

By: Representative Williams

To: Ways and Means

HOUSE BILL NO. 1648  
(As Passed the House)

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 (d) Bonds issued under the authority of this section  
119 for projects as defined in Section 57-75-5(f)(vii) shall not  
120 exceed Eight Million Dollars (\$8,000,000.00). No such bonds shall  
121 be issued after June 30, 2000.

122 (4) The proceeds from the sale of the bonds issued under  
123 this section may be applied for the purposes of: (a) defraying  
124 all or any designated portion of the costs incurred with respect  
125 to acquisition, planning, design, construction, installation,  
126 rehabilitation, improvement, relocation and with respect to  
127 state-owned property, operation and maintenance of the project and  
128 any facility related to the project located within the project  
129 area, including costs of design and engineering, all costs  
130 incurred to provide land, easements and rights-of-way, relocation  
131 costs with respect to the project and with respect to any facility  
132 related to the project located within the project area, and costs  
133 associated with mitigation of environmental impacts; (b) providing  
134 for the payment of interest on the bonds; (c) providing debt  
135 service reserves; and (d) paying underwriters' discount, original

136 issue discount, accountants' fees, engineers' fees, attorneys'  
137 fees, rating agency fees and other fees and expenses in connection  
138 with the issuance of the bonds. Such bonds shall be issued from  
139 time to time and in such principal amounts as shall be designated  
140 by the authority, not to exceed in aggregate principal amounts the  
141 amount authorized in subsection (3) of this section. Proceeds  
142 from the sale of the bonds issued under this section may be  
143 invested, subject to federal limitations, pending their use, in  
144 such securities as may be specified in the resolution authorizing  
145 the issuance of the bonds or the trust indenture securing them,  
146 and the earning on such investment applied as provided in such  
147 resolution or trust indenture.

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

169 bonds may bear, the signatures of such officers upon such bonds  
170 shall nevertheless be valid and sufficient for all purposes and  
171 have the same effect as if the person so officially signing such  
172 bonds had remained in office until the delivery of the same to the  
173 purchaser, or had been in office on the date such bonds may bear.

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

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

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

199 The State Bond Commission, when issuing any bonds under the  
200 authority of this section, may provide that the bonds, at the  
201 option of the state, may be called in for payment and redemption

202 at the call price named therein and accrued interest on such date  
203 or dates named therein.

204 (8) State bonds issued under the provisions of this section  
205 shall be the general obligations of the state and backed by the  
206 full faith and credit of the state. The Legislature shall  
207 appropriate annually an amount sufficient to pay the principal of  
208 and the interest on such bonds as they become due. All bonds  
209 shall contain recitals on their faces substantially covering the  
210 foregoing provisions of this section.

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

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

231 (11) In anticipation of the issuance of bonds hereunder, the  
232 State Bond Commission is authorized to negotiate and enter into  
233 any purchase, loan, credit or other agreement with any bank, trust  
234 company or other lending institution or to issue and sell interim

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

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

267 (13) Any bonds or interim notes issued under the provisions

268 of this chapter, a transaction relating to the sale or securing of  
269 such bonds or interim notes, their transfer and the income  
270 therefrom shall at all times be free from taxation by the state or  
271 any local unit or political subdivision or other instrumentality  
272 of the state, excepting inheritance and gift taxes.

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

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

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

297 (17) (a) There is hereby created the Mississippi Economic  
298 Impact Authority Sinking Fund from which the principal of and  
299 interest on such bonds shall be paid by appropriation. All monies  
300 paid into the sinking fund not appropriated to pay accruing bonds

301 and interest shall be invested by the State Treasurer in such  
302 securities as are provided by law for the investment of the  
303 sinking funds of the state.

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

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

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