SENATE BILL NO. 2549

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

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

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

(2) All temporary borrowings made under this section shall be evidenced by revenue anticipation notes of the authority which shall be issued, from time to time, for such amounts, in such form and in such denominations and subject to terms and conditions of sale and issuance, prepayment or redemption and maturity, rate or
rates of interest and time of payment of interest as the board of
commissioners shall authorize and direct in accordance with this
section. Such authorization and direction may provide for the
subsequent issuance of replacement notes to refund, upon issuance
thereof, such notes, and may specify such other terms and
conditions with respect to the notes or any replacement notes
authorized for issuance as the board of commissioners of the
authority may determine and direct. Revenue anticipation notes
issued by the authority under the provisions of this section shall
not be subject to any other requirements set forth in this chapter
with respect to projects financed with bonds or the sale of
issuance of bonds.

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

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

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

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

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

(d) "Cost of project" or "cost of construction" means
all costs of construction; all costs of real and personal property
required for the purposes of such project and facilities related
thereto including land and any leases, rights or undivided
interest therein, easements, franchises, water rights, mineral
rights, fees, permits, approvals, licenses and certificates, and
the securing of such permits, approvals, licenses and certificates
and the preparation of applications therefor and including all
machinery and equipment, including equipment for use in connection
with such construction; financing charges; working capital;
interest prior to and during construction and during such
additional period as the authority may determine; operating
expenses during such period as the authority may determine; costs
of engineering, geological, economic, architectural and legal
services; costs of plans and specifications and all expenses
necessary or incidental to determining the feasibility or
practicability of the project; costs of insurance or of
self-insuring any project; administrative expenses; amounts
payable under any judgment against the authority; environmental
mitigation costs; all costs associated with acquiring the contract
rights or other contractual arrangements for the short-term or
long-term provision of gas supplies including reserves,
transmission, distribution, storage, peaking or other services
associated therewith including prepayments for such; and such
other expenses as may be necessary or incidental to the financing
and is authorized by this chapter. All funds paid or advanced for
any of the purposes mentioned in this paragraph by municipalities
contracting with the authority prior to the issuance of any of the
authority’s bonds or notes may be refunded to such municipalities
out of the proceeds of any bonds or notes so issued. The cost of
any project may also include a fund or funds for the creation of a
debt service reserve, a renewal and replacement reserve, and such
other reserves as may be reasonably required by the authority for
the operation of its projects and as may be authorized by any bond
resolution or trust agreement or indenture pursuant to the
provisions of which the issuance of any such bonds or bond
anticipation notes may be authorized. Any obligation or expense
incurred for any of the purposes mentioned in this paragraph shall
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
storage, acquisition, distribution, transmission, purchase, sale, exchange or interchange of gas and relating to the acquisition, transportation, or storage of natural gas, or any interest in or right to the use, services, enrichment, output or capacity of any such plant, works, system or facilities. "Project" or "undertaking" as used in this paragraph is intended to include contracts and contract rights as well as tangible property. "Project," "undertaking" or "facility" shall not include any plant, works, system, facility or real or personal property of any nature whatsoever, or any parts thereof or appurtenances thereto, relating to exploration or production.

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

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

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

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

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

(s) "Utility commission" means the legislative body, board of commissioners or body charged by law with the control, management and operation of gas production, transmission or distribution systems.
SECTION 3. Section 1 of this act shall be codified within Chapter 67, Title 77, Mississippi Code of 1972.

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