

By: Representative Williams

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1648

1 AN ACT TO AMEND SECTION 57-75-9, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT THE MISSISSIPPI MAJOR ECONOMIC IMPACT AUTHORITY MAY
3 NOT OBLIGATE THE STATE TO PROVIDE ANY ASSISTANCE FOR A PROPOSED
4 PROJECT WHICH WILL REQUIRE THE ISSUANCE OF ADDITIONAL BONDS AS
5 AUTHORIZED BY THIS ACT, UNLESS UPON RECEIPT OF A DECLARATION FROM
6 THE AUTHORITY DECLARING THE NECESSITY FOR SUCH ASSISTANCE, THE
7 GOVERNOR, ATTORNEY GENERAL AND STATE TREASURER UNANIMOUSLY AGREE
8 IN WRITING THAT SUCH ASSISTANCE IS NECESSARY TO INCREASE THE
9 STATE'S COMPETITIVE POSITION FOR BEING SELECTED AS THE SITE FOR
10 THE PROJECT; TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
11 TO INCREASE THE AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE
12 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT TO FUND CERTAIN PROJECTS; TO
13 DELETE THE AUTHORITY TO ISSUE BONDS FOR CERTAIN PROJECTS UNDER THE
14 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; AND FOR RELATED PURPOSES.

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

16 SECTION 1. Section 57-75-9, Mississippi Code of 1972, is
17 amended as follows:

18 57-75-9. (1) The authority is hereby designated and
19 empowered to act on behalf of the state in submitting a siting
20 proposal for any project eligible for assistance under this act.
21 The authority is empowered to take all steps appropriate or
22 necessary to effect the siting, development, and operation of the
23 project within the state. If the state is selected as the
24 preferred site for the project, the authority is hereby designated
25 and empowered to act on behalf of the state and to represent the
26 state in the planning, financing, development, construction and
27 operation of the project or any facility related to the project,
28 with the concurrence of the affected public agency. The authority
29 may take affirmative steps to coordinate fully all aspects of the
30 submission of a siting proposal for the project and, if the state
31 is selected as the preferred site, to coordinate fully, with the
32 concurrence of the affected public agency, the development of the

33 project or any facility related to the project with private
34 business, the United States government and other public agencies.

35 All public agencies are encouraged to cooperate to the fullest
36 extent possible to effectuate the duties of the authority;
37 however, the development of the project or any facility related to
38 the project by the authority may be done only with the concurrence
39 of the affected public agency.

40 (2) The authority may not obligate the state to provide any
41 assistance for a proposed project which will require the issuance
42 of additional bonds under Section 57-75-15(3)(a), as amended by
43 House Bill No. 1648, 1999 Regular Session, unless upon receipt of
44 a declaration from the authority declaring the necessity for such
45 assistance, the Governor, Attorney General and State Treasurer
46 unanimously agree in writing that such assistance is necessary to
47 increase the state's competitive position for being selected as
48 the site for the project.

49 SECTION 2. Section 57-75-15, Mississippi Code of 1972, is
50 amended as follows:

51 57-75-15. (1) Upon notification to the authority by the
52 enterprise that the state has been finally selected as the site
53 for the project, the State Bond Commission shall have the power
54 and is hereby authorized and directed, upon receipt of a
55 declaration from the authority as hereinafter provided, to borrow
56 money and issue general obligation bonds of the state in one or
57 more series for the purposes herein set out. Upon such
58 notification, the authority may thereafter from time to time
59 declare the necessity for the issuance of general obligation bonds
60 as authorized by this section and forward such declaration to the
61 State Bond Commission, provided that before such notification, the
62 authority may enter into agreements with the United States
63 Government, private companies and others that will commit the
64 authority to direct the State Bond Commission to issue bonds for
65 eligible undertakings set out in subsection (4) of this section,
66 conditioned on the siting of the project in the state.

67 (2) Upon receipt of any such declaration from the authority,
68 the State Bond Commission shall verify that the state has been
69 selected as the site of the project and shall act as the issuing

70 agent for the series of bonds directed to be issued in such
71 declaration pursuant to authority granted in this section.

72 (3) (a) Bonds issued under the authority of this section
73 for projects as defined in Section 57-75-5(f)(i) shall not exceed
74 an aggregate principal amount in the sum of One Hundred Forty-two
75 Million Dollars (\$142,000,000.00).

76 * * *

77 (b) Bonds issued under the authority of this section
78 for projects as defined in Section 57-75-5(f)(iii) shall not
79 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds
80 issued for projects related to any single military installation
81 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars
82 (\$16,667,000.00). If any proceeds of bonds issued for projects
83 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
84 used for the development of a water and sewer service system by
85 the City of Meridian, Mississippi, to serve the NAAS and if the
86 City of Meridian annexes any of the territory served by the water
87 and sewer service system, the city shall repay the State of
88 Mississippi the amount of all bond proceeds expended on any
89 portion of the water and sewer service system project; and if
90 there are any monetary proceeds derived from the disposition of
91 any improvements located on real property in Kemper County
92 purchased pursuant to this act for projects related to the NAAS
93 and if there are any monetary proceeds derived from the
94 disposition of any timber located on real property in Kemper
95 County purchased pursuant to this act for projects related to the
96 NAAS, all of such proceeds (both from the disposition of
97 improvements and the disposition of timber) commencing July 1,
98 1996, through June 30, 2010, shall be paid to the Board of
99 Education of Kemper County, Mississippi, for expenditure by such
100 board of education to benefit the public schools of Kemper County.
101 No bonds shall be issued under this paragraph (b) until the State
102 Bond Commission by resolution adopts a finding that the issuance

103 of such bonds will improve, expand or otherwise enhance the
104 military installation, its support areas or military operations,
105 or will provide employment opportunities to replace those lost by
106 closure or reductions in operations at the military installation.
107 From and after July 1, 1997, bonds shall not be issued for any
108 projects, as defined in Section 57-75-5(f)(iii), which are not
109 commenced before July 1, 1997. The proceeds of any bonds issued
110 for projects commenced before July 1, 1997, shall be used for the
111 purposes for which the bonds were issued until completion of the
112 projects.

113 * * *

114 (c) Bonds issued under the authority of this section
115 for projects defined in Section 57-75-5(f)(viii) shall not exceed
116 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
117 issued after June 30, 2001.

118 (4) The proceeds from the sale of the bonds issued under
119 this section may be applied for the purposes of: (a) defraying
120 all or any designated portion of the costs incurred with respect
121 to acquisition, planning, design, construction, installation,
122 rehabilitation, improvement, relocation and with respect to
123 state-owned property, operation and maintenance of the project and
124 any facility related to the project located within the project
125 area, including costs of design and engineering, all costs
126 incurred to provide land, easements and rights-of-way, relocation
127 costs with respect to the project and with respect to any facility
128 related to the project located within the project area, and costs
129 associated with mitigation of environmental impacts; (b) providing
130 for the payment of interest on the bonds; (c) providing debt
131 service reserves; and (d) paying underwriters' discount, original
132 issue discount, accountants' fees, engineers' fees, attorneys'
133 fees, rating agency fees and other fees and expenses in connection
134 with the issuance of the bonds. Such bonds shall be issued from
135 time to time and in such principal amounts as shall be designated

136 by the authority, not to exceed in aggregate principal amounts the
137 amount authorized in subsection (3) of this section. Proceeds
138 from the sale of the bonds issued under this section may be
139 invested, subject to federal limitations, pending their use, in
140 such securities as may be specified in the resolution authorizing
141 the issuance of the bonds or the trust indenture securing them,
142 and the earning on such investment applied as provided in such
143 resolution or trust indenture.

144 (5) The principal of and the interest on the bonds shall be
145 payable in the manner hereinafter set forth. The bonds shall bear
146 date or dates; be in such denomination or denominations; bear
147 interest at such rate or rates; be payable at such place or places
148 within or without the state; mature absolutely at such time or
149 times; be redeemable before maturity at such time or times and
150 upon such terms, with or without premium; bear such registration
151 privileges; and be substantially in such form; all as shall be
152 determined by resolution of the State Bond Commission except that
153 such bonds shall mature or otherwise be retired in annual
154 installments beginning not more than five (5) years from the date
155 thereof and extending not more than twenty-five (25) years from
156 the date thereof. The bonds shall be signed by the Chairman of
157 the State Bond Commission, or by his facsimile signature, and the
158 official seal of the State Bond Commission shall be imprinted on
159 or affixed thereto, attested by the manual or facsimile signature
160 of the Secretary of the State Bond Commission. Whenever any such
161 bonds have been signed by the officials herein designated to sign
162 the bonds, who were in office at the time of such signing but who
163 may have ceased to be such officers before the sale and delivery
164 of such bonds, or who may not have been in office on the date such
165 bonds may bear, the signatures of such officers upon such bonds
166 shall nevertheless be valid and sufficient for all purposes and
167 have the same effect as if the person so officially signing such
168 bonds had remained in office until the delivery of the same to the

169 purchaser, or had been in office on the date such bonds may bear.

170 (6) All bonds issued under the provisions of this section
171 shall be and are hereby declared to have all the qualities and
172 incidents of negotiable instruments under the provisions of the
173 Uniform Commercial Code and in exercising the powers granted by
174 this chapter, the State Bond Commission shall not be required to
175 and need not comply with the provisions of the Uniform Commercial
176 Code.

177 (7) The State Bond Commission shall sell the bonds on sealed
178 bids at public sale, and for such price as it may determine to be
179 for the best interest of the State of Mississippi, but no such
180 sale shall be made at a price less than par plus accrued interest
181 to date of delivery of the bonds to the purchaser. The bonds
182 shall bear interest at such rate or rates not exceeding the limits
183 set forth in Section 75-17-101 as shall be fixed by the State Bond
184 Commission. All interest accruing on such bonds so issued shall
185 be payable semiannually or annually; provided that the first
186 interest payment may be for any period of not more than one (1)
187 year.

188 Notice of the sale of any bonds shall be published at least
189 one (1) time, the first of which shall be made not less than ten
190 (10) days prior to the date of sale, and shall be so published in
191 one or more newspapers having a general circulation in the City of
192 Jackson and in one or more other newspapers or financial journals
193 with a large national circulation, to be selected by the State
194 Bond Commission.

195 The State Bond Commission, when issuing any bonds under the
196 authority of this section, may provide that the bonds, at the
197 option of the state, may be called in for payment and redemption
198 at the call price named therein and accrued interest on such date
199 or dates named therein.

200 (8) State bonds issued under the provisions of this section
201 shall be the general obligations of the state and backed by the

202 full faith and credit of the state. The Legislature shall
203 appropriate annually an amount sufficient to pay the principal of
204 and the interest on such bonds as they become due. All bonds
205 shall contain recitals on their faces substantially covering the
206 foregoing provisions of this section.

207 (9) The State Treasurer is authorized to certify to the
208 Department of Finance and Administration the necessity for
209 warrants, and the Department of Finance and Administration is
210 authorized and directed to issue such warrants payable out of any
211 funds appropriated by the Legislature under this section for such
212 purpose, in such amounts as may be necessary to pay when due the
213 principal of and interest on all bonds issued under the provisions
214 of this section. The State Treasurer shall forward the necessary
215 amount to the designated place or places of payment of such bonds
216 in ample time to discharge such bonds, or the interest thereon, on
217 the due dates thereof.

218 (10) The bonds may be issued without any other proceedings
219 or the happening of any other conditions or things other than
220 those proceedings, conditions and things which are specified or
221 required by this chapter. Any resolution providing for the
222 issuance of general obligation bonds under the provisions of this
223 section shall become effective immediately upon its adoption by
224 the State Bond Commission, and any such resolution may be adopted
225 at any regular or special meeting of the State Bond Commission by
226 a majority of its members.

227 (11) In anticipation of the issuance of bonds hereunder, the
228 State Bond Commission is authorized to negotiate and enter into
229 any purchase, loan, credit or other agreement with any bank, trust
230 company or other lending institution or to issue and sell interim
231 notes for the purpose of making any payments authorized under this
232 section. All borrowings made under this provision shall be
233 evidenced by notes of the state which shall be issued from time to
234 time, for such amounts not exceeding the amount of bonds

235 authorized herein, in such form and in such denomination and
236 subject to such terms and conditions of sale and issuance,
237 prepayment or redemption and maturity, rate or rates of interest
238 not to exceed the maximum rate authorized herein for bonds, and
239 time of payment of interest as the State Bond Commission shall
240 agree to in such agreement. Such notes shall constitute general
241 obligations of the state and shall be backed by the full faith and
242 credit of the state. Such notes may also be issued for the
243 purpose of refunding previously issued notes; except that no notes
244 shall mature more than three (3) years following the date of
245 issuance of the first note hereunder and provided further, that
246 all outstanding notes shall be retired from the proceeds of the
247 first issuance of bonds hereunder. The State Bond Commission is
248 authorized to provide for the compensation of any purchaser of the
249 notes by payment of a fixed fee or commission and for all other
250 costs and expenses of issuance and service, including paying agent
251 costs. Such costs and expenses may be paid from the proceeds of
252 the notes.

253 (12) The bonds and interim notes authorized under the
254 authority of this section may be validated in the First Judicial
255 District of the Chancery Court of Hinds County, Mississippi, in
256 the manner and with the force and effect provided now or hereafter
257 by Chapter 13, Title 31, Mississippi Code of 1972, for the
258 validation of county, municipal, school district and other bonds.
259 The necessary papers for such validation proceedings shall be
260 transmitted to the state bond attorney, and the required notice
261 shall be published in a newspaper published in the City of
262 Jackson, Mississippi.

263 (13) Any bonds or interim notes issued under the provisions
264 of this chapter, a transaction relating to the sale or securing of
265 such bonds or interim notes, their transfer and the income
266 therefrom shall at all times be free from taxation by the state or
267 any local unit or political subdivision or other instrumentality

268 of the state, excepting inheritance and gift taxes.

269 (14) All bonds issued under this chapter shall be legal
270 investments for trustees, other fiduciaries, savings banks, trust
271 companies and insurance companies organized under the laws of the
272 State of Mississippi; and such bonds shall be legal securities
273 which may be deposited with and shall be received by all public
274 officers and bodies of the state and all municipalities and other
275 political subdivisions thereof for the purpose of securing the
276 deposit of public funds.

277 (15) The Attorney General of the State of Mississippi shall
278 represent the State Bond Commission in issuing, selling and
279 validating bonds herein provided for, and the bond commission is
280 hereby authorized and empowered to expend from the proceeds
281 derived from the sale of the bonds authorized hereunder all
282 necessary administrative, legal and other expenses incidental and
283 related to the issuance of bonds authorized under this chapter.

284 (16) There is hereby created a special fund in the State
285 Treasury to be known as the Mississippi Major Economic Impact
286 Authority Fund wherein shall be deposited the proceeds of the
287 bonds issued under this chapter and all monies received by the
288 authority to carry out the purposes of this chapter. Expenditures
289 authorized herein shall be paid by the State Treasurer upon
290 warrants drawn from the fund, and the Department of Finance and
291 Administration shall issue warrants upon requisitions signed by
292 the director of the authority.

293 (17) (a) There is hereby created the Mississippi Economic
294 Impact Authority Sinking Fund from which the principal of and
295 interest on such bonds shall be paid by appropriation. All monies
296 paid into the sinking fund not appropriated to pay accruing bonds
297 and interest shall be invested by the State Treasurer in such
298 securities as are provided by law for the investment of the
299 sinking funds of the state.

300 (b) In the event that all or any part of the bonds and

301 notes are purchased, they shall be canceled and returned to the
302 loan and transfer agent as canceled and paid bonds and notes and
303 thereafter all payments of interest thereon shall cease and the
304 canceled bonds, notes and coupons, together with any other
305 canceled bonds, notes and coupons, shall be destroyed as promptly
306 as possible after cancellation but not later than two (2) years
307 after cancellation. A certificate evidencing the destruction of
308 the canceled bonds, notes and coupons shall be provided by the
309 loan and transfer agent to the seller.

310 (c) The State Treasurer shall determine and report to
311 the Department of Finance and Administration and Legislative
312 Budget Office by September 1 of each year the amount of money
313 necessary for the payment of the principal of and interest on
314 outstanding obligations for the following fiscal year and the
315 times and amounts of the payments. It shall be the duty of the
316 Governor to include in every executive budget submitted to the
317 Legislature full information relating to the issuance of bonds
318 and notes under the provisions of this chapter and the status of
319 the sinking fund for the payment of the principal of and interest
320 on the bonds and notes.

321 SECTION 3. This act shall take effect and be in force from
322 and after its passage.