HOUSE BILL NO. 1648
(As Passed the House)

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

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

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

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

(2) Upon receipt of any such declaration from the authority, the State Bond Commission shall verify that the state has been 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
military installation, its support areas or military operations, or will provide employment opportunities to replace those lost by closure or reductions in operations at the military installation. From and after July 1, 1997, bonds shall not be issued for any projects, as defined in Section 57-75-5(f)(ii), which are not commenced before July 1, 1997. The proceeds of any bonds issued for projects commenced before July 1, 1997, shall be used for the purposes for which the bonds were issued until completion of the projects.

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

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

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

(f) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(vii) shall not exceed Twenty-six Million Dollars ($26,000,000.00). No bonds shall be 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); (e) paying any warranty made by the authority regarding site work for a project defined in Section 57-75-5(f)(iv); (f) defraying the cost of marketing and promotion of a project as defined in Section 57-75-5(f)(iv). 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.
The State Bond Commission, when issuing any bonds under the authority of this section, may provide that the bonds, at the option of the state, may be called in for payment and redemption at the call price named therein and accrued interest on such date or dates named therein.

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

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

(10) The bonds may be issued without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions and things which are specified or required by this chapter. Any resolution providing for the issuance of general obligation bonds under the provisions of this section shall become effective immediately upon its adoption by the State Bond Commission, and any such resolution may be adopted at any regular or special meeting of the State Bond Commission by 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.
(17) (a) There is hereby created the Mississippi Economic Impact Authority Sinking Fund from which the principal of and interest on such bonds shall be paid by appropriation. All monies paid into the sinking fund not appropriated to pay accruing bonds and interest shall be invested by the State Treasurer in such securities as are provided by law for the investment of the sinking funds of the state.

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

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

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