SENATE BILL NO. 3200

AN ACT TO AUTHORIZE THE ISSUANCE OF $12,000,000.00 IN STATE
GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS
AT THE STATE-OWNED SHIPYARD LOCATED IN JACKSON COUNTY,
MISSISSIPPI; TO PROVIDE THAT THE ISSUANCE OF SUCH BONDS SHALL BE
CONDITIONED ON THE LESSEE INCURRING A CERTAIN AMOUNT OF DEBT FOR
IMPROVEMENTS TO SHIPYARDS IN MISSISSIPPI OWNED OR LEASED BY SUCH
LESSEE; AND FOR RELATED PURPOSES.

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

SECTION 1. As used in this act, the following words shall
have the meanings ascribed herein unless the context clearly
requires otherwise:

(a) "Accreted value" of any bond means, as of any date
of computation, an amount equal to the sum of (i) the stated
initial value of such bond, plus (ii) the interest accrued thereon
from the issue date to the date of computation at the rate,
compounded semiannually, that is necessary to produce the
approximate yield to maturity shown for bonds of the same
maturity.

(b) "Commission" means the State Bond Commission.

(c) "State shipyard" means the shipyard property owned
by the state and located in Jackson County, Mississippi.

(d) "State" means the State of Mississippi.

(e) "Authority" means the Mississippi Development
Authority.

SECTION 2. The authority may use the proceeds from general
obligation bonds issued under this act for the purpose of such
capital improvements at the state shipyard as it considers
necessary to modernize the facility and keep it competitive with
other shipyards.
SECTION 3. (1) (a) A special fund, to be designated as the "State Shipyard Improvement Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited into such fund.

(b) Monies deposited into the fund shall be disbursed, in the discretion of the authority, to pay the costs incurred by the authority in making capital improvements to the state shipyard.

(2) Amounts deposited into such special fund shall be disbursed to pay the costs of the project described in subsection (1) of this section. If any monies in the special fund are not used within four (4) years after the date the proceeds of the bonds authorized under this act are deposited into such fund, then the authority shall provide an accounting of such unused monies to the commission. Promptly after the commission has certified, by resolution duly adopted, that the project described in subsection (1) shall have been completed, abandoned, or cannot be completed in a timely fashion, any amounts remaining in such special fund shall be applied to pay debt service on the bonds issued under this act, in accordance with the proceedings authorizing the issuance of such bonds and as directed by the commission.

SECTION 4. (1) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in Section 3 of this act. No bonds shall be issued under this act until the authority is provided proof that the lessee of the shipyard has incurred debt or has otherwise irrevocably dedicated funds or a combination of debt and funds in
the amount of not less than Twenty-five Million Dollars ($25,000,000.00) to be used by the lessee for capital improvements at shipyards in Mississippi owned or leased by the lessee. Upon the adoption of a resolution by the authority, declaring that the lessee has incurred the required amount of debt and/or irrevocable dedication of funds and declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the authority shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this act shall not exceed Twelve Million Dollars ($12,000,000.00). No bonds shall be issued under this act after July 1, 2005.

(2) Any investment earnings on amounts deposited into the special fund created in Section 3 of this act shall be used to pay debt service on bonds issued this act, in accordance with the proceedings authorizing issuance of such bonds.

SECTION 5. The principal of and interest on the bonds authorized under this act shall be payable in the manner provided in this section. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty (20) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.
SECTION 6. The bonds authorized by this act shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials 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 and coupons 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 their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

SECTION 7. All bonds and interest coupons issued under the provisions of this act 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 act, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

SECTION 8. The commission shall act as the issuing agent for the bonds authorized under this act, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under this act from the proceeds derived from the sale.
of such bonds. The commission shall sell such 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 the date of delivery of the bonds to the purchaser. All
interest accruing on such bonds so issued shall be payable
semiannually or annually; however, the first interest payment may
be for any period of not more than one (1) year.

Notice of the sale of any such bonds shall be published at
least one time, not less than ten (10) days before the date of
sale, and shall be so published in one or more newspapers
published or having a general circulation in the City of Jackson,
Mississippi, and in one or more other newspapers or financial
journals with a national circulation, to be selected by the
commission.

The commission, when issuing any bonds under the authority of
this act, may provide that bonds, at the option of the State of
Mississippi, may be called in for payment and redemption at the
call price named therein and accrued interest on such date or
dates named therein.

SECTION 9. The bonds issued under the provisions of this act
are general obligations of the State of Mississippi, and for the
payment thereof the full faith and credit of the State of
Mississippi is irrevocably pledged. If the funds appropriated by
the Legislature for such purposes are insufficient to pay the
principal of and the interest on such bonds as they become due,
then the deficiency shall be paid by the State Treasurer from any
funds in the State Treasury not otherwise appropriated. All such
bonds shall contain recitals on their faces substantially covering
the provisions of this section.

SECTION 10. Upon the issuance and sale of bonds under the
provisions of this act, the commission shall transfer the proceeds
of any such sale or sales to the special fund created in Section 3
of this act. The proceeds of such bonds shall be disbursed solely
upon the order of the authority under such restrictions, if any,
as may be contained in the resolution providing for the issuance
of the bonds.

SECTION 11. The bonds authorized under this act 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 act. Any
resolution providing for the issuance of bonds under the
provisions of this act shall become effective immediately upon its
adoption by the commission, and any such resolution may be adopted
at any regular or special meeting of the commission by a majority
of its members.

SECTION 12. The bonds authorized under the authority of this
act may be validated in the Chancery Court of the First Judicial
District of Hinds County, Mississippi, in the manner and with the
force and effect provided by Chapter 13, Title 31, Mississippi
Code of 1972, for the validation of county, municipal, school
district and other bonds. The notice to taxpayers required by
such statutes shall be published in a newspaper published or
having a general circulation in the City of Jackson, Mississippi.

SECTION 13. Any holder of bonds issued under the provisions
of this act or of any of the interest coupons pertaining thereto
may, either at law or in equity, by suit, action, mandamus or
other proceeding, protect and enforce any and all rights granted
under this act, or under such resolution, and may enforce and
compel performance of all duties required by this act to be
performed, in order to provide for the payment of bonds and
interest thereon.

SECTION 14. All bonds issued under the provisions of this
act shall be legal investments for trustees and other fiduciaries,
and for 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 this state
and all municipalities and political subdivisions for the purpose
of securing the deposit of public funds.

SECTION 15. Bonds issued under the provisions of this act
and income therefrom shall be exempt from all taxation in the
State of Mississippi.

SECTION 16. The proceeds of the bonds issued under this act
shall be used solely for the purposes provided in this act,
including the costs incident to the issuance and sale of such
bonds.

SECTION 17. The State Treasurer is authorized, without
further process of law, 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, in such amounts as may be necessary to pay when due
the principal of, premium, if any, and interest on, or the
accreted value of, all bonds issued under this act; and 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.

SECTION 18. All improvements made to the state shipyard with
the proceeds of bonds issued pursuant to this act shall, as
state-owned property, be exempt from ad valorem taxation, except
ad valorem taxation for school district purposes.

SECTION 19. This act shall be deemed to be full and complete
authority for the exercise of the powers herein granted, but this
act shall not be deemed to repeal or to be in derogation of any
existing law of this state.

SECTION 20. This act shall take effect and be in force from
and after its passage.