MISSISSIPPI LEGISLATURE REGULAR SESSION 2009

By: Representative Reynolds

To: Ways and Means

HOUSE BILL NO. 21

AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION AND EQUIPPING OF A MORGUE FACILITY AT THE NORTH MISSISSIPPI REGIONAL LABORATORY IN BATESVILLE; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) As used in this section, the following words shall have the meanings as defined in this subsection unless the context clearly requires otherwise:

(a) "Project" means a morgue facility at the North Mississippi Regional Laboratory of the Office of Crime Laboratories of the Department of Public Safety, located in Batesville.

(b) "Commission" means the State Bond Commission.

(c) "Department" means the Department of Finance and Administration.

(d) "State" means the State of Mississippi.

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

(2) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the construction and equipping of the project and for other purposes described in this

section. Upon the adoption of a resolution by the department, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the department shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of the resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of the bonds. The total amount of bonds issued under this section shall not exceed One Million Two Hundred Thousand Dollars ($1,200,000.00). No bonds shall be issued under this section after July 1, 2012.

(3) (a) A special fund, to be designated as the "North Mississippi Regional Laboratory Morgue Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into the special fund.

(b) Upon the issuance and sale of bonds under this section, the commission shall transfer the proceeds of any such sale or sales to the special fund. The proceeds of the bonds shall be disbursed solely upon the order of the department under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

(c) Monies deposited into the special fund shall be disbursed, in the discretion of the department, with the approval of the Department of Public Safety, to pay the costs incurred for the construction and equipping of the project. Any investment earnings on amounts deposited into the special fund shall be used

to pay debt service on bonds issued under this section, in accordance with the proceedings authorizing issuance of the bonds.

(d) If any monies in the special fund are not used within four (4) years after the date the proceeds of the bonds authorized under this section are deposited into the fund, then the department shall provide an accounting of the unused monies to the commission. Promptly after the commission has certified, by resolution duly adopted, that the project has been completed, abandoned, or cannot be completed in a timely fashion, any amounts remaining in the special fund shall be applied to pay debt service on the bonds issued under this section, in accordance with the proceedings authorizing the issuance of the bonds and as directed by the commission.

(e) Monies in the special fund may be used to reimburse reasonable actual and necessary costs incurred by the department, acting through the Bureau of Building, Grounds and Real Property Management, in administering or providing assistance directly related to the project. An accounting of actual costs incurred for which reimbursement is sought shall be maintained for the project by the bureau. Reimbursement of reasonable actual and necessary costs for the project shall not exceed two percent (2%) of the proceeds of bonds issued for the project.

(f) The department, acting through the bureau, may receive and expend any local or other source funds in connection with the expenditure of funds provided for in this subsection. The expenditure of monies deposited into the special fund shall be under the direction of the department, and the funds shall be paid by the State Treasurer upon warrants issued by the department, which warrants shall be issued upon requisitions signed by the executive director of the department or his designee.

(4) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. The bonds shall bear such date or dates, be in such

denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty-five (25) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

(5) The bonds authorized by this section shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed to the bonds, attested by the secretary of the commission. The interest coupons, if any, to be attached to the bonds may be executed by the facsimile signatures of those officers. Whenever any of the bonds have been signed by the officials designated to sign the bonds who were in office at the time of the signing but who may no longer be those officers before the sale and delivery of the bonds, or who may not have been in office on the date that the bonds may bear, the signatures of those officers upon the bonds and coupons nevertheless shall be valid and sufficient for all purposes and have the same effect as if the person so officially signing the bonds had remained in office until their delivery to the purchaser, or had been in office on the date that the bonds may bear. However, notwithstanding anything in this section to the contrary, the bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

(6) All bonds and interest coupons issued under this section have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by this section, the commission

shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

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

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

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

(8) The bonds issued under this section are general obligations of the State of Mississippi, and for the payment of

those bonds, the full faith and credit of the State of Mississippi is irrevocably pledged. If the funds appropriated by the Legislature are insufficient to pay the principal of and the interest on the bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All of the bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(9) The bonds authorized under this section may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions and things that are specified or required by this section. Any resolution providing for the issuance of bonds under this section shall become effective immediately upon its adoption by the commission, and any such resolution may be adopted at any regular or special meeting of the commission by a majority of its members.

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

(11) Any holder of bonds issued under this section or of any of the interest coupons pertaining to the bonds may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under this section, or under the resolution, and may enforce and compel performance of all duties required by this section to be performed, in order to provide for the payment of bonds and interest on the bonds.

(12) All bonds issued under this section shall be legal investments for trustees and other fiduciaries, and for savings

banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and the bonds shall be legal securities that may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

(13) Bonds issued under this section and income from the bonds shall be exempt from all taxation in the State of Mississippi.

(14) The proceeds of the bonds issued under this section shall be used solely for the purposes provided in this act, including the costs incident to the issuance and sale of the bonds.

(15) The State Treasurer may, without further process of law, certify to the department the necessity for warrants, and the department shall issue those warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under this section; and the State Treasurer shall forward the necessary amount to the designated place or places of payment of the bonds in ample time to discharge the bonds, or the interest on the bonds, on the due dates of the bonds or the interest.

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

SECTION 2. This act shall take effect and be in force from and after its passage.