

By: Senator(s) Robertson, Stogner

To: Public Utilities;
Finance

SENATE BILL NO. 2175

1 AN ACT TO AMEND SECTIONS 77-6-15 AND 77-6-31, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT THE MUNICIPAL GAS AUTHORITY OF
3 MISSISSIPPI MAY SELL OR DISPOSE OF PROJECTS AND ISSUE REVENUE
4 BONDS WITH THE CONSENT OF 60% OF THE MEMBER MUNICIPALITIES,
5 INSTEAD OF THE UNANIMOUS CONSENT CURRENTLY REQUIRED; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 77-6-15, Mississippi Code of 1972, is
9 amended as follows:

10 77-6-15. The authority shall have all of the rights and
11 powers necessary or convenient to carry out and effectuate the
12 purposes and provisions of this chapter, including, but without
13 limiting the generality of the foregoing, the rights and powers:

14 (a) To adopt bylaws for the regulation of the affairs
15 and the conduct of its business, and to prescribe rules,
16 regulations and policies in connection with the performance of its
17 functions and duties;

18 (b) To adopt an official seal and alter the same at
19 pleasure;

20 (c) To sue and be sued in its own name, and to plead
21 and be impleaded;

22 (d) To receive, administer and comply with the
23 conditions and requirements respecting any gift, grant or donation
24 of any property or money;

25 (e) To acquire by purchase, lease, gift or otherwise,
26 or to obtain options for the acquisition of, any property, real or
27 personal, improved or unimproved, including rights-of-way or other
28 interests in land less than the fee thereof;



29 (f) To sell, lease, exchange, transfer or otherwise
30 dispose of, or to grant options for any such purposes with respect
31 to, any real or personal property or interest therein;

32 (g) To pledge or assign any money, rents, charges or
33 other revenues and any proceeds derived by the authority from the
34 sales of property, insurance or condemnation awards;

35 (h) To issue bonds of the authority for the purpose of
36 providing funds for any of its corporate purposes;

37 (i) To study, plan, finance, construct, reconstruct,
38 acquire, improve, enlarge, extend, better, own, operate and
39 maintain, one or more projects, either individually or jointly,
40 with one or more municipalities in this state or any other state
41 or with any agencies or instrumentalities of any state, or any
42 person, firm, association or corporation, public or private,
43 engaged in the production, transmission, distribution or end-use
44 of gas within this state or any other state, and to pay all or any
45 part of the costs thereof from the proceeds of bonds of the
46 authority or from any other funds made available to the authority;

47 (j) To authorize the construction, operation or
48 maintenance of any project or projects by any person, firm or
49 corporation, including municipalities and agencies of any state,
50 or of the United States;

51 (k) To acquire by lease, purchase or otherwise an
52 existing project or a project under construction, or any interest
53 therein, or portion thereof;

54 (l) With the * * * consent of sixty percent (60%) of
55 the member municipalities, to sell or otherwise dispose of any
56 project or projects, or any interest therein or portion thereof.
57 The member municipalities may enter into an agreement with the
58 authority whereby certain types of property may be traded or
59 otherwise disposed of without unanimous consent of the member
60 municipalities;



61 (m) To fix, charge and collect rents, rates, fees and
62 charges for gas and other services, facilities and commodities
63 sold, furnished or supplied through any project;

64 (n) To transmit, distribute, exchange or purchase gas,
65 and to enter into contracts for any or all such purposes;

66 (o) To negotiate and enter into contracts for the
67 purchase, sale, exchange, interchange, transportation, pooling,
68 transmission, distribution, storage and processing of natural gas
69 or use of gas with any municipality in this state or any other
70 state owning gas distribution facilities, or with any
71 municipalities, agencies or instrumentalities of any other state
72 or with any gas association, any public or private utility, and
73 any state, federal or municipal agency which owns gas production,
74 transmission or distribution facilities end-use in this state or
75 any other state;

76 (p) To make and execute contracts and other instruments
77 necessary or convenient in the exercise of the powers and
78 functions of the authority under this chapter, including contracts
79 with persons, firms, corporations and others;

80 (q) To apply to the appropriate agencies of the state,
81 the United States or any state thereof, and to any other proper
82 agency for such permits, licenses, certificates or approvals as
83 may be necessary to provide services, and to construct, maintain
84 and operate projects in accordance with, and to obtain, hold and
85 use, such licenses, permits, certificates or approvals in the same
86 manner as any other person or operating unit of any other person;

87 (r) To employ engineers, architects, geologists,
88 economists, attorneys, real estate counselors, appraisers,
89 financial advisors and such other consultants and employees as may
90 be required in the judgment of the authority and to fix and pay
91 their compensation from funds available to the authority therefor;



92 (s) To purchase all kinds of insurance including, but
93 not limited to, insurance against business interruption, and/or
94 risks of damage to property;

95 (t) To purchase gas and related services from any
96 source on behalf of its members and other customers and to sell
97 the same to its members and other customers in such amounts, with
98 such characteristics, for such periods of time and under such
99 terms and conditions as the board of commissioners shall
100 determine;

101 (u) To do any and all things necessary and proper to
102 reduce the cost of gas furnished to municipalities contracting
103 with the authority including, without limitation, entering into
104 interest rate swaps and other arrangements for restructuring the
105 authority's capitalization;

106 (v) To provide management, technical, financial,
107 informational, promotional and educational services to and for the
108 benefit of the municipalities;

109 (w) To do any and all things necessary, convenient or
110 proper for the accomplishment of the objectives of this chapter
111 and to exercise the powers granted to the authority herein.

112 **SECTION 2.** Section 77-6-31, Mississippi Code of 1972, is
113 amended as follows:

114 77-6-31. (1) Each municipality and the authority are hereby
115 authorized to issue at one (1) time or from time to time revenue
116 bonds for the purpose of paying all or any part of the cost of any
117 of the purposes authorized by this chapter. The principal of,
118 premium, if any, and the interest on such bonds shall be payable
119 solely from the respective funds herein provided for such payment.
120 The bonds of each issue shall bear interest at such rate or rates
121 as may be determined by the issuer, provided that the bonds of any
122 issue shall not bear a greater overall interest rate to maturity
123 than that allowed in Section 75-17-103, Mississippi Code of 1972.
124 The bonds of each issue shall be dated and shall mature in such



125 amounts and at such time or times, either as serial bonds or term
126 bonds or a combination of serial and term bonds, not exceeding
127 fifty (50) years from their respective date or dates, as may be
128 determined by the governing board of the issuer, and may be made
129 redeemable before maturity at such price or prices and under such
130 terms and conditions as may be fixed by the governing board of the
131 issuer prior to the issuance of the bonds. The governing board of
132 the issuer shall determine the form and the manner of execution of
133 the bonds, including any interest coupons to be attached thereto,
134 and shall fix the denomination or denominations of the bonds and
135 the place or places of payment of principal and interest, which
136 may be at any bank or trust company within or without the state.
137 In case any officer whose signature or a facsimile of whose
138 signature shall appear on any bonds or coupons shall cease to be
139 such officer before the delivery of such bond, such signature or
140 such facsimile shall nevertheless be valid and sufficient for all
141 purposes the same as if he had remained in office until such
142 delivery. The governing board of the issuer may also provide for
143 the authentication of the bonds by a trustee or fiscal agent. The
144 bonds may be issued in coupon or in fully registered form, or
145 both, as the governing board of the issuer may determine, and
146 provisions may be made for the registration of any coupon bonds as
147 to principal alone and also as to both principal and interest, and
148 for the reconversion into coupon bonds of any bonds registered as
149 to both principal and interest, and for the interchange of
150 registered and coupon bonds. No bond shall bear more than one (1)
151 rate of interest. All bonds of the same maturity shall bear the
152 same rate of interest from date to maturity. All interest
153 accruing on such bonds so issued shall be payable semiannually or
154 annually, except that the first interest coupon attached to any
155 such bond may be for any period not exceeding one (1) year.

156 All bonds issued pursuant to this chapter shall be advertised
157 and sold on sealed bids in the manner provided under the



158 provisions of Section 31-19-25; provided that on bond sales in
159 excess of Five Million Dollars (\$5,000,000.00) the authority may
160 sell its bonds by negotiated sale at not less than ninety-eight
161 percent (98%) of par, plus accrued interest, when the authority
162 has employed a qualified financial advisor for the proposed bond
163 issue. The duties of the financial advisor shall include the
164 responsibility of preparing a statement to be submitted to the
165 Governor, the Chairman of the House Ways and Means Committee and
166 the Chairman of the Senate Finance Committee which shall clearly
167 set forth the reasons why the negotiated sale was considered to be
168 in the best interest of the authority and member municipalities,
169 including the estimated savings in cost by selling the bonds at a
170 negotiated sale.

171 (2) The proceeds of the bonds of each issue shall be used
172 solely for the purposes for which such bonds have been issued, and
173 shall be disbursed in such manner and under such restrictions, if
174 any, as the governing board of the issuer may provide in the
175 resolution authorizing the issuance of such bonds. The
176 municipality or the authority may issue interim receipts or
177 temporary bonds, with or without coupons, exchangeable for
178 definitive bonds when such bonds shall have been executed and are
179 available for delivery. The municipality or the authority may
180 also provide for the replacement of any bonds which shall have
181 become mutilated or shall have been destroyed or lost.

182 (3) Bonds may be issued under the provisions of this chapter
183 without obtaining the consent of the state or of any municipality,
184 or of any agency, commission or instrumentality of either thereof,
185 and without any other approvals, proceedings or the happening of
186 any conditions or things other than those approvals, proceedings,
187 conditions or things which are specifically required by this
188 chapter and the provisions of the resolution authorizing the
189 issuance of such bonds or the trust agreement securing the same;
190 provided, however, the authority shall not issue any bonds



191 pursuant to this chapter without the approval of sixty percent
192 (60%) of its members.

193 (4) All bonds issued pursuant to this chapter shall be fully
194 negotiable in accordance with their terms and shall be
195 "securities" within the meaning of Article 8 of the Uniform
196 Commercial Code, subject only to provisions of the bonds
197 pertaining to registration.

198 (5) The state hereby covenants with the holders of any bonds
199 issued pursuant to this chapter that so long as such bonds are
200 outstanding and unpaid the state will not terminate the existence
201 of nor limit or alter the rights and powers of a municipality or
202 the authority under this chapter to conduct the activities
203 referred to herein in any way pertinent to the interests of the
204 bondholders, including, without limitation, the right to charge
205 and collect rates, fees and charges and to fulfill the terms of
206 any covenants made with bondholders, or in any way impair the
207 rights and remedies of the bondholders, unless provision for full
208 payment of such bonds, by escrow or otherwise, has been made
209 pursuant to the terms of the bonds or the resolution, trust
210 indenture or other security instrument securing the bonds.

211 **SECTION 3.** This act shall take effect and be in force from
212 and after its passage.

