SENATE BILL NO. 2175

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

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

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

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

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

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

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

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

(e) To acquire by purchase, lease, gift or otherwise, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, including rights-of-way or other interests in land less than the fee thereof;
(f) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest therein;

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

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

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

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

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

(l) With the consent of sixty percent (60%) of the member municipalities, to sell or otherwise dispose of any project or projects, or any interest therein or portion thereof. The member municipalities may enter into an agreement with the authority whereby certain types of property may be traded or otherwise disposed of without unanimous consent of the member municipalities;
(m) To fix, charge and collect rents, rates, fees and charges for gas and other services, facilities and commodities sold, furnished or supplied through any project;
(n) To transmit, distribute, exchange or purchase gas, and to enter into contracts for any or all such purposes;
(o) To negotiate and enter into contracts for the purchase, sale, exchange, interchange, transportation, pooling, transmission, distribution, storage and processing of natural gas or use of gas with any municipality in this state or any other state owning gas distribution facilities, or with any municipalities, agencies or instrumentalities of any other state or with any gas association, any public or private utility, and any state, federal or municipal agency which owns gas production, transmission or distribution facilities end-use in this state or any other state;
(p) To make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of the authority under this chapter, including contracts with persons, firms, corporations and others;
(q) To apply to the appropriate agencies of the state, the United States or any state thereof, and to any other proper agency for such permits, licenses, certificates or approvals as may be necessary to provide services, and to construct, maintain and operate projects in accordance with, and to obtain, hold and use, such licenses, permits, certificates or approvals in the same manner as any other person or operating unit of any other person;
(r) To employ engineers, architects, geologists, economists, attorneys, real estate counselors, appraisers, financial advisors and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;
(s) To purchase all kinds of insurance including, but
not limited to, insurance against business interruption, and/or
risks of damage to property;
(t) To purchase gas and related services from any
source on behalf of its members and other customers and to sell
the same to its members and other customers in such amounts, with
such characteristics, for such periods of time and under such
terms and conditions as the board of commissioners shall
determine;
(u) To do any and all things necessary and proper to
reduce the cost of gas furnished to municipalities contracting
with the authority including, without limitation, entering into
interest rate swaps and other arrangements for restructuring the
authority's capitalization;
(v) To provide management, technical, financial,
informational, promotional and educational services to and for the
benefit of the municipalities;
(w) To do any and all things necessary, convenient or
proper for the accomplishment of the objectives of this chapter
and to exercise the powers granted to the authority herein.

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

77-6-31. (1) Each municipality and the authority are hereby
authorized to issue at one (1) time or from time to time revenue
bonds for the purpose of paying all or any part of the cost of any
of the purposes authorized by this chapter. The principal of,
premium, if any, and the interest on such bonds shall be payable
solely from the respective funds herein provided for such payment.
The bonds of each issue shall bear interest at such rate or rates
as may be determined by the issuer, provided that the bonds of any
issue shall not bear a greater overall interest rate to maturity
than that allowed in Section 75-17-103, Mississippi Code of 1972.
The bonds of each issue shall be dated and shall mature in such
amounts and at such time or times, either as serial bonds or term
bonds or a combination of serial and term bonds, not exceeding
fifty (50) years from their respective date or dates, as may be
determined by the governing board of the issuer, and may be made
redeemable before maturity at such price or prices and under such
terms and conditions as may be fixed by the governing board of the
issuer prior to the issuance of the bonds. The governing board of
the issuer shall determine the form and the manner of execution of
the bonds, including any interest coupons to be attached thereto,
and shall fix the denomination or denominations of the bonds and
the place or places of payment of principal and interest, which
may be at any bank or trust company within or without the state.
In case any officer whose signature or a facsimile of whose
signature shall appear on any bonds or coupons shall cease to be
such officer before the delivery of such bond, such signature or
such facsimile shall nevertheless be valid and sufficient for all
purposes the same as if he had remained in office until such
delivery. The governing board of the issuer may also provide for
the authentication of the bonds by a trustee or fiscal agent. The
bonds may be issued in coupon or in fully registered form, or
both, as the governing board of the issuer may determine, and
provisions may be made for the registration of any coupon bonds as
to principal alone and also as to both principal and interest, and
for the reconversion into coupon bonds of any bonds registered as
to both principal and interest, and for the interchange of
registered and coupon bonds. No bond shall bear more than one (1)
rate of interest. All bonds of the same maturity shall bear the
same rate of interest from date to maturity. All interest
accruing on such bonds so issued shall be payable semiannually or
annually, except that the first interest coupon attached to any
such bond may be for any period not exceeding one (1) year.
All bonds issued pursuant to this chapter shall be advertised
and sold on sealed bids in the manner provided under the
provisions of Section 31-19-25; provided that on bond sales in excess of Five Million Dollars ($5,000,000.00) the authority may sell its bonds by negotiated sale at not less than ninety-eight percent (98%) of par, plus accrued interest, when the authority has employed a qualified financial advisor for the proposed bond issue. The duties of the financial advisor shall include the responsibility of preparing a statement to be submitted to the Governor, the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee which shall clearly set forth the reasons why the negotiated sale was considered to be in the best interest of the authority and member municipalities, including the estimated savings in cost by selling the bonds at a negotiated sale.

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

(3) Bonds may be issued under the provisions of this chapter without obtaining the consent of the state or of any municipality, or of any agency, commission or instrumentality of either thereof, and without any other approvals, proceedings or the happening of any conditions or things other than those approvals, proceedings, conditions or things which are specifically required by this chapter and the provisions of the resolution authorizing the issuance of such bonds or the trust agreement securing the same; provided, however, the authority shall not issue any bonds
pursuant to this chapter without the approval of sixty percent
(60%) of its members.

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

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

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