

By: Representative Brown

To: Ways and Means

HOUSE BILL NO. 1744

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR THE CONSTRUCTION, FURNISHING AND
3 EQUIPPING OF A CHILDREN'S MUSEUM IN HINDS COUNTY, MISSISSIPPI; AND
4 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 Mississippi Children's Museum 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, to pay the costs described in subsection (3)(a) of
29 this section.

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

40 (3) (a) Upon the receipt of matching funds or verification
41 that the matching funds described in this paragraph are
42 forthcoming, the Department of Finance and Administration, at one
43 time, or from time to time, may declare by resolution the
44 necessity for issuance of general obligation bonds of the State of
45 Mississippi in an amount not to exceed Five Million Three Hundred
46 Thousand Dollars (\$5,300,000.00) to provide funds for the: (a)
47 repair, renovation, remodeling, equipping, furnishing, adding to
48 or improving the old National Guard Armory on the State
49 Fairgrounds in Jackson, Mississippi, or another structure if
50 approved by the Department of Finance and Administration as
51 provided in Section 39-23-3(a), for use as a children's museum;
52 (b) repair, renovation, furnishing and equipping of the facility
53 at the location described in Section 39-23-3(c); (c) construction,
54 furnishing and equipping of a facility at the location described
55 in Section 39-23-3(d); or (d) construction, furnishing and
56 equipping of a facility at a location selected as provided in
57 Section 39-23-3(e). The issuance of the bonds described in this
58 paragraph and the allocation of such funds are conditioned upon
59 the private sector or local or federal government providing Five
60 Million Three Hundred Thousand Dollars (\$5,300,000.00) to match

61 the funds provided under this section. The matching funds
62 required pursuant to this subsection may be provided in the form
63 of cash or in-kind contributions or any combination of cash or
64 in-kind contributions. In-kind contributions shall include, but
65 not be limited to, the value of exhibits that are contributed to
66 the children's museum.

67 (b) Upon the adoption of a resolution by the Department
68 of Finance and Administration, declaring the necessity for the
69 issuance of any part or all of the general obligation bonds
70 authorized by this section, the department shall deliver a
71 certified copy of its resolution or resolutions to the commission.
72 Upon receipt of such resolution, the commission, in its
73 discretion, may act as the issuing agent, prescribe the form of
74 the bonds, advertise for and accept bids, issue and sell the bonds
75 so authorized to be sold, and do any and all other things
76 necessary and advisable in connection with the issuance and sale
77 of such bonds. The amount of bonds issued under this section
78 shall not exceed Five Million Three Hundred Thousand Dollars
79 (\$5,300,000.00).

80 (c) Any investment earnings on amounts deposited into
81 the special fund created in subsection (2) of this section shall
82 be used to pay debt service on bonds issued under this section, in
83 accordance with the proceedings authorizing issuance of such
84 bonds.

85 (4) The principal of and interest on the bonds authorized
86 under this section shall be payable in the manner provided in this
87 subsection. Such bonds shall bear such date or dates, be in such
88 denomination or denominations, bear interest at such rate or rates
89 (not to exceed the limits set forth in Section 75-17-101,
90 Mississippi Code of 1972), be payable at such place or places
91 within or without the State of Mississippi, shall mature
92 absolutely at such time or times not to exceed twenty-five (25)
93 years from date of issue, be redeemable before maturity at such

94 time or times and upon such terms, with or without premium, shall
95 bear such registration privileges, and shall be substantially in
96 such form, all as shall be determined by resolution of the
97 commission.

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

116 (6) All bonds and interest coupons issued under the
117 provisions of this section have all the qualities and incidents of
118 negotiable instruments under the provisions of the Uniform
119 Commercial Code, and in exercising the powers granted by this
120 section, the commission shall not be required to and need not
121 comply with the provisions of the Uniform Commercial Code.

122 (7) The commission shall act as the issuing agent for the
123 bonds authorized under this section, prescribe the form of the
124 bonds, advertise for and accept bids, issue and sell the bonds so
125 authorized to be sold, pay all fees and costs incurred in such
126 issuance and sale, and do any and all other things necessary and

127 advisable in connection with the issuance and sale of such bonds.
128 The commission is authorized and empowered to pay the costs that
129 are incident to the sale, issuance and delivery of the bonds
130 authorized under this section from the proceeds derived from the
131 sale of such bonds. The commission shall sell such bonds on
132 sealed bids at public sale, and for such price as it may determine
133 to be for the best interest of the State of Mississippi, but no
134 such sale shall be made at a price less than par plus accrued
135 interest to the date of delivery of the bonds to the purchaser.
136 All interest accruing on such bonds so issued shall be payable
137 semiannually or annually; however, the first interest payment may
138 be for any period of not more than one (1) year.

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

146 The commission, when issuing any bonds under the authority of
147 this section, may provide that bonds, at the option of the State
148 of Mississippi, may be called in for payment and redemption at the
149 call price named therein and accrued interest on such date or
150 dates named therein.

151 (8) The bonds issued under the provisions of this section
152 are general obligations of the State of Mississippi, and for the
153 payment thereof the full faith and credit of the State of
154 Mississippi is irrevocably pledged. If the funds appropriated by
155 the Legislature are insufficient to pay the principal of and the
156 interest on such bonds as they become due, then the deficiency
157 shall be paid by the State Treasurer from any funds in the State
158 Treasury not otherwise appropriated. All such bonds shall contain

159 recitals on their faces substantially covering the provisions of
160 this subsection.

161 (9) Upon the issuance and sale of bonds under the provisions
162 of this section, the commission shall transfer the proceeds of any
163 such sale or sales to the special fund created in subsection (2)
164 of this section. The proceeds of such bonds shall be disbursed
165 solely upon the order of the Department of Finance and
166 Administration under such restrictions, if any, as may be
167 contained in the resolution providing for the issuance of the
168 bonds.

169 (10) The bonds authorized under this section may be issued
170 without any other proceedings or the happening of any other
171 conditions or things other than those proceedings, conditions and
172 things which are specified or required by this section. Any
173 resolution providing for the issuance of bonds under the
174 provisions of this section shall become effective immediately upon
175 its adoption by the commission, and any such resolution may be
176 adopted at any regular or special meeting of the commission by a
177 majority of its members.

178 (11) The bonds authorized under the authority of this
179 section may be validated in the Chancery Court of the First
180 Judicial District of Hinds County, Mississippi, in the manner and
181 with the force and effect provided by Chapter 13, Title 31,
182 Mississippi Code of 1972, for the validation of county, municipal,
183 school district and other bonds. The notice to taxpayers required
184 by such statutes shall be published in a newspaper published or
185 having a general circulation in the City of Jackson, Mississippi.

186 (12) Any holder of bonds issued under the provisions of this
187 section or of any of the interest coupons pertaining thereto may,
188 either at law or in equity, by suit, action, mandamus or other
189 proceeding, protect and enforce any and all rights granted under
190 this section, or under such resolution, and may enforce and compel
191 performance of all duties required by this section to be

192 performed, in order to provide for the payment of bonds and
193 interest thereon.

194 (13) All bonds issued under the provisions of this section
195 shall be legal investments for trustees and other fiduciaries, and
196 for savings banks, trust companies and insurance companies
197 organized under the laws of the State of Mississippi, and such
198 bonds shall be legal securities which may be deposited with and
199 shall be received by all public officers and bodies of this state
200 and all municipalities and political subdivisions for the purpose
201 of securing the deposit of public funds.

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

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

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

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

223 **SECTION 2.** This act shall take effect and be in force from
224 and after July 1, 2007.