

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 1648
(As Passed the House)

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE
3 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT FOR CERTAIN PROJECTS FROM
4 \$64,250,000.00 TO \$72,350,000.00; AND FOR RELATED PURPOSES.

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

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

8 57-75-15. (1) Upon notification to the authority by the
9 enterprise that the state has been finally selected as the site
10 for the project, the State Bond Commission shall have the power
11 and is hereby authorized and directed, upon receipt of a
12 declaration from the authority as hereinafter provided, to borrow
13 money and issue general obligation bonds of the state in one or
14 more series for the purposes herein set out. Upon such
15 notification, the authority may thereafter from time to time
16 declare the necessity for the issuance of general obligation bonds
17 as authorized by this section and forward such declaration to the
18 State Bond Commission, provided that before such notification, the
19 authority may enter into agreements with the United States
20 government, private companies and others that will commit the
21 authority to direct the State Bond Commission to issue bonds for
22 eligible undertakings set out in subsection (4) of this section,
23 conditioned on the siting of the project in the state.

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

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

(3) (a) Bonds issued under the authority of this section for projects as defined in Section 57-75-5(f)(i) shall not exceed an aggregate principal amount in the sum of Seventy-two Million Three Hundred Fifty Thousand Dollars (\$72,350,000.00).

(b) Bonds issued under the authority of this section for projects as defined in Section 57-75-5(f)(ii) shall not exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued for projects related to any single military installation exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars (\$16,667,000.00). If any proceeds of bonds issued for projects related to the Meridian Naval Auxiliary Air Station ("NAAS") are used for the development of a water and sewer service system by the City of Meridian, Mississippi, to serve the NAAS and if the City of Meridian annexes any of the territory served by the water and sewer service system, the city shall repay the State of Mississippi the amount of all bond proceeds expended on any portion of the water and sewer service system project; and if there are any monetary proceeds derived from the disposition of any improvements located on real property in Kemper County purchased pursuant to this act for projects related to the NAAS and if there are any monetary proceeds derived from the disposition of any timber located on real property in Kemper County purchased pursuant to this act for projects related to the NAAS, all of such proceeds (both from the disposition of improvements and the disposition of timber) commencing July 1, 1996, through June 30, 2010, shall be paid to the Board of Education of Kemper County, Mississippi, for expenditure by such board of education to benefit the public schools of Kemper County. No bonds shall be issued under this paragraph (b) until the State Bond Commission by resolution adopts a finding that the issuance of such bonds will improve, expand or otherwise enhance the

60 military installation, its support areas or military operations,
61 or will provide employment opportunities to replace those lost by
62 closure or reductions in operations at the military installation.
63 From and after July 1, 1997, bonds shall not be issued for any
64 projects, as defined in Section 57-75-5(f)(ii), which are not
65 commenced before July 1, 1997. The proceeds of any bonds issued
66 for projects commenced before July 1, 1997, shall be used for the
67 purposes for which the bonds were issued until completion of the
68 projects.

69 (c) Bonds issued under the authority of this section
70 for projects as defined in Section 57-75-5(f)(iii) shall not
71 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
72 issued under this paragraph after December 31, 1996.

73 (d) Bonds issued under the authority of this section
74 for projects defined in Section 57-75-5(f)(iv) shall not exceed
75 Two Hundred Ninety-five Million Dollars (\$295,000,000.00). No
76 bonds shall be issued under this paragraph after June 30, 2003.

77 (e) Bonds issued under the authority of this section
78 for the project defined in Section 57-75-5(f)(v) shall not exceed
79 Twenty Million Three Hundred Seventy Thousand Dollars
80 (\$20,370,000.00). No bonds shall be issued under this paragraph
81 (e) until the State Bond Commission by resolution adopts a finding
82 that the project has secured wire harness contracts or contracts
83 to manufacture thin film polymer lithium-ion rechargeable
84 batteries, or any combination of such contracts, in the aggregate
85 amount of Twenty Million Dollars (\$20,000,000.00), either from the
86 United States government or the private sector. No bonds shall be
87 issued under this paragraph after June 30, 2001.

88 (f) Bonds issued under the authority of this section
89 for projects defined in Section 57-75-5(f)(vii) shall not exceed
90 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
91 issued after June 30, 2001.

(4) The proceeds from the sale of the bonds issued under this section may be applied for the purposes of: (a) defraying all or any designated portion of the costs incurred with respect to acquisition, planning, design, construction, installation, rehabilitation, improvement, relocation and with respect to state-owned property, operation and maintenance of the project and any facility related to the project located within the project area, including costs of design and engineering, all costs incurred to provide land, easements and rights-of-way, relocation costs with respect to the project and with respect to any facility related to the project located within the project area, and costs associated with mitigation of environmental impacts and environmental impact studies; (b) defraying the cost of providing for the recruitment, screening, selection, training or retraining of employees, candidates for employment or replacement employees of the project and any related activity; (c) reimbursing the Mississippi Development Authority for expenses it incurred in regard to projects defined in Section 57-75-5(f)(iv) prior to November 6, 2000. The Mississippi Development Authority shall submit an itemized list of expenses it incurred in regard to such projects to the Chairmen of the Finance and Appropriations Committees of the Senate and the Chairmen of the Ways and Means and Appropriations Committees of the House of Representatives; (d) providing grants to enterprises operating projects defined in Section 57-75-5(f)(iv)1; (e) paying any warranty made by the authority regarding site work for a project defined in Section 57-75-5(f)(iv)1; (f) defraying the cost of marketing and promotion of a project as defined in Section 57-75-5(f)(iv)1. The authority shall submit an itemized list of costs incurred for marketing and promotion of such project to the Chairmen of the Finance and Appropriations Committees of the Senate and the Chairmen of the Ways and Means and Appropriations Committees of the House of Representatives; (g) providing for the payment of interest on the

bonds; (h) providing debt service reserves; and (i) paying underwriters' discount, original issue discount, accountants' fees, engineers' fees, attorneys' fees, rating agency fees and other fees and expenses in connection with the issuance of the bonds. Such bonds shall be issued from time to time and in such principal amounts as shall be designated by the authority, not to exceed in aggregate principal amounts the amount authorized in subsection (3) of this section. Proceeds from the sale of the bonds issued under this section may be invested, subject to federal limitations, pending their use, in such securities as may be specified in the resolution authorizing the issuance of the bonds or the trust indenture securing them, and the earning on such investment applied as provided in such resolution or trust indenture.

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

may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until the delivery of the same to the purchaser, or had been in office on the date such bonds may bear.

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

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

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

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

195 (8) State bonds issued under the provisions of this section
196 shall be the general obligations of the state and backed by the
197 full faith and credit of the state. The Legislature shall
198 appropriate annually an amount sufficient to pay the principal of
199 and the interest on such bonds as they become due. All bonds
200 shall contain recitals on their faces substantially covering the
201 foregoing provisions of this section.

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

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

(11) In anticipation of the issuance of bonds hereunder, the State Bond Commission is authorized to negotiate and enter into any purchase, loan, credit or other agreement with any bank, trust company or other lending institution or to issue and sell interim notes for the purpose of making any payments authorized under this section. All borrowings made under this provision shall be evidenced by notes of the state which shall be issued from time to time, for such amounts not exceeding the amount of bonds authorized herein, in such form and in such denomination and subject to such terms and conditions of sale and issuance, prepayment or redemption and maturity, rate or rates of interest not to exceed the maximum rate authorized herein for bonds, and time of payment of interest as the State Bond Commission shall agree to in such agreement. Such notes shall constitute general obligations of the state and shall be backed by the full faith and credit of the state. Such notes may also be issued for the purpose of refunding previously issued notes; except that no notes shall mature more than three (3) years following the date of issuance of the first note hereunder and provided further, that all outstanding notes shall be retired from the proceeds of the first issuance of bonds hereunder. The State Bond Commission is authorized to provide for the compensation of any purchaser of the notes by payment of a fixed fee or commission and for all other costs and expenses of issuance and service, including paying agent costs. Such costs and expenses may be paid from the proceeds of the notes.

(12) The bonds and interim notes authorized under the authority of this section may be validated in the First Judicial District of the Chancery Court of Hinds County, Mississippi, in the manner and with the force and effect provided now or hereafter by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The necessary papers for such validation proceedings shall be

transmitted to the state bond attorney, and the required notice shall be published in a newspaper published in the City of Jackson, Mississippi.

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

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

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

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

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

295 (b) In the event that all or any part of the bonds and
296 notes are purchased, they shall be canceled and returned to the
297 loan and transfer agent as canceled and paid bonds and notes and
298 thereafter all payments of interest thereon shall cease and the
299 canceled bonds, notes and coupons, together with any other
300 canceled bonds, notes and coupons, shall be destroyed as promptly
301 as possible after cancellation but not later than two (2) years
302 after cancellation. A certificate evidencing the destruction of
303 the canceled bonds, notes and coupons shall be provided by the
304 loan and transfer agent to the seller.

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

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