

By: Senator(s) Jordan, Jackson (11th),
Walls, Thomas, Butler, Jackson (32nd)

To: Finance

SENATE BILL NO. 3195

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS FOR MISSISSIPPI
3 VALLEY STATE UNIVERSITY; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** (1) As used in this section, the following words
6 shall have the meanings ascribed herein unless the context clearly
7 requires otherwise:

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

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

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

17 (2) (a) (i) A special fund, to be designated as the "2007
18 Mississippi Valley State University Capital Improvements Fund," is
19 created within the State Treasury. The fund shall be maintained
20 by the State Treasurer as a separate and special fund, separate
21 and apart from the General Fund of the state. Unexpended amounts
22 remaining in the fund at the end of a fiscal year shall not lapse
23 into the State General Fund, and any interest earned or investment
24 earnings on amounts in the fund shall be deposited into such fund.

25 (ii) Money deposited into the fund shall be
26 disbursed, in the discretion of the Department of Finance and

27 Administration, to pay the costs of the following projects for
 28 Mississippi Valley State University:

29	General repair and renovation	
30	of campus facilities.....	\$ 3,500,000.00
31	Phase II of construction, furnishing and	
32	equipping of a wellness and	
33	assembly Center.....	\$ <u>2,000,000.00</u>
34	TOTAL.....	\$ 5,500,000.00

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

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

56 (3) (a) The commission, at one time, or from time to time,
 57 may declare by resolution the necessity for issuance of general
 58 obligation bonds of the State of Mississippi to provide funds for
 59 all costs incurred or to be incurred for the purposes described in

60 subsection (2) of this section. Upon the adoption of a resolution
61 by the Department of Finance and Administration, declaring the
62 necessity for the issuance of any part or all of the general
63 obligation bonds authorized by this subsection, the department
64 shall deliver a certified copy of its resolution or resolutions to
65 the commission. Upon receipt of such resolution, the commission,
66 in its discretion, may act as the issuing agent, prescribe the
67 form of the bonds, advertise for and accept bids, issue and sell
68 the bonds so authorized to be sold and do any and all other things
69 necessary and advisable in connection with the issuance and sale
70 of such bonds. The total amount of bonds issued under this
71 section shall not exceed Five Million Five Hundred Thousand
72 Dollars (\$5,500,000.00). No bonds shall be issued under this
73 section from and after July 1, 2011.

74 (b) Any investment earnings on amounts deposited into
75 the special fund created in subsection (2) of this section shall
76 be used to pay debt service on bonds issued under this section, in
77 accordance with the proceedings authorizing issuance of such
78 bonds.

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

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

110 (6) All bonds and interest coupons issued under the
111 provisions of this section have all the qualities and incidents of
112 negotiable instruments under the provisions of the Uniform
113 Commercial Code, and in exercising the powers granted by this
114 section, the commission shall not be required to and need not
115 comply with the provisions of the Uniform Commercial Code.

116 (7) The commission shall act as the issuing agent for the
117 bonds authorized under this section, prescribe the form of the
118 bonds, advertise for and accept bids, issue and sell the bonds so
119 authorized to be sold, pay all fees and costs incurred in such
120 issuance and sale, and do any and all other things necessary and
121 advisable in connection with the issuance and sale of such bonds.
122 The commission is authorized and empowered to pay the costs that
123 are incident to the sale, issuance and delivery of the bonds
124 authorized under this section from the proceeds derived from the

125 sale of such bonds. The commission shall sell such bonds on
126 sealed bids at public sale, and for such price as it may determine
127 to be for the best interest of the State of Mississippi, but no
128 such sale shall be made at a price less than par plus accrued
129 interest to the date of delivery of the bonds to the purchaser.
130 All interest accruing on such bonds so issued shall be payable
131 semiannually or annually; however, the first interest payment may
132 be for any period of not more than one (1) year.

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

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

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

155 (9) Upon the issuance and sale of bonds under the provisions
156 of this section, the commission shall transfer the proceeds of any
157 such sale or sales to the special fund created in subsection (2)

158 of this section. The proceeds of such bonds shall be disbursed
159 solely upon the order of the Department of Finance and
160 Administration under such restrictions, if any, as may be
161 contained in the resolution providing for the issuance of the
162 bonds.

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

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

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

188 (13) All bonds issued under the provisions of this section
189 shall be legal investments for trustees and other fiduciaries, and
190 for savings banks, trust companies and insurance companies

191 organized under the laws of the State of Mississippi, and such
192 bonds shall be legal securities which may be deposited with and
193 shall be received by all public officers and bodies of this state
194 and all municipalities and political subdivisions for the purpose
195 of securing the deposit of public funds.

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

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

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

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

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