

By: Senator(s) Robertson

To: Public Utilities

SENATE BILL NO. 2549

1 AN ACT TO AUTHORIZE THE MUNICIPAL GAS AUTHORITY OF
2 MISSISSIPPI TO MAKE TEMPORARY BORROWINGS THROUGH REVENUE
3 ANTICIPATION NOTES FOR THE PURPOSE OF MEETING THE CURRENT AND
4 NECESSARY EXPENSES OF THE AUTHORITY; TO AMEND SECTION 77-6-5,
5 MISSISSIPPI CODE OF 1972, TO DEFINE THE TERM "REVENUE ANTICIPATION
6 NOTES"; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** (1) The authority is hereby authorized to make
9 temporary borrowings through revenue anticipation notes for the
10 purpose of meeting the current and necessary expenses of the
11 authority (including the purchase of gas supplies) and paying the
12 costs of issuing the revenue anticipation notes. The authority is
13 authorized to make such temporary borrowings through revenue
14 anticipation notes for a period not to exceed thirteen (13)
15 months. To provide for such temporary borrowings, the authority
16 may provide for the private sale of such revenue anticipation
17 notes and may enter into any purchase, loan or credit agreements
18 or other agreements with any banks, trust companies or other
19 lending institutions, investment banking firms or persons in the
20 United States having power to enter into the same. The authority
21 shall provide for repayment of any revenue anticipation note
22 issued hereunder within thirteen (13) months from the issuance
23 date thereof from all or a portion of any available revenues of
24 the system.

25 (2) All temporary borrowings made under this section shall
26 be evidenced by revenue anticipation notes of the authority which
27 shall be issued, from time to time, for such amounts, in such form
28 and in such denominations and subject to terms and conditions of
29 sale and issuance, prepayment or redemption and maturity, rate or



30 rates of interest and time of payment of interest as the board of
31 commissioners shall authorize and direct in accordance with this
32 section. Such authorization and direction may provide for the
33 subsequent issuance of replacement notes to refund, upon issuance
34 thereof, such notes, and may specify such other terms and
35 conditions with respect to the notes or any replacement notes
36 authorized for issuance as the board of commissioners of the
37 authority may determine and direct. Revenue anticipation notes
38 issued by the authority under the provisions of this section shall
39 not be subject to any other requirements set forth in this chapter
40 with respect to projects financed with bonds or the sale of
41 issuance of bonds.

42 **SECTION 2.** Section 77-6-5, Mississippi Code of 1972, is
43 amended as follows:

44 77-6-5. For purposes of this chapter, the following words
45 shall have the meanings ascribed in this section unless the
46 context otherwise requires:

47 (a) "Authority" means the Municipal Gas Authority of
48 Mississippi and any successor thereto. Any change in name or
49 composition of the authority shall in no way affect the vested
50 rights of any person under this chapter or impair the obligations
51 of any contract existing under this chapter.

52 (b) "Bond anticipation notes" or "notes" means
53 obligations issued after validation of bonds and in anticipation
54 of the issuance of the bonds as validated.

55 (c) "Bonds" or "revenue bonds" means any bonds issued
56 by the authority under this chapter, including refunding bonds.

57 (d) "Cost of project" or "cost of construction" means
58 all costs of construction; all costs of real and personal property
59 required for the purposes of such project and facilities related
60 thereto including land and any leases, rights or undivided
61 interest therein, easements, franchises, water rights, mineral
62 rights, fees, permits, approvals, licenses and certificates, and



63 the securing of such permits, approvals, licenses and certificates
64 and the preparation of applications therefor and including all
65 machinery and equipment, including equipment for use in connection
66 with such construction; financing charges; working capital;
67 interest prior to and during construction and during such
68 additional period as the authority may determine; operating
69 expenses during such period as the authority may determine; costs
70 of engineering, geological, economic, architectural and legal
71 services; costs of plans and specifications and all expenses
72 necessary or incidental to determining the feasibility or
73 practicability of the project; costs of insurance or of
74 self-insuring any project; administrative expenses; amounts
75 payable under any judgment against the authority; environmental
76 mitigation costs; all costs associated with acquiring the contract
77 rights or other contractual arrangements for the short-term or
78 long-term provision of gas supplies including reserves,
79 transmission, distribution, storage, peaking or other services
80 associated therewith including prepayments for such; and such
81 other expenses as may be necessary or incidental to the financing
82 and is authorized by this chapter. All funds paid or advanced for
83 any of the purposes mentioned in this paragraph by municipalities
84 contracting with the authority prior to the issuance of any of the
85 authority's bonds or notes may be refunded to such municipalities
86 out of the proceeds of any bonds or notes so issued. The cost of
87 any project may also include a fund or funds for the creation of a
88 debt service reserve, a renewal and replacement reserve, and such
89 other reserves as may be reasonably required by the authority for
90 the operation of its projects and as may be authorized by any bond
91 resolution or trust agreement or indenture pursuant to the
92 provisions of which the issuance of any such bonds or bond
93 anticipation notes may be authorized. Any obligation or expense
94 incurred for any of the purposes mentioned in this paragraph shall
95 be regarded as a part of the cost of the project and may be paid



or reimbursed as such out of the proceeds of revenue bonds or notes issued under this chapter for such project.

(e) "Distribution" means the conveyance of gas to members of the authority and hence to the ultimate consumer.

(f) "Exploration" means the processes, properties, activities and facilities used for the discovery of deposits of gas, and the study and implementation of enhanced gas recovery methods.

(g) "Gas" means either natural or synthetic gas, including propane, manufactured gas, methane from coal beds, geothermal gas, and mixtures thereof, whether in gaseous or liquid form, or any byproduct resulting therefrom.

(h) "Governing authorities" means the legislative body, council, board of commissioners, board of aldermen, state agency, other body charged by law with governing the municipality or other entity eligible to be a member hereof.

(i) "Governing board" means the legislative body, council, board of trustees, board of commissioners or other body charged by law with governing the municipality or authority.

(j) "Local distribution company" means any person, other than any interstate pipeline or any intrastate pipeline, engaged in the transportation, or local distribution, of natural gas and the sale of natural gas for ultimate consumption.

(k) "Municipality" means a city, county or other political subdivision or agency of a state.

(l) "Production" means the physical activities, processes, properties and facilities for development, manufacture, synthesis, production, coal gasification, extraction, gathering of gas or conversion of one form of gas to another.

(m) "Project," "undertaking" or "facility" means any plant, works, system, facility, and real and personal property of any nature whatsoever together with all parts thereof and appurtenances thereto, and any contract rights relating to the



129 storage, acquisition, distribution, transmission, purchase, sale,
130 exchange or interchange of gas and relating to the acquisition,
131 transportation, or storage of natural gas, or any interest in or
132 right to the use, services, enrichment, output or capacity of any
133 such plant, works, system or facilities. "Project" or
134 "undertaking" as used in this paragraph is intended to include
135 contracts and contract rights as well as tangible property.
136 "Project," "undertaking" or "facility" shall not include any
137 plant, works, system, facility or real or personal property of any
138 nature whatsoever, or any parts thereof or appurtenances thereto,
139 relating to exploration or production.

140 (n) "Revenue anticipation notes" means obligations
141 issued by the authority for the purpose of meeting the current and
142 necessary expenses of the authority as provided for in Section 1
143 of Senate Bill No. 2549, 2003 Regular Session.

144 (o) "State" means the State of Mississippi.

145 (p) "Storage" means any process, properties, activities
146 or facilities used to hold, store or maintain gas.

147 (q) "System" means those properties, facilities,
148 projects, contractual rights or combination thereof of the
149 authority which are designated by the authority as constituting a
150 specific combination for the purposes of financing such, or for
151 the purposes of providing gas supplies or services to a specified
152 group of municipalities or to a specified geographic area.

153 (r) "Transmission" means the transfer of gas by the
154 authority from its acquisition site to, between or among cities or
155 municipal gas agencies or other persons with whom they may
156 contract.

157 (s) "Utility commission" means the legislative body,
158 board of commissioners or body charged by law with the control,
159 management and operation of gas production, transmission or
160 distribution systems.



161 **SECTION 3.** Section 1 of this act shall be codified within
162 Chapter 67, Title 77, Mississippi Code of 1972.

163 **SECTION 4.** This act shall take effect and be in force from
164 and after its passage.

