

By: Senator(s) Brown

To: Finance

SENATE BILL NO. 2390

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS AUTHORIZED TO
3 BE ISSUED FOR CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR
4 ECONOMIC IMPACT ACT BY \$3,000,000.00; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 57-75-15, Mississippi Code of 1972, is
7 amended as follows:

8 57-75-15. (1) Upon notification to the authority by the
9 enterprise that the state has been finally selected as the site
10 for the project, the State Bond Commission shall have the power
11 and is hereby authorized and directed, upon receipt of a
12 declaration from the authority as hereinafter provided, to borrow
13 money and issue general obligation bonds of the state in one or
14 more series for the purposes herein set out. Upon such
15 notification, the authority may thereafter from time to time
16 declare the necessity for the issuance of general obligation bonds
17 as authorized by this section and forward such declaration to the
18 State Bond Commission, provided that before such notification, the
19 authority may enter into agreements with the United States
20 government, private companies and others that will commit the
21 authority to direct the State Bond Commission to issue bonds for
22 eligible undertakings set out in subsection (4) of this section,
23 conditioned on the siting of the project in the state.

24 (2) Upon receipt of any such declaration from the authority,
25 the State Bond Commission shall verify that the state has been
26 selected as the site of the project and shall act as the issuing
27 agent for the series of bonds directed to be issued in such
28 declaration pursuant to authority granted in this section.

29 (3) (a) Bonds issued under the authority of this section
30 for projects as defined in Section 57-75-5(f)(i) shall not exceed
31 an aggregate principal amount in the sum of Sixty-seven Million
32 Three Hundred Fifty Thousand Dollars (\$67,350,000.00).

33 (b) Bonds issued under the authority of this section
34 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
35 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
36 for projects related to any single military installation exceed
37 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
38 (\$16,667,000.00). If any proceeds of bonds issued for projects
39 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
40 used for the development of a water and sewer service system by
41 the City of Meridian, Mississippi, to serve the NAAS and if the
42 City of Meridian annexes any of the territory served by the water
43 and sewer service system, the city shall repay the State of
44 Mississippi the amount of all bond proceeds expended on any
45 portion of the water and sewer service system project; and if
46 there are any monetary proceeds derived from the disposition of
47 any improvements located on real property in Kemper County
48 purchased pursuant to this act for projects related to the NAAS
49 and if there are any monetary proceeds derived from the
50 disposition of any timber located on real property in Kemper
51 County purchased pursuant to this act for projects related to the
52 NAAS, all of such proceeds (both from the disposition of
53 improvements and the disposition of timber) commencing July 1,
54 1996, through June 30, 2010, shall be paid to the Board of
55 Education of Kemper County, Mississippi, for expenditure by such
56 board of education to benefit the public schools of Kemper County.
57 No bonds shall be issued under this paragraph (b) until the State
58 Bond Commission by resolution adopts a finding that the issuance
59 of such bonds will improve, expand or otherwise enhance the
60 military installation, its support areas or military operations,
61 or will provide employment opportunities to replace those lost by

62 closure or reductions in operations at the military installation.
63 From and after July 1, 1997, bonds shall not be issued for any
64 projects, as defined in Section 57-75-5(f)(ii), which are not
65 commenced before July 1, 1997. The proceeds of any bonds issued
66 for projects commenced before July 1, 1997, shall be used for the
67 purposes for which the bonds were issued until completion of the
68 projects.

69 (c) Bonds issued under the authority of this section
70 for projects as defined in Section 57-75-5(f)(iii) shall not
71 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
72 issued under this paragraph after December 31, 1996.

73 (d) Bonds issued under the authority of this section
74 for projects defined in Section 57-75-5(f)(iv) shall not exceed
75 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
76 additional amount of bonds in an amount not to exceed Twelve
77 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
78 issued under the authority of this section for the purpose of
79 defraying costs associated with the construction of surface water
80 transmission lines for a project defined in Section 57-75-5(f)(iv)
81 or for any facility related to the project. No bonds shall be
82 issued under this paragraph after June 30, 2005.

83 (e) Bonds issued under the authority of this section
84 for projects defined in Section 57-75-5(f)(v) and for facilities
85 related to such projects shall not exceed Thirty-eight Million
86 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be
87 issued under this paragraph after December 31, 2005.

88 (f) Bonds issued under the authority of this section
89 for projects defined in Section 57-75-5(f)(vii) shall not exceed
90 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
91 under this paragraph after June 30, 2006.

92 (g) Bonds issued under the authority of this section
93 for projects defined in Section 57-75-5(f)(viii) shall not exceed

94 Four Million Five Hundred Thousand Dollars (\$4,500,000.00). No
95 bonds shall be issued under this paragraph after June 30, 2007.

96 (h) Bonds issued under the authority of this section
97 for projects defined in Section 57-75-5(f)(ix) shall not exceed
98 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
99 under this paragraph after June 30, 2007.

100 (i) Bonds issued under the authority of this section
101 for projects defined in Section 57-75-5(f)(x) shall not exceed
102 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
103 under this paragraph after June 30, 2007.

104 (4) (a) The proceeds from the sale of the bonds issued
105 under this section may be applied for the following purposes:

106 (i) Defraying all or any designated portion of the
107 costs incurred with respect to acquisition, planning, design,
108 construction, installation, rehabilitation, improvement,
109 relocation and with respect to state-owned property, operation and
110 maintenance of the project and any facility related to the project
111 located within the project area, including costs of design and
112 engineering, all costs incurred to provide land, easements and
113 rights-of-way, relocation costs with respect to the project and
114 with respect to any facility related to the project located within
115 the project area, and costs associated with mitigation of
116 environmental impacts and environmental impact studies;

117 (ii) Defraying the cost of providing for the
118 recruitment, screening, selection, training or retraining of
119 employees, candidates for employment or replacement employees of
120 the project and any related activity;

121 (iii) Reimbursing the Mississippi Development
122 Authority for expenses it incurred in regard to projects defined
123 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
124 Mississippi Development Authority shall submit an itemized list of
125 expenses it incurred in regard to such projects to the Chairmen of
126 the Finance and Appropriations Committees of the Senate and the

127 Chairmen of the Ways and Means and Appropriations Committees of
128 the House of Representatives;

129 (iv) Providing grants to enterprises operating
130 projects defined in Section 57-75-5(f)(iv)1;

131 (v) Paying any warranty made by the authority
132 regarding site work for a project defined in Section
133 57-75-5(f)(iv)1;

134 (vi) Defraying the cost of marketing and promotion
135 of a project as defined in Section 57-75-5(f)(iv)1. The authority
136 shall submit an itemized list of costs incurred for marketing and
137 promotion of such project to the Chairmen of the Finance and
138 Appropriations Committees of the Senate and the Chairmen of the
139 Ways and Means and Appropriations Committees of the House of
140 Representatives;

141 (vii) Providing for the payment of interest on the
142 bonds;

143 (viii) Providing debt service reserves;

144 (ix) Paying underwriters' discount, original issue
145 discount, accountants' fees, engineers' fees, attorneys' fees,
146 rating agency fees and other fees and expenses in connection with
147 the issuance of the bonds;

148 (x) For purposes authorized in paragraphs (b) and
149 (c) of this subsection (4); and

150 (xi) Providing grants to enterprises operating
151 projects defined in Section 57-75-5(f)(v), or, in connection with
152 a facility related to such a project, for any purposes deemed by
153 the authority in its sole discretion to be necessary and
154 appropriate.

155 Such bonds shall be issued from time to time and in such
156 principal amounts as shall be designated by the authority, not to
157 exceed in aggregate principal amounts the amount authorized in
158 subsection (3) of this section. Proceeds from the sale of the
159 bonds issued under this section may be invested, subject to

160 federal limitations, pending their use, in such securities as may
161 be specified in the resolution authorizing the issuance of the
162 bonds or the trust indenture securing them, and the earning on
163 such investment applied as provided in such resolution or trust
164 indenture.

165 (b) * * * The proceeds of bonds issued after June 21,
166 2002, under this section for projects described in Section
167 57-75-5(f)(iv) may be used to reimburse reasonable actual and
168 necessary costs incurred by the Mississippi Development Authority
169 in providing assistance related to a project for which funding is
170 provided from the use of proceeds of such bonds. The Mississippi
171 Development Authority shall maintain an accounting of actual costs
172 incurred for each project for which reimbursements are sought.
173 Reimbursements under this paragraph (b) shall not exceed Three
174 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
175 Reimbursements under this paragraph (b) shall satisfy any
176 applicable federal tax law requirements.

177 (c) The proceeds of bonds issued after June 21, 2002,
178 under this section for projects described in Section
179 57-75-5(f)(iv) may be used to reimburse reasonable actual and
180 necessary costs incurred by the Department of Audit in providing
181 services related to a project for which funding is provided from
182 the use of proceeds of such bonds. The Department of Audit shall
183 maintain an accounting of actual costs incurred for each project
184 for which reimbursements are sought. The Department of Audit may
185 escalate its budget and expend such funds in accordance with rules
186 and regulations of the Department of Finance and Administration in
187 a manner consistent with the escalation of federal funds.
188 Reimbursements under this paragraph (c) shall not exceed One
189 Hundred Thousand Dollars (\$100,000.00) in the aggregate.
190 Reimbursements under this paragraph (c) shall satisfy any
191 applicable federal tax law requirements.

192 (d) The proceeds of bonds issued under this section for
193 projects described in Section 57-75-5(f)(ix) may be used to
194 reimburse reasonable actual and necessary costs incurred by the
195 Mississippi Development Authority in providing assistance related
196 to a project for which funding is provided for the use of proceeds
197 of such bonds. The Mississippi Development Authority shall
198 maintain an accounting of actual costs incurred for each project
199 for which reimbursements are sought. Reimbursements under this
200 paragraph shall not exceed Twenty-five Thousand Dollars
201 (\$25,000.00) in the aggregate.

202 (e) The proceeds of bonds issued under this section for
203 projects described in Section 57-75-5(f)(ix) may be used to
204 reimburse reasonable actual and necessary costs incurred by the
205 Department of Audit in providing services related to a project for
206 which funding is provided from the use of proceeds of such bonds.
207 The Department of Audit shall maintain an accounting of actual
208 costs incurred for each project for which reimbursements are
209 sought. The Department of Audit may escalate its budget and
210 expend such funds in accordance with rules and regulations of the
211 Department of Finance and Administration in a manner consistent
212 with the escalation of federal funds. Reimbursements under this
213 paragraph shall not exceed Twenty-five Thousand Dollars
214 (\$25,000.00) in the aggregate. Reimbursements under this
215 paragraph shall satisfy any applicable federal tax law
216 requirements.

217 (f) The proceeds of bonds issued under this section for
218 projects described in Section 57-75-5(f)(x) may be used to
219 reimburse reasonable actual and necessary costs incurred by the
220 Mississippi Development Authority in providing assistance related
221 to a project for which funding is provided for the use of proceeds
222 of such bonds. The Mississippi Development Authority shall
223 maintain an accounting of actual costs incurred for each project
224 for which reimbursements are sought. Reimbursements under this

225 paragraph shall not exceed Twenty-five Thousand Dollars
226 (\$25,000.00) in the aggregate.

227 (g) The proceeds of bonds issued under this section for
228 projects described in Section 57-75-5(f)(x) may be used to
229 reimburse reasonable actual and necessary costs incurred by the
230 Department of Audit in providing services related to a project for
231 which funding is provided from the use of proceeds of such bonds.
232 The Department of Audit shall maintain an accounting of actual
233 costs incurred for each project for which reimbursements are
234 sought. The Department of Audit may escalate its budget and
235 expend such funds in accordance with rules and regulations of the
236 Department of Finance and Administration in a manner consistent
237 with the escalation of federal funds. Reimbursements under this
238 paragraph shall not exceed Twenty-five Thousand Dollars
239 (\$25,000.00) in the aggregate. Reimbursements under this
240 paragraph shall satisfy any applicable federal tax law
241 requirements.

242 (5) The principal of and the interest on the bonds shall be
243 payable in the manner hereinafter set forth. The bonds shall bear
244 date or dates; be in such denomination or denominations; bear
245 interest at such rate or rates; be payable at such place or places
246 within or without the state; mature absolutely at such time or
247 times; be redeemable before maturity at such time or times and
248 upon such terms, with or without premium; bear such registration
249 privileges; and be substantially in such form; all as shall be
250 determined by resolution of the State Bond Commission except that
251 such bonds shall mature or otherwise be retired in annual
252 installments beginning not more than five (5) years from the date
253 thereof and extending not more than twenty-five (25) years from
254 the date thereof. The bonds shall be signed by the Chairman of
255 the State Bond Commission, or by his facsimile signature, and the
256 official seal of the State Bond Commission shall be imprinted on
257 or affixed thereto, attested by the manual or facsimile signature

258 of the Secretary of the State Bond Commission. Whenever any such
259 bonds have been signed by the officials herein designated to sign
260 the bonds, who were in office at the time of such signing but who
261 may have ceased to be such officers before the sale and delivery
262 of such bonds, or who may not have been in office on the date such
263 bonds may bear, the signatures of such officers upon such bonds
264 shall nevertheless be valid and sufficient for all purposes and
265 have the same effect as if the person so officially signing such
266 bonds had remained in office until the delivery of the same to the
267 purchaser, or had been in office on the date such bonds may bear.

268 (6) All bonds issued under the provisions of this section
269 shall be and are hereby declared to have all the qualities and
270 incidents of negotiable instruments under the provisions of the
271 Uniform Commercial Code and in exercising the powers granted by
272 this chapter, the State Bond Commission shall not be required to
273 and need not comply with the provisions of the Uniform Commercial
274 Code.

275 (7) The State Bond Commission shall sell the bonds on sealed
276 bids at public sale, and for such price as it may determine to be
277 for the best interest of the State of Mississippi, but no such
278 sale shall be made at a price less than par plus accrued interest
279 to date of delivery of the bonds to the purchaser. The bonds
280 shall bear interest at such rate or rates not exceeding the limits
281 set forth in Section 75-17-101 as shall be fixed by the State Bond
282 Commission. All interest accruing on such bonds so issued shall
283 be payable semiannually or annually; provided that the first
284 interest payment may be for any period of not more than one (1)
285 year.

286 Notice of the sale of any bonds shall be published at least
287 one time, the first of which shall be made not less than ten (10)
288 days prior to the date of sale, and shall be so published in one
289 or more newspapers having a general circulation in the City of
290 Jackson and in one or more other newspapers or financial journals

291 with a large national circulation, to be selected by the State
292 Bond Commission.

293 The State Bond Commission, when issuing any bonds under the
294 authority of this section, may provide that the bonds, at the
295 option of the state, may be called in for payment and redemption
296 at the call price named therein and accrued interest on such date
297 or dates named therein.

298 (8) State bonds issued under the provisions of this section
299 shall be the general obligations of the state and backed by the
300 full faith and credit of the state. The Legislature shall
301 appropriate annually an amount sufficient to pay the principal of
302 and the interest on such bonds as they become due. All bonds
303 shall contain recitals on their faces substantially covering the
304 foregoing provisions of this section.

305 (9) The State Treasurer is authorized to certify to the
306 Department of Finance and Administration the necessity for
307 warrants, and the Department of Finance and Administration is
308 authorized and directed to issue such warrants payable out of any
309 funds appropriated by the Legislature under this section for such
310 purpose, in such amounts as may be necessary to pay when due the
311 principal of and interest on all bonds issued under the provisions
312 of this section. The State Treasurer shall forward the necessary
313 amount to the designated place or places of payment of such bonds
314 in ample time to discharge such bonds, or the interest thereon, on
315 the due dates thereof.

316 (10) The bonds may be issued without any other proceedings
317 or the happening of any other conditions or things other than
318 those proceedings, conditions and things which are specified or
319 required by this chapter. Any resolution providing for the
320 issuance of general obligation bonds under the provisions of this
321 section shall become effective immediately upon its adoption by
322 the State Bond Commission, and any such resolution may be adopted

323 at any regular or special meeting of the State Bond Commission by
324 a majority of its members.

325 (11) In anticipation of the issuance of bonds hereunder, the
326 State Bond Commission is authorized to negotiate and enter into
327 any purchase, loan, credit or other agreement with any bank, trust
328 company or other lending institution or to issue and sell interim
329 notes for the purpose of making any payments authorized under this
330 section. All borrowings made under this provision shall be
331 evidenced by notes of the state which shall be issued from time to
332 time, for such amounts not exceeding the amount of bonds
333 authorized herein, in such form and in such denomination and
334 subject to such terms and conditions of sale and issuance,
335 prepayment or redemption and maturity, rate or rates of interest
336 not to exceed the maximum rate authorized herein for bonds, and
337 time of payment of interest as the State Bond Commission shall
338 agree to in such agreement. Such notes shall constitute general
339 obligations of the state and shall be backed by the full faith and
340 credit of the state. Such notes may also be issued for the
341 purpose of refunding previously issued notes. No note shall
342 mature more than three (3) years following the date of its
343 issuance. The State Bond Commission is authorized to provide for
344 the compensation of any purchaser of the notes by payment of a
345 fixed fee or commission and for all other costs and expenses of
346 issuance and service, including paying agent costs. Such costs
347 and expenses may be paid from the proceeds of the notes.

348 (12) The bonds and interim notes authorized under the
349 authority of this section may be validated in the First Judicial
350 District of the Chancery Court of Hinds County, Mississippi, in
351 the manner and with the force and effect provided now or hereafter
352 by Chapter 13, Title 31, Mississippi Code of 1972, for the
353 validation of county, municipal, school district and other bonds.
354 The necessary papers for such validation proceedings shall be
355 transmitted to the State Bond Attorney, and the required notice

356 shall be published in a newspaper published in the City of
357 Jackson, Mississippi.

358 (13) Any bonds or interim notes issued under the provisions
359 of this chapter, a transaction relating to the sale or securing of
360 such bonds or interim notes, their transfer and the income
361 therefrom shall at all times be free from taxation by the state or
362 any local unit or political subdivision or other instrumentality
363 of the state, excepting inheritance and gift taxes.

364 (14) All bonds issued under this chapter shall be legal
365 investments for trustees, other fiduciaries, savings banks, trust
366 companies and insurance companies organized under the laws of the
367 State of Mississippi; and such bonds shall be legal securities
368 which may be deposited with and shall be received by all public
369 officers and bodies of the state and all municipalities and other
370 political subdivisions thereof for the purpose of securing the
371 deposit of public funds.

372 (15) The Attorney General of the State of Mississippi shall
373 represent the State Bond Commission in issuing, selling and
374 validating bonds herein provided for, and the Bond Commission is
375 hereby authorized and empowered to expend from the proceeds
376 derived from the sale of the bonds authorized hereunder all
377 necessary administrative, legal and other expenses incidental and
378 related to the issuance of bonds authorized under this chapter.

379 (16) There is hereby created a special fund in the State
380 Treasury to be known as the Mississippi Major Economic Impact
381 Authority Fund wherein shall be deposited the proceeds of the
382 bonds issued under this chapter and all monies received by the
383 authority to carry out the purposes of this chapter. Expenditures
384 authorized herein shall be paid by the State Treasurer upon
385 warrants drawn from the fund, and the Department of Finance and
386 Administration shall issue warrants upon requisitions signed by
387 the director of the authority.

388 (17) (a) There is hereby created the Mississippi Economic
389 Impact Authority Sinking Fund from which the principal of and
390 interest on such bonds shall be paid by appropriation. All monies
391 paid into the sinking fund not appropriated to pay accruing bonds
392 and interest shall be invested by the State Treasurer in such
393 securities as are provided by law for the investment of the
394 sinking funds of the state.

395 (b) In the event that all or any part of the bonds and
396 notes are purchased, they shall be canceled and returned to the
397 loan and transfer agent as canceled and paid bonds and notes and
398 thereafter all payments of interest thereon shall cease and the
399 canceled bonds, notes and coupons, together with any other
400 canceled bonds, notes and coupons, shall be destroyed as promptly
401 as possible after cancellation but not later than two (2) years
402 after cancellation. A certificate evidencing the destruction of
403 the canceled bonds, notes and coupons shall be provided by the
404 loan and transfer agent to the seller.

405 (c) The State Treasurer shall determine and report to
406 the Department of Finance and Administration and Legislative
407 Budget Office by September 1 of each year the amount of money
408 necessary for the payment of the principal of and interest on
409 outstanding obligations for the following fiscal year and the
410 times and amounts of the payments. It shall be the duty of the
411 Governor to include in every executive budget submitted to the
412 Legislature full information relating to the issuance of bonds and
413 notes under the provisions of this chapter and the status of the
414 sinking fund for the payment of the principal of and interest on
415 the bonds and notes.

416 (18) (a) Upon receipt of a declaration by the authority
417 that it has determined that the state is a potential site for a
418 project, the State Bond Commission is authorized and directed to
419 authorize the State Treasurer to borrow money from any special
420 fund in the State Treasury not otherwise appropriated to be

421 utilized by the authority for the purposes provided for in this
422 subsection.

423 (b) The proceeds of the money borrowed under this
424 subsection may be utilized by the authority for the purpose of
425 defraying all or a portion of the costs incurred by the authority
426 with respect to acquisition options and planning, design and
427 environmental impact studies with respect to a project defined in
428 Section 57-75-5(f)(xi). The authority may escalate its budget and
429 expend the proceeds of the money borrowed under this subsection in
430 accordance with rules and regulations of the Department of Finance
431 and Administration in a manner consistent with the escalation of
432 federal funds.

433 (c) The authority shall request an appropriation or
434 additional authority to issue general obligation bonds to repay
435 the borrowed funds and establish a date for the repayment of the
436 funds so borrowed.

437 (d) Borrowings made under the provisions of this
438 subsection shall not exceed Five Hundred Thousand Dollars
439 (\$500,000.00) at any one time.

440 **SECTION 2.** This act shall take effect and be in force from
441 and after its passage.