75,000,000.00). No bonds shall be issued under
319 this section after July 1, 2011.

320 (b) Any investment earnings on amounts deposited into
321 the special fund created in subsection (2) of this section shall
322 be used to pay debt service on bonds issued under this section, in

323 accordance with the proceedings authorizing issuance of such
324 bonds.

325 (4) The principal of and interest on the bonds authorized
326 under this section shall be payable in the manner provided in this
327 subsection. Such bonds shall bear such date or dates, be in such
328 denomination or denominations, bear interest at such rate or rates
329 (not to exceed the limits set forth in Section 75-17-101,
330 Mississippi Code of 1972), be payable at such place or places
331 within or without the State of Mississippi, shall mature
332 absolutely at such time or times not to exceed twenty-five (25)
333 years from date of issue, be redeemable before maturity at such
334 time or times and upon such terms, with or without premium, shall
335 bear such registration privileges, and shall be substantially in
336 such form, all as shall be determined by resolution of the
337 commission.

338 (5) The bonds authorized by this section shall be signed by
339 the chairman of the commission, or by his facsimile signature, and
340 the official seal of the commission shall be affixed thereto,
341 attested by the secretary of the commission. The interest
342 coupons, if any, to be attached to such bonds may be executed by
343 the facsimile signatures of such officers. Whenever any such
344 bonds shall have been signed by the officials designated to sign
345 the bonds who were in office at the time of such signing but who
346 may have ceased to be such officers before the sale and delivery
347 of such bonds, or who may not have been in office on the date such
348 bonds may bear, the signatures of such officers upon such bonds
349 and coupons shall nevertheless be valid and sufficient for all
350 purposes and have the same effect as if the person so officially
351 signing such bonds had remained in office until their delivery to
352 the purchaser, or had been in office on the date such bonds may
353 bear. However, notwithstanding anything herein to the contrary,
354 such bonds may be issued as provided in the Registered Bond Act of
355 the State of Mississippi.

356 (6) All bonds and interest coupons issued under the
357 provisions of this section have all the qualities and incidents of
358 negotiable instruments under the provisions of the Uniform
359 Commercial Code, and in exercising the powers granted by this
360 section, the commission shall not be required to and need not
361 comply with the provisions of the Uniform Commercial Code.

362 (7) The commission shall act as the issuing agent for the
363 bonds authorized under this section, prescribe the form of the
364 bonds, advertise for and accept bids, issue and sell the bonds so
365 authorized to be sold, pay all fees and costs incurred in such
366 issuance and sale, and do any and all other things necessary and
367 advisable in connection with the issuance and sale of such bonds.
368 The commission is authorized and empowered to pay the costs that
369 are incident to the sale, issuance and delivery of the bonds
370 authorized under this section from the proceeds derived from the
371 sale of such bonds. The commission shall sell such bonds on
372 sealed bids at public sale, and for such price as it may determine
373 to be for the best interest of the State of Mississippi, but no
374 such sale shall be made at a price less than par plus accrued
375 interest to the date of delivery of the bonds to the purchaser.
376 All interest accruing on such bonds so issued shall be payable
377 semiannually or annually; however, the first interest payment may
378 be for any period of not more than one (1) year.

379 Notice of the sale of any such bonds shall be published at
380 least one time, not less than ten (10) days before the date of
381 sale, and shall be so published in one or more newspapers
382 published or having a general circulation in the City of Jackson,
383 Mississippi, and in one or more other newspapers or financial
384 journals with a national circulation, to be selected by the
385 commission.

386 The commission, when issuing any bonds under the authority of
387 this section, may provide that bonds, at the option of the State
388 of Mississippi, may be called in for payment and redemption at the

389 call price named therein and accrued interest on such date or
390 dates named therein.

391 (8) The bonds issued under the provisions of this section
392 are general obligations of the State of Mississippi, and for the
393 payment thereof the full faith and credit of the State of
394 Mississippi is irrevocably pledged. If the funds appropriated by
395 the Legislature are insufficient to pay the principal of and the
396 interest on such bonds as they become due, then the deficiency
397 shall be paid by the State Treasurer from any funds in the State
398 Treasury not otherwise appropriated. All such bonds shall contain
399 recitals on their faces substantially covering the provisions of
400 this subsection.

401 (9) Upon the issuance and sale of bonds under the provisions
402 of this section, the commission shall transfer the proceeds of any
403 such sale or sales to the special fund created in subsection (2)
404 of this section. The proceeds of such bonds shall be disbursed
405 solely upon the order of the Department of Finance and
406 Administration under such restrictions, if any, as may be
407 contained in the resolution providing for the issuance of the
408 bonds.

409 (10) The bonds authorized under this section may be issued
410 without any other proceedings or the happening of any other
411 conditions or things other than those proceedings, conditions and
412 things which are specified or required by this section. Any
413 resolution providing for the issuance of bonds under the
414 provisions of this section shall become effective immediately upon
415 its adoption by the commission, and any such resolution may be
416 adopted at any regular or special meeting of the commission by a
417 majority of its members.

418 (11) The bonds authorized under the authority of this
419 section may be validated in the Chancery Court of the First
420 Judicial District of Hinds County, Mississippi, in the manner and
421 with the force and effect provided by Chapter 13, Title 31,

422 Mississippi Code of 1972, for the validation of county, municipal,
423 school district and other bonds. The notice to taxpayers required
424 by such statutes shall be published in a newspaper published or
425 having a general circulation in the City of Jackson, Mississippi.

426 (12) Any holder of bonds issued under the provisions of this
427 section or of any of the interest coupons pertaining thereto may,
428 either at law or in equity, by suit, action, mandamus or other
429 proceeding, protect and enforce any and all rights granted under
430 this section, or under such resolution, and may enforce and compel
431 performance of all duties required by this section to be
432 performed, in order to provide for the payment of bonds and
433 interest thereon.

434 (13) All bonds issued under the provisions of this section
435 shall be legal investments for trustees and other fiduciaries, and
436 for savings banks, trust companies and insurance companies
437 organized under the laws of the State of Mississippi, and such
438 bonds shall be legal securities which may be deposited with and
439 shall be received by all public officers and bodies of this state
440 and all municipalities and political subdivisions for the purpose
441 of securing the deposit of public funds.

442 (14) Bonds issued under the provisions of this section and
443 income therefrom shall be exempt from all taxation in the State of
444 Mississippi.

445 (15) The proceeds of the bonds issued under this section
446 shall be used solely for the purposes herein provided, including
447 the costs incident to the issuance and sale of such bonds.

448 (16) The State Treasurer is authorized, without further
449 process of law, to certify to the Department of Finance and
450 Administration the necessity for warrants, and the Department of
451 Finance and Administration is authorized and directed to issue
452 such warrants, in such amounts as may be necessary to pay when due
453 the principal of, premium, if any, and interest on, or the
454 accreted value of, all bonds issued under this section; and the

455 State Treasurer shall forward the necessary amount to the
456 designated place or places of payment of such bonds in ample time
457 to discharge such bonds, or the interest thereon, on the due dates
458 thereof.

459 (17) This section shall be deemed to be full and complete
460 authority for the exercise of the powers herein granted, but this
461 section shall not be deemed to repeal or to be in derogation of
462 any existing law of this state.

463 **SECTION 3.** This act shall take effect and be in force from
464 and after its passage.