

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



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

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

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

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

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

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

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

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

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

125 (m) "Project," "undertaking" or "facility" means any  
126 plant, works, system, facility, and real and personal property of  
127 any nature whatsoever together with all parts thereof and  
128 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.

