

By: Representative Perry

To: Local and Private
Legislation; Ways and
Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1695

1 AN ACT TO AMEND CHAPTER 822, LOCAL AND PRIVATE LAWS OF 1986,
2 TO AUTHORIZE THE CITY OF OXFORD, MISSISSIPPI, TO ISSUE BONDS TO BE
3 USED TO PROVIDE LOCAL MATCHING FUNDS TO PAY THE COSTS OF
4 CONSTRUCTING AND EQUIPPING A NATIONAL GUARD ARMORY/MULTIPURPOSE
5 BUILDING; TO PROVIDE THAT SUCH BONDS SHALL BE REPAID WITH A
6 PORTION OF THE AVAILS OF THE ADDITIONAL SALES TAX IMPOSED ON
7 RETAIL SALES OF BEER, ALCOHOLIC BEVERAGES AND PREPAID FOOD IN THE
8 CITY OF OXFORD; AND FOR RELATED PURPOSES.

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

10 SECTION 1. Chapter 822, Local and Private Laws of 1986, is
11 amended as follows:

12 Section 1. Whenever used in this act, unless a different
13 meaning clearly appears in the context, the following terms shall
14 have the following meanings:

15 (a) "City" means the City of Oxford, Mississippi.

16 (b) "Governing authority" means the mayor and board of
17 aldermen of the city.

18 (c) "Prepared food" means food prepared on the premises
19 of a restaurant.

20 (d) "Restaurant" means any place where prepared food is
21 sold whether for consumption upon the premises or not.

22 (e) "Stadium" means a baseball facility, including, but
23 not limited to, grandstands, dugouts, a playing field, lights,
24 rest room facilities, concession, dressing room and related
25 facilities and property.

26 (f) "University" means the University of Mississippi.

27 (g) "Additional security" means one or more letters of
28 credit, bond insurance or other type of credit enhancers which may
29 be obtained by the city or the university as additional security

30 for the bonds.

31 Section 2. (1) The governing authority is hereby authorized
32 to impose upon persons doing business within the city a tax at a
33 rate not to exceed two percent (2%) on the gross receipts of
34 restaurants derived from retail sales of prepared food, beer and
35 alcoholic beverages and on the gross proceeds of sales of other
36 businesses derived from retail sales of beer and alcoholic
37 beverages, excluding sales of alcoholic beverages upon premises
38 covered by a package retailer's permit. The proceeds of the tax
39 shall be used for the purpose of promoting tourism in the city and
40 the surrounding area and to pay the principal of and interest on
41 the bonds issued under this act and may be used to provide
42 additional security, as hereinafter provided. The promotion of
43 tourism shall include, but shall not be limited to, the
44 construction of and/or improvements to a stadium at the
45 university. If the bonds authorized under this act are issued by
46 the city, the proceeds of such tax hereinafter required to be
47 pledged for the payment of the principal of and interest on such
48 bonds shall not exceed Two Hundred Thousand Dollars (\$200,000.00)
49 annually for bonds authorized under Section 3(1) of this act, and
50 not to exceed Three Hundred Thousand Dollars (\$300,000.00)
51 annually for bonds authorized under Section 3(2) of this act, and
52 the remainder of the proceeds of such tax, if any, shall be used
53 for tourism development. The Tourism and Economic Development
54 Council shall submit to the governing authority its
55 recommendations for the use of such tax proceeds for the promotion
56 of tourism; and each tourism-related project shall, before any
57 expenditure is made therefor, be approved by the governing
58 authority at a regularly scheduled meeting of such governing
59 authority.

60 (2) Before the tax authorized by this act may be imposed,
61 the governing authority shall adopt a resolution declaring its
62 intention to levy the tax and establishing the amount of the tax
63 levy and the date on which this tax initially shall be levied and
64 collected. This date shall be the first day of a month. Notice
65 of the proposed tax levy shall be published once each week for at
66 least three (3) consecutive weeks in a newspaper having a general

67 circulation in such city. The first publication of such notice
68 shall be made not less than twenty-one (21) days prior to the date
69 fixed in the resolution at which the governing authority proposes
70 to levy such tax and the last publication shall be made not more
71 than seven (7) days prior to such date. If, within the time of
72 giving notice, twenty percent (20%) or fifteen hundred (1500),
73 whichever is less, of the qualified electors of the city shall
74 file a written petition against the levy of such tax then such tax
75 shall not be levied unless authorized by a majority of the
76 qualified electors of such city, voting at an election to be
77 called and held for that purpose. Prior to the effective date of
78 the tax levy approved as herein provided, the governing authority
79 shall furnish to the Chairman of the State Tax Commission a
80 certified copy of the resolution evidencing such tax levy.

81 (3) Persons, firms or corporations liable for the tax
82 imposed herein shall add the amount of tax to the sales price of
83 goods described in subsection (1) of this section and, in addition
84 thereto, shall collect, insofar as practicable, the amount of the
85 tax due by them from the person receiving the goods at the time of
86 payment therefor.

87 (4) The tax shall be collected by and paid to the State Tax
88 Commission on a form prescribed by the State Tax Commission, in
89 the same manner that state sales taxes are computed, collected and
90 paid; and the full enforcement provisions and all other provisions
91 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
92 necessary to the implementation and administration of this act.

93 (5) The proceeds of the tax, less three percent (3%) to be
94 retained by the State Tax Commission to defray the costs of
95 collections, shall be paid to the governing authority, to be
96 placed into a special fund hereby created separate and apart from
97 any other city fund, on or before the fifteenth day of the month
98 following the month in which collected.

99 Section 3. (1) The governing authority is hereby authorized

100 to issue bonds in an aggregate principal amount not to exceed
101 Three Million Dollars (\$3,000,000.00), to be used to fund the
102 construction of and/or improvements to a stadium at the
103 university. Such bonds shall not be subject to any statutory debt
104 limitation.

105 (2) The governing authority is authorized to issue bonds in
106 an aggregate principal amount not to exceed Three Million Dollars
107 (\$3,000,000.00), to be used to provide local matching funds to pay
108 the costs of constructing and equipping a national guard
109 armory/multipurpose building for the city and surrounding area.
110 Such bonds shall not be subject to any statutory debt limitation.

111 (3) The total amount of bonds issued under this act shall
112 not exceed Six Million Dollars (\$6,000,000.00).

113 Section 4. Prior to the issuance of any bonds under this
114 act, the governing authority shall adopt a resolution declaring
115 its intention so to do, stating the amount of bonds proposed to be
116 issued, the purpose for which the bonds are to be issued, the
117 source of revenue to be pledged to pay the principal of and
118 interest on the bonds, and the date upon which the governing
119 authority proposes to direct the issuance of such bonds. Such
120 resolution shall be published once a week for at least three (3)
121 consecutive weeks in at least one (1) newspaper published in the
122 city. The first publication of such resolution shall be made not
123 less than twenty-one (21) days prior to the date fixed in such
124 resolution to direct the issuance of the bonds and the last
125 publication shall be made not more than seven (7) days prior to
126 such date. If twenty percent (20%) or fifteen hundred (1500),
127 whichever is lesser, of the qualified electors of the city shall
128 file a written protest against the issuance of such bonds on or
129 before the date specified in such resolution, then an election on
130 such question shall be called and held as herein provided. If no
131 such protest be filed, then such bonds may be issued without an
132 election on the question of the issuance thereof at any time

133 within a period of two (2) years after the date specified in the
134 above-mentioned resolution; provided, however, that the governing
135 authority, in its discretion, may nevertheless call an election on
136 such question, in which event it shall not be necessary to publish
137 the resolution declaring its intention to issue bonds as herein
138 provided.

139 Section 5. (1) Where an election is to be called as
140 provided in Section 4 of this act, notice of such election shall
141 be signed by the clerk of the city, and shall be published once a
142 week for at least three (3) consecutive weeks in at least one (1)
143 newspaper published in the city. The first publication of such
144 notice shall be made not less than twenty-one (21) days prior to
145 the date fixed for such election and the last publication shall be
146 made not more than seven (7) days prior to such date.

147 (2) Such election shall be held, as far as is practicable,
148 in the same manner as other elections are held in municipalities
149 of the state. At such election, all qualified electors of the
150 city may vote, and the ballots used at such election shall have
151 printed thereon a brief statement of the amount and purpose of the
152 proposed bond issue and the words "FOR THE BOND ISSUE" and
153 "AGAINST THE BOND ISSUE," and the voter shall vote by placing a
154 cross (x) or check mark () opposite his choice on the
155 proposition.

156 (3) When the results of the election on the question of the
157 issuance of such bonds shall have been canvassed by the election
158 commissioners of the city and certified thereby to the governing
159 authority, it shall be the duty of the governing authority to
160 determine and adjudicate whether a majority of the qualified
161 electors who voted thereon in such election voted in favor of the
162 issuance of such bonds, and unless a majority of the qualified
163 electors who voted thereon in such election shall have voted in
164 favor of the question, then such bonds shall not be issued and
165 such tax shall not be imposed. Should a majority of the qualified

166 electors who vote in such election vote in favor of the issuance
167 of such bonds, then the governing authority may issue such bonds,
168 whether in whole or in part, within two (2) years after the later
169 of the date of the election or the date of the final favorable
170 termination of any litigation affecting the issuance of such
171 bonds.

172 Section 6. All bonds issued under authority of this act
173 shall be limited obligations of the city, the principal of,
174 redemption premium, if any, and interest on which shall be payable
175 solely from and secured by a pledge of the proceeds of the tax
176 imposed under this act not to exceed Two Hundred Thousand Dollars
177 (\$200,000.00) annually for bonds authorized under Section 3(1) of
178 this act, and not to exceed Three Hundred Thousand Dollars
179 (\$300,000.00) annually for bonds authorized under Section 3(2) of
180 this act, and from any other funds made available to the city for
181 such purpose by gift, agreement with the university, or otherwise,
182 and from the additional security, if any, obtained as provided
183 herein. Bonds and interest coupons, if any, issued under
184 authority of this act shall never constitute an indebtedness of
185 the city within the meaning of any state constitutional provision
186 or statutory limitation, and shall never constitute or give rise
187 to a pecuniary liability of the city, or a charge against its
188 general credit or taxing powers, which fact shall be plainly
189 stated on the face of each such bond. All bonds issued under the
190 authority of this act and all interest coupons, if any, applicable
191 thereto shall be construed to be negotiable instruments, despite
192 the fact that they are payable solely from a specified source.

193 Section 7. Bonds may be executed and delivered by the city
194 at any time and from time to time, may be in such form and
195 denominations and of such terms and maturities, may be in fully
196 registered form, in bearer form registrable either as to principal
197 or interest or both, may bear such conversion privileges and be
198 payable in such installments and at such time or times not

199 exceeding twenty (20) years from the date thereof, may be payable
200 at such time or times and at such place or places, whether within
201 or without the state, and evidenced in such manner, may bear
202 interest at such rate or rates and may contain such provisions not
203 inconsistent herewith, all as shall be provided in the proceedings
204 of the governing authority pursuant to which the bonds are
205 authorized to be issued. Bonds issued pursuant to this act shall
206 not bear a greater overall maximum interest rate to maturity than
207 twelve percent (12%) per annum.

208 If deemed advisable by the governing authority, there may be
209 retained in the proceedings under which any bonds are authorized
210 to be issued an option to redeem all or any part thereof as may be
211 specified in such proceedings, at such price or prices and after
212 such notice or notices and on such terms and conditions as may be
213 set forth in such proceedings and briefly recited or referred to
214 on the face of the bonds, but nothing herein contained shall be
215 construed to confer on the city any right or option to redeem any
216 bonds, except as may be provided in the proceedings under which
217 they shall be issued.

218 Bonds issued under the authority of this act shall be sold
219 for not less than par plus accrued interest at public sale in the
220 manner provided by Section 31-19-25, Mississippi Code of 1972. The
221 city may pay from the proceeds of said issue all expenses,
222 premiums and commissions which the governing authority may deem
223 necessary or advantageous in connection with the issuance thereof,
224 and may employ such attorneys and investment bankers as may be
225 necessary to market and deliver the bonds. The issuance by the
226 city of one or more series of bonds shall not preclude it from
227 issuing other series of bonds, but the proceedings whereunder any
228 subsequent bonds may be issued shall recognize and protect any
229 prior pledge made for any prior issue of bonds.

230 Section 8. (1) The bonds may be secured by a trust
231 agreement by and between the city and a corporate trustee, which

232 may be any trust company or bank incorporated under the laws of
233 the United States or the laws of any state in the United States.
234 Any such trust agreement may pledge or assign for the payment of
235 the principal of, redemption premium, if any, and interest on the
236 bonds, the revenues of the stadium, the proceeds of the sales tax
237 authorized herein, the additional security, if any, and any other
238 type security which may be made available as security for the
239 bonds.

240 (2) The trust agreement may provide for the creation and
241 maintenance of such reserve funds as the governing authority shall
242 determine are reasonable and proper, including such sinking fund
243 or funds as may be necessary to provide for the payment of the
244 principal of, redemption premium, if any, and interest on the
245 bonds. Any such trust agreement or any resolution providing for
246 the issuance of bonds may contain such provisions for protecting
247 and enforcing the rights and remedies of the holders thereof as
248 may be reasonable and proper and not in violation of law,
249 including the duties of the city and the university in relation to
250 the acquisition of property and the construction, improvement,
251 equipping, furnishing, repair, operation and insurance of the
252 stadium or the revenues pledged as security for the bonds and the
253 custody, safeguarding and application of all monies. Any such
254 trust agreement may set forth the rights and remedies of the
255 bondholders and of the corporate trustee, and may restrict the
256 individual right of action by bondholders as is customary in trust
257 agreements or trust indentures securing bonds and debentures of
258 corporations. In addition to the foregoing, any such trust
259 agreement may contain such provisions as the city may deem
260 reasonable and proper for the security of the bondholders and may
261 also contain provisions governing the issuance of bonds to replace
262 lost, stolen or mutilated bonds.

263 (3) Any trust agreement made in accordance with the
264 provisions of this act may contain a provision that, in the event

265 of a default in the payment of principal of, redemption premium,
266 if any, or the interest on bonds issued in accordance with, or
267 relating to, such agreement, or in the performance of any
268 agreement contained in the proceedings, trust agreement or
269 instruments relating thereto, such payment and performance may be
270 enforced by mandamus or by the appointment of a receiver in equity
271 with power to charge and collect the revenues pledged to the
272 payment of the bonds and to apply such revenues in accordance with
273 such proceedings, trust agreement or instruments.

274 (4) The city is further authorized, or the university may,
275 on behalf of the city with the approval of the Board of Trustees
276 of Institutions of Higher Learning, to enter into such agreements
277 as may be necessary in order to obtain the additional security in
278 order to enhance the marketability of the bonds authorized under
279 Section 3(1) of this act.

280 Section 9. No bond issued hereunder shall bear more than one
281 (1) rate of interest; each bond shall bear interest from its date
282 to its stated maturity date at the interest rate specified on the
283 bonds; all bonds of the same maturity shall bear the same rate of
284 interest from date to maturity. All interest accruing on bonds
285 issued hereunder shall be payable semiannually or annually, except
286 that the first interest coupon attached to any such bond may be
287 for any period not exceeding one (1) year. If the bonds are
288 issued in coupon form, no interest payment shall be evidenced by
289 more than one (1) coupon and neither cancelled nor supplemental
290 coupons shall be permitted. The lowest interest rate specified
291 for any bonds issued shall not be less than seventy percent (70%)
292 of the highest interest rate specified for the same bond issue.

293 Section 10. Bonds issued under the authority of this act
294 shall be executed on behalf of the city by the manual or facsimile
295 signature of the mayor of the city, and shall be countersigned by
296 the manual or facsimile signature of the clerk of the city;
297 provided, however, that if the bonds are issued in coupon form, at

298 least one (1) signature on each bond shall be manual and all
299 coupons shall be executed on behalf of the city by the facsimile
300 signatures of the mayor and the clerk of the city. If the
301 officers whose signatures or countersignatures appear on the bonds
302 or interest coupons shall cease to be such officers before
303 delivery of the bonds, such signatures or countersignatures shall,
304 nevertheless, be valid and sufficient for all purposes, the same
305 as if said officials had remained in office until such delivery.

306 Section 11. The proceeds of bonds issued under this act may
307 be used for the purposes of (a) constructing a stadium, (b)
308 enlarging, improving, equipping and furnishing the stadium, (c)
309 the payment of engineering, fiscal, architectural and legal
310 expenses incurred in connection with the construction and/or
311 improvements, (d) providing local matching funds to pay the costs
312 of constructing and equipping a national guard armory/multipurpose
313 building for the city and surrounding area, (e) the payment of
314 expenses incurred in connection with the issuance of the bonds,
315 and (f) the establishment of a reasonable reserve fund for the
316 payment of principal of and interest on such bonds in the event of
317 a deficiency in the revenues available for such payments.

318 Section 12. Bonds issued under this act shall be and are
319 hereby declared to have all the qualities and incidents of
320 negotiable instruments under the provisions of the Uniform
321 Commercial Code and shall be legal investments for commercial
322 banks, savings and loan associations and insurance companies
323 organized under the laws of the state.

324 Section 13. The bonds authorized by this act and the income
325 therefrom shall be exempt from all taxation in the State of
326 Mississippi; however, purchases required to construct and/or
327 improve the stadium and financed by bond proceeds shall not be
328 exempt from taxation in the State of Mississippi.

329 Section 14. This act, without reference to any other
330 statute, shall be deemed to be full and complete authority for the

331 issuance of the aforesaid bonds, and shall be construed as an
332 additional and alternative method therefor, and none of the
333 present restrictions, requirements, conditions or limitations of
334 law applicable to the issuance or sale of bonds, notes or other
335 obligations by municipalities in the state shall apply to the
336 issuance and sale of bonds under this act, and no proceedings
337 shall be required for the issuance of such bonds other than those
338 provided for and required herein, and all powers necessary to be
339 exercised in order to carry out the provisions of this act are
340 hereby conferred.

341 Section 15. The city and the university, acting through its
342 chancellor and subject to the approval of the Board of Trustees of
343 State Institutions of Higher Learning, are authorized to enter
344 into such agreements as may be necessary concerning the payment of
345 the principal of and interest on the bonds authorized to be issued
346 under Section 3(1) of this act, the security for the bonds
347 including pledges of funds or execution of guaranty agreements by
348 the university, the construction of and/or improvements to the
349 stadium and the letting of contracts in connection with such
350 construction and/or improvements, and such agreements may contain
351 such other covenants, not inconsistent with this act. Such
352 agreements shall provide that the city shall let the contracts for
353 such construction and/or improvements with the consent of the
354 university; however, all contracts for the construction of and/or
355 improvements to the stadium shall be entered into upon the basis
356 of public bidding pursuant to Section 31-7-1 et seq., Mississippi
357 Code of 1972.

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