

By: Representative Williams

To: Ways and Means

HOUSE BILL NO. 1677

1 AN ACT TO CREATE THE HIGH VALUE ADDED INDUSTRY LOAN FUND; TO
2 PROVIDE THAT THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY
3 DEVELOPMENT SHALL ADMINISTER SUCH FUND AS A LOAN FUND FOR THE
4 PURPOSE OF MAKING LOANS TO ELIGIBLE BUSINESSES AS AN INCENTIVE FOR
5 SUCH BUSINESSES LOCATING IN THE STATE; TO AUTHORIZE THE ISSUANCE
6 OF STATE GENERAL OBLIGATION BONDS IN THE AMOUNT OF TWO MILLION
7 DOLLARS TO FUND THE HIGH VALUE ADDED INDUSTRY LOAN FUND; AND FOR
8 RELATED PURPOSES.

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

10 SECTION 1. As used in this act, the following words shall
11 have the meanings ascribed herein unless the context clearly
12 requires otherwise:

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

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

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

22 (d) "Department" means the Mississippi Department of
23 Economic and Community Development.

24 (e) "Eligible business" means any enterprise engaged in
25 remote sensing or other similar activities as defined by the
26 department, and creating a minimum of forty (40) new jobs with an
27 average annual salary of at least Forty Thousand Dollars
28 (\$40,000.00).

29 SECTION 2. (1) There is created a special fund in the State

30 Treasury to be designated the "High Value Added Industry Loan
31 Fund." The fund shall be administered as a loan fund through a
32 loan program administered by the department for the purpose of
33 making loans to eligible businesses as an incentive for such
34 businesses locating in the state. An eligible business may obtain
35 a loan each taxable year in an amount not to exceed the aggregate
36 amount of income tax credits to which such business would be
37 entitled to each taxable year under Sections 27-7-22 through
38 27-7-22.13, Mississippi Code of 1972, Sections 57-73-21, 57-73-23
39 and 57-73-25, Mississippi Code of 1972, and any other similar
40 credit. The fund shall consist of the proceeds of bonds issued
41 under this act, all loan repayments, penalties, and other fees and
42 charges accruing to the fund, and any appropriations, donations,
43 gifts, grants or loans which may be made thereto. Unexpended
44 amounts remaining in the fund at the end of a fiscal year shall
45 not lapse into the State General Fund. Any investment earnings on
46 amounts deposited into the fund shall be used to pay debt service
47 on bonds issued under this act.

48 (2) The department shall have all powers necessary to
49 implement and administer the program established under this
50 section, and the department shall promulgate rules and regulations
51 necessary for the implementation and administration of the
52 program.

53 SECTION 3. (1) The commission, at one (1) time, or from
54 time to time, may declare by resolution the necessity for issuance
55 of general obligation bonds of the State of Mississippi to provide
56 funds for all costs incurred or to be incurred for the purposes
57 described in Section 2 of this act. Upon the adoption of a
58 resolution by the department, declaring the necessity for the
59 issuance of any part or all of the general obligation bonds
60 authorized by this section, the department shall deliver a
61 certified copy of its resolution or resolutions to the commission.
62 Upon receipt of such resolution, the commission, in its

63 discretion, may act as the issuing agent, prescribe the form of
64 the bonds, advertise for and accept bids, issue and sell the bonds
65 so authorized to be sold and do any and all other things necessary
66 and advisable in connection with the issuance and sale of such
67 bonds. The total amount of bonds issued under this act shall not
68 exceed Two Million Dollars (\$2,000,000.00).

69 (2) Any investment earnings on amounts deposited into the
70 special fund created in Section 2 of this act shall be used to pay
71 debt service on bonds issued under this act, in accordance with
72 the proceedings authorizing issuance of such bonds.

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

86 SECTION 5. The bonds authorized by this act shall be signed
87 by the chairman of the commission, or by his facsimile signature,
88 and the official seal of the commission shall be affixed thereto,
89 attested by the secretary of the commission. The interest
90 coupons, if any, to be attached to such bonds may be executed by
91 the facsimile signatures of such officers. Whenever any such
92 bonds shall have been signed by the officials designated to sign
93 the bonds who were in office at the time of such signing but who
94 may have ceased to be such officers before the sale and delivery
95 of such bonds, or who may not have been in office on the date such

96 bonds may bear, the signatures of such officers upon such bonds
97 and coupons shall nevertheless be valid and sufficient for all
98 purposes and have the same effect as if the person so officially
99 signing such bonds had remained in office until their delivery to
100 the purchaser, or had been in office on the date such bonds may
101 bear. However, notwithstanding anything herein to the contrary,
102 such bonds may be issued as provided in the Registered Bond Act of
103 the State of Mississippi.

104 SECTION 6. All bonds and interest coupons issued under the
105 provisions of this act have all the qualities and incidents of
106 negotiable instruments under the provisions of the Mississippi
107 Uniform Commercial Code, and in exercising the powers granted by
108 this act, the commission shall not be required to and need not
109 comply with the provisions of the Mississippi Uniform Commercial
110 Code.

111 SECTION 7. The commission shall act as the issuing agent for
112 the bonds authorized under this act, prescribe the form of the
113 bonds, advertise for and accept bids, issue and sell the bonds so
114 authorized to be sold, pay all fees and costs incurred in such
115 issuance and sale, and do any and all other things necessary and
116 advisable in connection with the issuance and sale of such bonds.

117 The commission is authorized and empowered to pay the costs that
118 are incident to the sale, issuance and delivery of the bonds
119 authorized under this act from the proceeds derived from the sale
120 of such bonds. The commission shall sell such bonds on sealed
121 bids at public sale, and for such price as it may determine to be
122 for the best interest of the State of Mississippi, but no such
123 sale shall be made at a price less than par plus accrued interest
124 to the date of delivery of the bonds to the purchaser. All
125 interest accruing on such bonds so issued shall be payable
126 semiannually or annually; however, the first interest payment may
127 be for any period of not more than one (1) year.

128 Notice of the sale of any such bonds shall be published at

129 least one (1) time, not less than ten (10) days before the date of
130 sale, and shall be so published in one or more newspapers
131 published or having a general circulation in the City of Jackson,
132 Mississippi, and in one or more other newspapers or financial
133 journals with a national circulation, to be selected by the
134 commission.

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

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

150 SECTION 9. Upon the issuance and sale of bonds under the
151 provisions of this act, the commission shall transfer the proceeds
152 of any such sale or sales to the special fund created in Section 2
153 of this act. The proceeds of such bonds shall be disbursed solely
154 upon the order of the department under such restrictions, if any,
155 as may be contained in the resolution providing for the issuance
156 of the bonds.

157 SECTION 10. The bonds authorized under this act may be
158 issued without any other proceedings or the happening of any other
159 conditions or things other than those proceedings, conditions and
160 things which are specified or required by this act. Any
161 resolution providing for the issuance of bonds under the

162 provisions of this act shall become effective immediately upon its
163 adoption by the commission, and any such resolution may be adopted
164 at any regular or special meeting of the commission by a majority
165 of its members.

166 SECTION 11. The bonds authorized under the authority of this
167 act may be validated in the Chancery Court of the First Judicial
168 District of Hinds County, Mississippi, in the manner and with the
169 force and effect provided by Chapter 13, Title 31, Mississippi
170 Code of 1972, for the validation of county, municipal, school
171 district and other bonds. The notice to taxpayers required by
172 such statutes shall be published in a newspaper published or
173 having a general circulation in the City of Jackson, Mississippi.

174 SECTION 12. Any holder of bonds issued under the provisions
175 of this act or of any of the interest coupons pertaining thereto
176 may, either at law or in equity, by suit, action, mandamus or
177 other proceeding, protect and enforce any and all rights granted
178 under this act, or under such resolution, and may enforce and
179 compel performance of all duties required by this act to be
180 performed, in order to provide for the payment of bonds and
181 interest thereon.

182 SECTION 13. All bonds issued under the provisions of this
183 act shall be legal investments for trustees and other fiduciaries,
184 and for savings banks, trust companies and insurance companies
185 organized under the laws of the State of Mississippi, and such
186 bonds shall be legal securities which may be deposited with and
187 shall be received by all public officers and bodies of this state
188 and all municipalities and political subdivisions for the purpose
189 of securing the deposit of public funds.

190 SECTION 14. Bonds issued under the provisions of this act
191 and income therefrom shall be exempt from all taxation in the
192 State of Mississippi.

193 SECTION 15. The proceeds of the bonds issued under this act
194 shall be used solely for the purposes herein provided, including

195 the costs incident to the issuance and sale of such bonds.

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

207 SECTION 17. Sections 2 through 18 of this act shall be
208 deemed to be full and complete authority for the exercise of the
209 powers herein granted, but this act shall not be deemed to repeal
210 or to be in derogation of any existing law of this state.

211 SECTION 18. This act shall take effect and be in force from
212 and after its passage.