By: Representative Bell (21st)

To: Ways and Means

HOUSE BILL NO. 526

AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE STATE DEPARTMENT OF EDUCATION TO MAKE FUNDING AVAILABLE TO SCHOOL DISTRICTS FOR THE PURPOSE OF ENHANCING VOCATIONAL AND TECHNICAL EDUCATION PROGRAMS IN THE PUBLIC SCHOOL SYSTEM; TO ESTABLISH A PROGRAM IN THE STATE DEPARTMENT OF EDUCATION TO MAKE FUNDING AVAILABLE TO SCHOOL DISTRICTS FOR THE PURPOSE OF ENHANCING VOCATIONAL AND TECHNICAL EDUCATION PROGRAMS IN THE PUBLIC SCHOOL SYSTEM; TO SPECIFY CERTAIN INFORMATION THAT MUST BE INCLUDED IN A SCHOOL DISTRICT'S APPLICATION FOR AN ALLOCATION OF FUNDS UNDER THE PROGRAM; TO REQUIRE THE STATE BOARD OF EDUCATION TO ADOPT RULES AND REGULATIONS GOVERNING THE APPLICATION PROCESS; 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 ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bonds 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.

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

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

(2) (a) 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 the program authorized in Section 2 of this act. Upon the adoption of a resolution by the State Department of Education, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the State Department of Education shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, 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 such bonds. The total amount of bonds issued under this section shall not exceed Ten Million Dollars ($10,000,000.00). No bonds authorized under this section shall be issued after July 1, 2025.

(b) The proceeds of bonds issued pursuant to this section shall be deposited into the 2021 Public School Vocational and Technical Education Fund created pursuant to Section 2 of this act. Any investment earnings on bonds issued pursuant to this

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

(3) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such 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.

(4) 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 thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery

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

(5) All bonds and interest coupons issued under the provisions of 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.

(6) The commission shall act as issuing agent for the bonds authorized under this section, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to 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 such bonds. The commission may sell such bonds on sealed bids at public sale or may negotiate the sale of the bonds for such price as it may determine to be for the best interest of the State of Mississippi. All interest accruing on such bonds so issued shall be payable semiannually or annually.

If such bonds are sold by sealed bids at public sale, notice of the sale 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, 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 such date or dates named therein.

(7) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof 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 such 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 such bonds shall contain

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

(8) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the special fund created in Section 2 of this act. The proceeds of such bonds shall be disbursed solely upon the order of the State Department of Education under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

(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 which are specified or required by this section. Any resolution providing for the issuance of bonds under the provisions of 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 such 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 the provisions of this section or of any of the interest coupons pertaining thereto 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 such 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 thereon.

(12) All bonds issued under the provisions of 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 such bonds shall be legal securities which 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 the provisions of this section and income therefrom 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 therein provided, including the costs incident to the issuance and sale of such bonds.

(15) The State Treasurer is authorized, without further process of law, to certify to the Department of Finance and Administration the necessity for warrants, and the Department of Finance and Administration is authorized and directed to issue such 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 such bonds in ample time to discharge such bonds, or the interest thereon, on the due dates thereof.

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

SECTION 2. (1) (a) There is established within the State Department of Education a program to make funding available to school districts for the purpose of making needed improvements to the vocational and technical education programs in the public school system. Under the program, the State Department of Education may make allocations to eligible school districts that request funding to defray the expense of making certain improvements to the vocational and technical education programs in those districts.

(b) (i) A special fund, to be designated as the "2021 Public School Vocational and Technical Education 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 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 such fund.

(ii) Monies deposited into the fund shall be disbursed, in the discretion of the State Department of Education, to provide funds to school districts in the state for the purposes described in this section.

(2) Any school district seeking funding under the program established under this section must submit a written application to the State Board of Education. The application must include no less than the following information:

(a) The specific dollar amount of funds being requested;

(b) A detailed description of the improvements for which the funds are needed, which may include, but need not be limited to: expanding vocational and technical education facilities; repairing, upgrading or replacing existing equipment; purchasing new equipment necessary to implement training in skills or a trade previously not taught in the school district, which training is necessitated by new job skill sets required to support

new or expanding industry in the vicinity of the school district; providing training to vocational education instructors in the latest applications and advancements in technology and in the use of technology and equipment new to the school district; employing additional vocational and technical education teachers needed to meet the needs of training in a specific technology or due to a documented increase in student enrollment; and such other purposes determined to be appropriate by the State Department of Education;

(c) An explanation of the justifiable need for the funds, supported by documentation reflecting an increase in the number of students enrolled in or desiring to enroll in the particular vocational training program to be enhanced by the expenditures;

(d) Evidence of the vocational and technical education program's success in providing training to students which has enabled those students to be gainfully employed in an industry dependent upon the training received through the vocational education program; and

(e) Any other information that may be required by the State Board of Education.

(3) The State Board of Education shall adopt rules and regulations governing the application process and establishing the criteria under which determinations on requests for allocations under the program will be made.

SECTION 3. This act shall take effect and be in force from and after July 1, 2021.

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ST: Bonds; authorize issuance to provide funds to school districts for vocational education improvements.