

**\*\*\*Adopted\*\*\***

**AMENDMENT No. 1 PROPOSED TO**

**House Bill NO. 1603**

**By Senator(s) Committee**

**Amend by striking all after the enacting clause and inserting in lieu thereof the following:**

10           **SECTION 1. As used in this act, the following words shall have**

11 **the meanings ascribed herein unless the context clearly requires**

12 **otherwise:**

13           **(a) "Accreted value" of any bond means, as of any date of**

14 **computation, an amount equal to the sum of (i) the stated initial value**

15 **of such bond, plus (ii) the interest accrued thereon from the issue date**

16 **to the date of computation at the rate, compounded semiannually, that**

17 **is necessary to produce the approximate yield to maturity shown for**

18 **bonds of the same maturity.**

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

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

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

23 **(e) "Authority" means the Mississippi Development**  
24 **Authority.**

25 **SECTION 2. The authority may use the proceeds from general**  
26 **obligation bonds issued under this act for the purpose of such capital**  
27 **improvements at the state shipyard as it considers necessary to**  
28 **modernize the facility and keep it competitive with other shipyards.**

29 **SECTION 3. (1) (a) A special fund, to be designated as the "2003**  
30 **State Shipyard Improvement Fund," is created within the State**  
31 **Treasury. The fund shall be maintained by the State Treasurer as a**  
32 **separate and special fund, separate and apart from the General Fund**

33 **of the state. Unexpended amounts remaining in the fund at the end of**  
34 **a fiscal year shall not lapse into the State General Fund, and any**  
35 **interest earned or investment earnings on amounts in the fund shall be**  
36 **deposited into such fund.**

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

40 **(2) Amounts deposited into such special fund shall be disbursed**  
41 **to pay the costs of the project described in subsection (1) of this**  
42 **section. If any monies in the special fund are not used within four (4)**  
43 **years after the date the proceeds of the bonds authorized under this**  
44 **act are deposited into such fund, then the authority shall provide an**  
45 **accounting of such unused monies to the commission. Promptly after**  
46 **the commission has certified, by resolution duly adopted, that the**  
47 **project described in subsection (1) shall have been completed,**

48 **abandoned, or cannot be completed in a timely fashion, any amounts**  
49 **remaining in such special fund shall be applied to pay debt service on**  
50 **the bonds issued under this act, in accordance with the proceedings**  
51 **authorizing the issuance of such bonds and as directed by the**  
52 **commission.**

53 **SECTION 4. (1) The commission, at one time, or from time to**  
54 **time, may declare by resolution the necessity for issuance of general**  
55 **obligation bonds of the State of Mississippi to provide funds for all**  
56 **costs incurred or to be incurred for the purposes described in Section**  
57 **3 of this act. No bonds shall be issued under this act until the**  
58 **authority is provided proof that the lessee of the shipyard has incurred**  
59 **debt or has otherwise irrevocably dedicated funds or a combination of**  
60 **debt and funds in the amount of not less than Ninety-six Million Dollars**  
61 **(\$96,000,000.00) to be used by the lessee for capital improvements,**  
62 **capital investments or capital upgrades at shipyards in Mississippi**

63 **owned or leased by the lessee. Upon the adoption of a resolution by**  
64 **the authority, declaring that the lessee has incurred the required**  
65 **amount of debt and/or irrevocable dedication of funds and declaring**  
66 **the necessity for the issuance of any part or all of the general**  
67 **obligation bonds authorized by this section, the authority shall deliver**  
68 **a certified copy of its resolution or resolutions to the commission.**  
69 **Upon receipt of such resolution, the commission, in its discretion, may**  
70 **act as the issuing agent, prescribe the form of the bonds, advertise for**  
71 **and accept bids, issue and sell the bonds so authorized to be sold and**  
72 **do any and all other things necessary and advisable in connection with**  
73 **the issuance and sale of such bonds. The total amount of bonds**  
74 **issued under this act shall not exceed Forty-eight Million Dollars**  
75 **(\$48,000,000.00). No bonds shall be issued under this act after July 1,**  
76 **2006.**

77 **(2) Any investment earnings on amounts deposited into the**

78 **special fund created in Section 3 of this act shall be used to pay debt**  
79 **service on bonds issued under this act, in accordance with the**  
80 **proceedings authorizing issuance of such bonds.**

81 **SECTION 5. The principal of and interest on the bonds**  
82 **authorized under this act shall be payable in the manner provided in**  
83 **this section. Such bonds shall bear such date or dates, be in such**  
84 **denomination or denominations, bear interest at such rate or rates (not**  
85 **to exceed the limits set forth in Section 75-17-101, Mississippi Code of**  
86 **1972), be payable at such place or places within or without the State of**  
87 **Mississippi, shall mature absolutely at such time or times not to**  
88 **exceed twenty (20) years from date of issue, be redeemable before**  
89 **maturity at such time or times and upon such terms, with or without**  
90 **premium, shall bear such registration privileges, and shall be**  
91 **substantially in such form, all as shall be determined by resolution of**  
92 **the commission.**

93           **SECTION 6. The bonds authorized by this act shall be signed by**  
94 **the chairman of the commission, or by his facsimile signature, and the**  
95 **official seal of the commission shall be affixed thereto, attested by the**  
96 **secretary of the commission. The interest coupons, if any, to be**  
97 **attached to such bonds may be executed by the facsimile signatures of**  
98 **such officers. Whenever any such bonds shall have been signed by**  
99 **the officials designated to sign the bonds who were in office at the**  
100 **time of such signing but who may have ceased to be such officers**  
101 **before the sale and delivery of such bonds, or who may not have been**  
102 **in office on the date such bonds may bear, the signatures of such**  
103 **officers upon such bonds and coupons shall nevertheless be valid and**  
104 **sufficient for all purposes and have the same effect as if the person so**  
105 **officially signing such bonds had remained in office until their delivery**  
106 **to the purchaser, or had been in office on the date such bonds may**  
107 **bear. However, notwithstanding anything herein to the contrary, such**

108 **bonds may be issued as provided in the Registered Bond Act of the**  
109 **State of Mississippi.**

110 **SECTION 7. All bonds and interest coupons issued under the**  
111 **provisions of this act have all the qualities and incidents of negotiable**  
112 **instruments under the provisions of the Uniform Commercial Code,**  
113 **and in exercising the powers granted by this act, the commission shall**  
114 **not be required to and need not comply with the provisions of the**  
115 **Uniform Commercial Code.**

116 **SECTION 8. The commission shall act as the issuing agent for**  
117 **the bonds authorized under this act, prescribe the form of the bonds,**  
118 **advertise for and accept bids, issue and sell the bonds so authorized**  
119 **to be sold, pay all fees and costs incurred in such issuance and sale,**  
120 **and do any and all other things necessary and advisable in connection**  
121 **with the issuance and sale of such bonds. The commission is**  
122 **authorized and empowered to pay the costs that are incident to the**



123 **sale, issuance and delivery of the bonds authorized under this act from**  
124 **the proceeds derived from the sale of such bonds. The commission**  
125 **shall sell such bonds on sealed bids at public sale, and for such price**  
126 **as it may determine to be for the best interest of the State of**  
127 **Mississippi, but no such sale shall be made at a price less than par**  
128 **plus accrued interest to the date of delivery of the bonds to the**  
129 **purchaser. All interest accruing on such bonds so issued shall be**  
130 **payable semiannually or annually; however, the first interest payment**  
131 **may be for any period of not more than one (1) year.**

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

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

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

152           **SECTION 10. Upon the issuance and sale of bonds under the**

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

158 **SECTION 11. The bonds authorized under this act may be issued**  
159 **without any other proceedings or the happening of any other**  
160 **conditions or things other than those proceedings, conditions and**  
161 **things which are specified or required by this act. Any resolution**  
162 **providing for the issuance of bonds under the provisions of this act**  
163 **shall become effective immediately upon its adoption by the**  
164 **commission, and any such resolution may be adopted at any regular or**  
165 **special meeting of the commission by a majority of its members.**

166 **SECTION 12. The bonds authorized under the authority of this**  
167 **act may be validated in the Chancery Court of the First Judicial District**

168 **of Hinds County, Mississippi, in the manner and with the force and**  
169 **effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for**  
170 **the validation of county, municipal, school district and other bonds.**  
171 **The notice to taxpayers required by such statutes shall be published in**  
172 **a newspaper published or having a general circulation in the City of**  
173 **Jackson, Mississippi.**

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

181 **SECTION 14. All bonds issued under the provisions of this act**  
182 **shall be legal investments for trustees and other fiduciaries, and for**

183 **savings banks, trust companies and insurance companies organized**  
184 **under the laws of the State of Mississippi, and such bonds shall be**  
185 **legal securities which may be deposited with and shall be received by**  
186 **all public officers and bodies of this state and all municipalities and**  
187 **political subdivisions for the purpose of securing the deposit of public**  
188 **funds.**

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

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

195 **SECTION 17. The State Treasurer is authorized, without further**  
196 **process of law, to certify to the Department of Finance and**  
197 **Administration the necessity for warrants, and the Department of**

198 **Finance and Administration is authorized and directed to issue such**  
199 **warrants, in such amounts as may be necessary to pay when due the**  
200 **principal of, premium, if any, and interest on, or the accreted value of,**  
201 **all bonds issued under this act; and the State Treasurer shall forward**  
202 **the necessary amount to the designated place or places of payment of**  
203 **such bonds in ample time to discharge such bonds, or the interest**  
204 **thereon, on the due dates thereof.**

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

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

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

**Further, amend by striking the title in its entirety and inserting in**  
**lieu thereof the following:**

1           **AN ACT TO AUTHORIZE THE ISSUANCE OF \$48,000,000.00 IN**  
2 **STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR**  
3 **CAPITAL IMPROVEMENTS AT THE STATE-OWNED SHIPYARD**  
4 **LOCATED IN JACKSON COUNTY, MISSISSIPPI; TO PROVIDE THAT**  
5 **THE ISSUANCE OF SUCH BONDS SHALL BE CONDITIONED ON THE**  
6 **LESSEE INCURRING A CERTAIN AMOUNT OF DEBT FOR CAPITAL**  
7 **IMPROVEMENTS, CAPITAL INVESTMENTS OR CAPITAL UPGRADES**  
8 **TO SHIPYARDS IN MISSISSIPPI OWNED OR LEASED BY SUCH**  
9 **LESSEE; AND FOR RELATED PURPOSES.**