

By: Senator(s) Smith

To: Finance

SENATE BILL NO. 3197

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, LIEUTENANT GOVERNOR AND STATE TREASURER UNANIMOUSLY
8 AGREE 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;
13 AND FOR RELATED PURPOSES.

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

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

17 57-75-9. (1) The authority is hereby designated and
18 empowered to act on behalf of the state in submitting a siting
19 proposal for any project eligible for assistance under this act.
20 The authority is empowered to take all steps appropriate or
21 necessary to effect the siting, development, and operation of the
22 project within the state. If the state is selected as the
23 preferred site for the project, the authority is hereby designated
24 and empowered to act on behalf of the state and to represent the
25 state in the planning, financing, development, construction and
26 operation of the project or any facility related to the project,
27 with the concurrence of the affected public agency. The authority
28 may take affirmative steps to coordinate fully all aspects of the
29 submission of a siting proposal for the project and, if the state
30 is selected as the preferred site, to coordinate fully, with the
31 concurrence of the affected public agency, the development of the

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

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

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

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

50 57-75-15. (1) Upon notification to the authority by the
51 enterprise that the state has been finally selected as the site
52 for the project, the State Bond Commission shall have the power
53 and is hereby authorized and directed, upon receipt of a
54 declaration from the authority as hereinafter provided, to borrow
55 money and issue general obligation bonds of the state in one or
56 more series for the purposes herein set out. Upon such
57 notification, the authority may thereafter from time to time
58 declare the necessity for the issuance of general obligation bonds
59 as authorized by this section and forward such declaration to the
60 State Bond Commission, provided that before such notification, the
61 authority may enter into agreements with the United States
62 government, private companies and others that will commit the
63 authority to direct the State Bond Commission to issue bonds for
64 eligible undertakings set out in subsection (4) of this section,
65 conditioned on the siting of the project in the state.

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

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

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

75 (b) Bonds issued under the authority of this section
76 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
77 Ninety Million Dollars (\$90,000,000.00). The provisions of this
78 paragraph (b) shall be repealed from and after July 1, 1996.

79 (c) Bonds issued under the authority of this section
80 for projects as defined in Section 57-75-5(f)(iii) shall not
81 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds
82 issued for projects related to any single military installation
83 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars
84 (\$16,667,000.00). If any proceeds of bonds issued for projects
85 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
86 used for the development of a water and sewer service system by
87 the City of Meridian, Mississippi, to serve the NAAS and if the
88 City of Meridian annexes any of the territory served by the water
89 and sewer service system, the city shall repay the State of
90 Mississippi the amount of all bond proceeds expended on any
91 portion of the water and sewer service system project; and if
92 there are any monetary proceeds derived from the disposition of
93 any improvements located on real property in Kemper County
94 purchased pursuant to this act for projects related to the NAAS
95 and if there are any monetary proceeds derived from the
96 disposition of any timber located on real property in Kemper
97 County purchased pursuant to this act for projects related to the
98 NAAS, all of such proceeds (both from the disposition of
99 improvements and the disposition of timber) commencing July 1,
100 1996, through June 30, 2010, shall be paid to the Board of
101 Education of Kemper County, Mississippi, for expenditure by such

102 board of education to benefit the public schools of Kemper County.

103 No bonds shall be issued under this paragraph (c) until the State
104 Bond Commission by resolution adopts a finding that the issuance
105 of such bonds will improve, expand or otherwise enhance the
106 military installation, its support areas or military operations,
107 or will provide employment opportunities to replace those lost by
108 closure or reductions in operations at the military installation.
109 From and after July 1, 1997, bonds shall not be issued for any
110 projects, as defined in Section 57-75-5(f)(iii), which are not
111 commenced before July 1, 1997. The proceeds of any bonds issued
112 for projects commenced before July 1, 1997, shall be used for the
113 purposes for which the bonds were issued until completion of the
114 projects.

115 (d) Bonds issued under the authority of this section
116 for projects as defined in Section 57-75-5(f)(iv) shall not exceed
117 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
118 under this paragraph after December 31, 1996.

119 (e) Bonds issued under the authority of this section
120 for projects defined in Section 57-75-5(f)(v) shall not exceed One
121 Hundred Ten Million Dollars (\$110,000,000.00). No bonds shall be
122 issued under this paragraph after June 30, 2001.

123 (f) Bonds issued under the authority of this section
124 for the project defined in Section 57-75-5(f)(vi) shall not exceed
125 Twenty Million Three Hundred Seventy Thousand Dollars
126 (\$20,370,000.00). No bonds shall be issued under this paragraph
127 (f) until the State Bond Commission by resolution adopts a finding
128 that the project has secured wire harness contracts or contracts
129 to manufacture thin film polymer lithium-ion rechargeable
130 batteries, or any combination of such contracts, in the aggregate
131 amount of Twenty Million Dollars (\$20,000,000.00), either from the
132 United States government or the private sector. No bonds shall be
133 issued under this paragraph after June 30, 2001.

134 (g) Bonds issued under the authority of this section

135 for projects defined in Section 57-75-5(f)(viii) shall not exceed
136 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
137 issued after June 30, 2001.

138 (4) The proceeds from the sale of the bonds issued under
139 this section may be applied for the purposes of: (a) defraying
140 all or any designated portion of the costs incurred with respect
141 to acquisition, planning, design, construction, installation,
142 rehabilitation, improvement, relocation and with respect to
143 state-owned property, operation and maintenance of the project and
144 any facility related to the project located within the project
145 area, including costs of design and engineering, all costs
146 incurred to provide land, easements and rights-of-way, relocation
147 costs with respect to the project and with respect to any facility
148 related to the project located within the project area, and costs
149 associated with mitigation of environmental impacts; (b) providing
150 for the payment of interest on the bonds; (c) providing debt
151 service reserves; and (d) paying underwriters' discount, original
152 issue discount, accountants' fees, engineers' fees, attorneys'
153 fees, rating agency fees and other fees and expenses in connection
154 with the issuance of the bonds. Such bonds shall be issued from
155 time to time and in such principal amounts as shall be designated
156 by the authority, not to exceed in aggregate principal amounts the
157 amount authorized in subsection (3) of this section. Proceeds
158 from the sale of the bonds issued under this section may be
159 invested, subject to federal limitations, pending their use, in
160 such securities as may be specified in the resolution authorizing
161 the issuance of the bonds or the trust indenture securing them,
162 and the earning on such investment applied as provided in such
163 resolution or trust indenture.

164 (5) The principal of and the interest on the bonds shall be
165 payable in the manner hereinafter set forth. The bonds shall bear
166 date or dates; be in such denomination or denominations; bear
167 interest at such rate or rates; be payable at such place or places

168 within or without the state; mature absolutely at such time or
169 times; be redeemable before maturity at such time or times and
170 upon such terms, with or without premium; bear such registration
171 privileges; and be substantially in such form; all as shall be
172 determined by resolution of the State Bond Commission except that
173 such bonds shall mature or otherwise be retired in annual
174 installments beginning not more than five (5) years from the date
175 thereof and extending not more than twenty-five (25) years from
176 the date thereof. The bonds shall be signed by the Chairman of
177 the State Bond Commission, or by his facsimile signature, and the
178 official seal of the State Bond Commission shall be imprinted on
179 or affixed thereto, attested by the manual or facsimile signature
180 of the Secretary of the State Bond Commission. Whenever any such
181 bonds have been signed by the officials herein designated to sign
182 the bonds, who were in office at the time of such signing but who
183 may have ceased to be such officers before the sale and delivery
184 of such bonds, or who may not have been in office on the date such
185 bonds may bear, the signatures of such officers upon such bonds
186 shall nevertheless be valid and sufficient for all purposes and
187 have the same effect as if the person so officially signing such
188 bonds had remained in office until the delivery of the same to the
189 purchaser, or had been in office on the date such bonds may bear.

190 (6) All bonds issued under the provisions of this section
191 shall be and are hereby declared to have all the qualities and
192 incidents of negotiable instruments under the provisions of the
193 Uniform Commercial Code and in exercising the powers granted by
194 this chapter, the State Bond Commission shall not be required to
195 and need not comply with the provisions of the Uniform Commercial
196 Code.

197 (7) The State Bond Commission shall sell the bonds on sealed
198 bids at public sale, and for such price as it may determine to be
199 for the best interest of the State of Mississippi, but no such
200 sale shall be made at a price less than par plus accrued interest

201 to date of delivery of the bonds to the purchaser. The bonds
202 shall bear interest at such rate or rates not exceeding the limits
203 set forth in Section 75-17-101 as shall be fixed by the State Bond
204 Commission. All interest accruing on such bonds so issued shall
205 be payable semiannually or annually; provided that the first
206 interest payment may be for any period of not more than one (1)
207 year.

208 Notice of the sale of any bonds shall be published at least
209 one (1) time, the first of which shall be made not less than ten
210 (10) days prior to the date of sale, and shall be so published in
211 one or more newspapers having a general circulation in the City of
212 Jackson and in one or more other newspapers or financial journals
213 with a large national circulation, to be selected by the State
214 Bond Commission.

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

220 (8) State bonds issued under the provisions of this section
221 shall be the general obligations of the state and backed by the
222 full faith and credit of the state. The Legislature shall
223 appropriate annually an amount sufficient to pay the principal of
224 and the interest on such bonds as they become due. All bonds
225 shall contain recitals on their faces substantially covering the
226 foregoing provisions of this section.

227 (9) The State Treasurer is authorized to certify to the
228 Department of Finance and Administration the necessity for
229 warrants, and the Department of Finance and Administration is
230 authorized and directed to issue such warrants payable out of any
231 funds appropriated by the Legislature under this section for such
232 purpose, in such amounts as may be necessary to pay when due the
233 principal of and interest on all bonds issued under the provisions

234 of this section. The State Treasurer shall forward the necessary
235 amount to the designated place or places of payment of such bonds
236 in ample time to discharge such bonds, or the interest thereon, on
237 the due dates thereof.

238 (10) The bonds may be issued without any other proceedings
239 or the happening of any other conditions or things other than
240 those proceedings, conditions and things which are specified or
241 required by this chapter. Any resolution providing for the
242 issuance of general obligation bonds under the provisions of this
243 section shall become effective immediately upon its adoption by
244 the State Bond Commission, and any such resolution may be adopted
245 at any regular or special meeting of the State Bond Commission by
246 a majority of its members.

247 (11) In anticipation of the issuance of bonds hereunder, the
248 State Bond Commission is authorized to negotiate and enter into
249 any purchase, loan, credit or other agreement with any bank, trust
250 company or other lending institution or to issue and sell interim
251 notes for the purpose of making any payments authorized under this
252 section. All borrowings made under this provision shall be
253 evidenced by notes of the state which shall be issued from time to
254 time, for such amounts not exceeding the amount of bonds
255 authorized herein, in such form and in such denomination and
256 subject to such terms and conditions of sale and issuance,
257 prepayment or redemption and maturity, rate or rates of interest
258 not to exceed the maximum rate authorized herein for bonds, and
259 time of payment of interest as the State Bond Commission shall
260 agree to in such agreement. Such notes shall constitute general
261 obligations of the state and shall be backed by the full faith and
262 credit of the state. Such notes may also be issued for the
263 purpose of refunding previously issued notes; except that no notes
264 shall mature more than three (3) years following the date of
265 issuance of the first note hereunder and provided further, that
266 all outstanding notes shall be retired from the proceeds of the

267 first issuance of bonds hereunder. The State Bond Commission is
268 authorized to provide for the compensation of any purchaser of the
269 notes by payment of a fixed fee or commission and for all other
270 costs and expenses of issuance and service, including paying agent
271 costs. Such costs and expenses may be paid from the proceeds of
272 the notes.

273 (12) The bonds and interim notes authorized under the
274 authority of this section may be validated in the First Judicial
275 District of the Chancery Court of Hinds County, Mississippi, in
276 the manner and with the force and effect provided now or hereafter
277 by Chapter 13, Title 31, Mississippi Code of 1972, for the
278 validation of county, municipal, school district and other bonds.
279 The necessary papers for such validation proceedings shall be
280 transmitted to the state bond attorney, and the required notice
281 shall be published in a newspaper published in the City of
282 Jackson, Mississippi.

283 (13) Any bonds or interim notes issued under the provisions
284 of this chapter, a transaction relating to the sale or securing of
285 such bonds or interim notes, their transfer and the income
286 therefrom shall at all times be free from taxation by the state or
287 any local unit or political subdivision or other instrumentality
288 of the state, excepting inheritance and gift taxes.

289 (14) All bonds issued under this chapter shall be legal
290 investments for trustees, other fiduciaries, savings banks, trust
291 companies and insurance companies organized under the laws of the
292 State of Mississippi; and such bonds shall be legal securities
293 which may be deposited with and shall be received by all public
294 officers and bodies of the state and all municipalities and other
295 political subdivisions thereof for the purpose of securing the
296 deposit of public funds.

297 (15) The Attorney General of the State of Mississippi shall
298 represent the State Bond Commission in issuing, selling and
299 validating bonds herein provided for, and the bond commission is

300 hereby authorized and empowered to expend from the proceeds
301 derived from the sale of the bonds authorized hereunder all
302 necessary administrative, legal and other expenses incidental and
303 related to the issuance of bonds authorized under this chapter.

304 (16) There is hereby created a special fund in the State
305 Treasury to be known as the Mississippi Major Economic Impact
306 Authority Fund wherein shall be deposited the proceeds of the
307 bonds issued under this chapter and all monies received by the
308 authority to carry out the purposes of this chapter. Expenditures
309 authorized herein shall be paid by the State Treasurer upon
310 warrants drawn from the fund, and the Department of Finance and
311 Administration shall issue warrants upon requisitions signed by
312 the director of the authority.

313 (17) (a) There is hereby created the Mississippi Economic
314 Impact Authority Sinking Fund from which the principal of and
315 interest on such bonds shall be paid by appropriation. All monies
316 paid into the sinking fund not appropriated to pay accruing bonds
317 and interest shall be invested by the State Treasurer in such
318 securities as are provided by law for the investment of the
319 sinking funds of the state.

320 (b) In the event that all or any part of the bonds and
321 notes are purchased, they shall be canceled and returned to the
322 loan and transfer agent as canceled and paid bonds and notes and
323 thereafter all payments of interest thereon shall cease and the
324 canceled bonds, notes and coupons, together with any other
325 canceled bonds, notes and coupons, shall be destroyed as promptly
326 as possible after cancellation but not later than two (2) years
327 after cancellation. A certificate evidencing the destruction of
328 the canceled bonds, notes and coupons shall be provided by the
329 loan and transfer agent to the seller.

330 (c) The State Treasurer shall determine and report to
331 the Department of Finance and Administration and Legislative
332 Budget Office by September 1 of each year the amount of money

333 necessary for the payment of the principal of and interest on
334 outstanding obligations for the following fiscal year and the
335 times and amounts of the payments. It shall be the duty of the
336 Governor to include in every executive budget submitted to the
337 Legislature full information relating to the issuance of bonds
338 and notes under the provisions of this chapter and the status of
339 the sinking fund for the payment of the principal of and interest
340 on the bonds and notes.

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