

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

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

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

33 (b) Bonds issued under the authority of this section
34 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
35 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
36 for projects related to any single military installation exceed
37 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
38 (\$16,667,000.00). If any proceeds of bonds issued for projects
39 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
40 used for the development of a water and sewer service system by
41 the City of Meridian, Mississippi, to serve the NAAS and if the
42 City of Meridian annexes any of the territory served by the water
43 and sewer service system, the city shall repay the State of
44 Mississippi the amount of all bond proceeds expended on any
45 portion of the water and sewer service system project; and if
46 there are any monetary proceeds derived from the disposition of
47 any improvements located on real property in Kemper County
48 purchased pursuant to this act for projects related to the NAAS
49 and if there are any monetary proceeds derived from the
50 disposition of any timber located on real property in Kemper
51 County purchased pursuant to this act for projects related to the
52 NAAS, all of such proceeds (both from the disposition of
53 improvements and the disposition of timber) commencing July 1,
54 1996, through June 30, 2010, shall be paid to the Board of
55 Education of Kemper County, Mississippi, for expenditure by such
56 board of education to benefit the public schools of Kemper County.
57 No bonds shall be issued under this paragraph (b) until the State
58 Bond Commission by resolution adopts a finding that the issuance
59 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.

92 (4) The proceeds from the sale of the bonds issued under
93 this section may be applied for the purposes of: (a) defraying
94 all or any designated portion of the costs incurred with respect
95 to acquisition, planning, design, construction, installation,
96 rehabilitation, improvement, relocation and with respect to
97 state-owned property, operation and maintenance of the project and
98 any facility related to the project located within the project
99 area, including costs of design and engineering, all costs
100 incurred to provide land, easements and rights-of-way, relocation
101 costs with respect to the project and with respect to any facility
102 related to the project located within the project area, and costs
103 associated with mitigation of environmental impacts and
104 environmental impact studies; (b) defraying the cost of providing
105 for the recruitment, screening, selection, training or retraining
106 of employees, candidates for employment or replacement employees
107 of the project and any related activity; (c) reimbursing the
108 Mississippi Development Authority for expenses it incurred in
109 regard to projects defined in Section 57-75-5(f)(iv) prior to
110 November 6, 2000. The Mississippi Development Authority shall
111 submit an itemized list of expenses it incurred in regard to such
112 projects to the Chairmen of the Finance and Appropriations
113 Committees of the Senate and the Chairmen of the Ways and Means
114 and Appropriations Committees of the House of Representatives; (d)
115 providing grants to enterprises operating projects defined in
116 Section 57-75-5(f)(iv)1; (e) paying any warranty made by the
117 authority regarding site work for a project defined in Section
118 57-75-5(f)(iv)1; (f) defraying the cost of marketing and promotion
119 of a project as defined in Section 57-75-5(f)(iv)1. The authority
120 shall submit an itemized list of costs incurred for marketing and
121 promotion of such project to the Chairmen of the Finance and
122 Appropriations Committees of the Senate and the Chairmen of the
123 Ways and Means and Appropriations Committees of the House of
124 Representatives; (g) providing for the payment of interest on the

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

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

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

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

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

183 Notice of the sale of any bonds shall be published at least
184 one time, the first of which shall be made not less than ten (10)
185 days prior to the date of sale, and shall be so published in one
186 or more newspapers having a general circulation in the City of
187 Jackson and in one or more other newspapers or financial journals
188 with a large national circulation, to be selected by the State
189 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.

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

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

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

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

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

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

279 (16) There is hereby created a special fund in the State
280 Treasury to be known as the Mississippi Major Economic Impact
281 Authority Fund wherein shall be deposited the proceeds of the
282 bonds issued under this chapter and all monies received by the
283 authority to carry out the purposes of this chapter. Expenditures
284 authorized herein shall be paid by the State Treasurer upon
285 warrants drawn from the fund, and the Department of Finance and
286 Administration shall issue warrants upon requisitions signed by
287 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.