

By: Representatives Lane, Eaton, Akins,  
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To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1492

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS IN THE AMOUNT OF \$4,000,000.00 TO PROVIDE FUNDS TO ASSIST  
3 WAYNE COUNTY, CLARKE COUNTY, LAUDERDALE COUNTY, TISHOMINGO COUNTY  
4 AND ALCORN COUNTY, AND MUNICIPALITIES LOCATED WITHIN SUCH  
5 COUNTIES, IN PAYING COSTS ASSOCIATED WITH CONSTRUCTION AND  
6 IMPROVEMENT OF RAILROAD LINES AND RELATED FACILITIES LOCATED IN  
7 SUCH COUNTIES AND WHICH CONSTITUTE PART OF A COOPERATIVE PLAN OF  
8 SUCH COUNTIES FOR THE IMPROVEMENT OF RAIL TRANSPORTATION; AND FOR  
9 RELATED PURPOSES.

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

11 **SECTION 1.** As used in this act, the following words shall  
12 have the meanings ascribed herein unless the context clearly  
13 requires otherwise:

14 (a) "Accreted value" of any bond means, as of any date  
15 of computation, an amount equal to the sum of (i) the stated  
16 initial value of such bond, plus (ii) the interest accrued thereon  
17 from the issue date to the date of computation at the rate,  
18 compounded semiannually, that is necessary to produce the  
19 approximate yield to maturity shown for bonds of the same  
20 maturity.

21 (b) "State" means the State of Mississippi.

22 (c) "Commission" means the State Bond Commission.

23 **SECTION 2.** (1) (a) A special fund, to be designated as the  
24 "Wayne, Clarke, Lauderdale, Tishomingo and Alcorn Counties  
25 Railroad Lines Improvements Fund" is created within the State  
26 Treasury. The fund shall be maintained by the State Treasurer as  
27 a separate and special fund, separate and apart from the General  
28 Fund of the state. Unexpended amounts remaining in the fund at  
29 the end of a fiscal year shall not lapse into the State General

30 Fund, and any interest earned or investment earnings on amounts in  
31 the fund shall be deposited into such fund.

32 (b) Monies deposited into the fund shall be allocated  
33 and disbursed as follows:

34 (i) Two Million Dollars (\$2,000,000.00) shall be  
35 disbursed, in the discretion of the Mississippi Development  
36 Authority, to assist Wayne County, Clarke County and Lauderdale  
37 County, and municipalities located within such counties, in paying  
38 costs associated with construction and improvement of railroad  
39 lines and related facilities, including projects necessary to  
40 ensure safety and structural integrity of rail lines and rail  
41 beds, located in such counties and which constitute part of a  
42 cooperative plan of such counties for the improvement of rail  
43 transportation; provided, however, not more than One Million  
44 Dollars (\$1,000,000.00) may be disbursed for such purposes in any  
45 fiscal year.

46 (ii) Two Million Dollars (\$2,000,000.00) shall be  
47 disbursed, in the discretion of the Mississippi Development  
48 Authority, to assist Tishomingo County and Alcorn County, and  
49 municipalities located within such counties, in paying costs  
50 associated with construction and improvement of railroad lines and  
51 related facilities, including projects necessary to ensure safety  
52 and structural integrity of rail lines and rail beds, located in  
53 such counties and which constitute part of a cooperative plan of  
54 such counties for the improvement of rail transportation;  
55 provided, however, not more than One Million Dollars  
56 (\$1,000,000.00) may be disbursed for such purposes in any fiscal  
57 year.

58 (c) If the owner or operator of a railroad line that is  
59 benefitted from assistance provided under this section sells such  
60 railroad line within ten (10) years of the date the assistance was  
61 provided, then such owner or operator shall repay to the State of

62 Mississippi the amount of assistance provided under this section  
63 that benefitted the railroad line as follows:

64 (i) If the railroad line is sold within one (1)  
65 year of such assistance, one hundred percent (100%) of the amount  
66 of the assistance;

67 (ii) If the railroad line is sold within two (2)  
68 years of such assistance, ninety percent (90%) of the amount of  
69 the assistance;

70 (iii) If the railroad line is sold within three  
71 (3) years of such assistance, eighty percent (80%) of the amount  
72 of the assistance;

73 (iv) If the railroad line is sold within four (4)  
74 years of such assistance, seventy percent (70%) of the amount of  
75 the assistance;

76 (v) If the railroad line is sold within five (5)  
77 years of such assistance, sixty percent (60%) of the amount of the  
78 assistance;

79 (vi) If the railroad line is sold within six (6)  
80 years of such assistance, fifty percent (50%) of the amount of the  
81 assistance;

82 (vii) If the railroad line is sold within seven  
83 (7) years of such assistance, forty percent (40%) of the amount of  
84 the assistance;

85 (viii) If the railroad line is sold within eight  
86 (8) years of such assistance, thirty percent (30%) of the amount  
87 of the assistance;

88 (ix) If the railroad line is sold within nine (9)  
89 years of such assistance, twenty percent (20%) of the amount of  
90 the assistance; and

91 (x) If the railroad line is sold within ten (10)  
92 years of such assistance, ten percent (10%) of the amount of the  
93 assistance.

94 (d) Monies in the special fund may be used to reimburse  
95 reasonable actual and necessary costs incurred by the Mississippi  
96 Development Authority in providing assistance related to a project  
97 for which funding is provided under this act. The Mississippi  
98 Development Authority shall maintain an accounting of actual costs  
99 incurred for each project for which reimbursements are sought.  
100 Reimbursements under this paragraph (c) shall not exceed Fifteen  
101 Thousand Dollars (\$15,000.00) in the aggregate. Reimbursements  
102 under this paragraph (c) shall satisfy any applicable federal tax  
103 law requirements.

104 (2) Amounts deposited into such special fund shall be  
105 disbursed to pay the costs of the projects described in subsection  
106 (1) of this section. Promptly after the commission has certified,  
107 by resolution duly adopted, that the projects described in  
108 subsection (1) of this section shall have been completed,  
109 abandoned, or cannot be completed in a timely fashion, any amounts  
110 remaining in such special fund shall be applied to pay debt  
111 service on the bonds issued under this act, in accordance with the  
112 proceedings authorizing the issuance of such bonds and as directed  
113 by the commission.

114 **SECTION 3.** (1) The commission, at one time, or from time to  
115 time, may declare by resolution the necessity for issuance of  
116 general obligation bonds of the State of Mississippi to provide  
117 funds for all costs incurred or to be incurred for the purposes  
118 described in Section 2 of this act. Upon the adoption of a  
119 resolution by the Mississippi Development Authority, declaring the  
120 necessity for the issuance of any part or all of the general  
121 obligation bonds authorized by this section, the Mississippi  
122 Development Authority shall deliver a certified copy of its  
123 resolution or resolutions to the commission. Upon receipt of such  
124 resolution, the commission, in its discretion, may act as the  
125 issuing agent, prescribe the form of the bonds, advertise for and  
126 accept bids, issue and sell the bonds so authorized to be sold and

127 do any and all other things necessary and advisable in connection  
128 with the issuance and sale of such bonds. The total amount of  
129 bonds issued under this act shall not exceed Four Million Dollars  
130 (\$4,000,000.00); provided, however, that not more than Two Million  
131 Dollars (\$2,000,000.00) of bonds may be issued in any fiscal year.

132 (2) Any investment earnings on amounts deposited into the  
133 special fund created in Section 2 of this act shall be used to pay  
134 debt service on bonds issued under this act, in accordance with  
135 the proceedings authorizing issuance of such bonds.

136 **SECTION 4.** The principal of and interest on the bonds  
137 authorized under this act shall be payable in the manner provided  
138 in this section. Such bonds shall bear such date or dates, be in  
139 such denomination or denominations, bear interest at such rate or  
140 rates (not to exceed the limits set forth in Section 75-17-101,  
141 Mississippi Code of 1972), be payable at such place or places  
142 within or without the State of Mississippi, shall mature  
143 absolutely at such time or times not to exceed twenty-five (25)  
144 years from date of issue, be redeemable before maturity at such  
145 time or times and upon such terms, with or without premium, shall  
146 bear such registration privileges, and shall be substantially in  
147 such form, all as shall be determined by resolution of the  
148 commission.

149 **SECTION 5.** The bonds authorized by this act shall be signed  
150 by the chairman of the commission, or by his facsimile signature,  
151 and the official seal of the commission shall be affixed thereto,  
152 attested by the secretary of the commission. The interest  
153 coupons, if any, to be attached to such bonds may be executed by  
154 the facsimile signatures of such officers. Whenever any such  
155 bonds shall have been signed by the officials designated to sign  
156 the bonds who were in office at the time of such signing but who  
157 may have ceased to be such officers before the sale and delivery  
158 of such bonds, or who may not have been in office on the date such  
159 bonds may bear, the signatures of such officers upon such bonds

160 and coupons shall nevertheless be valid and sufficient for all  
161 purposes and have the same effect as if the person so officially  
162 signing such bonds had remained in office until their delivery to  
163 the purchaser, or had been in office on the date such bonds may  
164 bear. However, notwithstanding anything herein to the contrary,  
165 such bonds may be issued as provided in the Registered Bond Act of  
166 the State of Mississippi.

167       **SECTION 6.** All bonds and interest coupons issued under the  
168 provisions of this act have all the qualities and incidents of  
169 negotiable instruments under the provisions of the Uniform  
170 Commercial Code, and in exercising the powers granted by this act,  
171 the commission shall not be required to and need not comply with  
172 the provisions of the Uniform Commercial Code.

173       **SECTION 7.** The commission shall act as the issuing agent for  
174 the bonds authorized under this act, prescribe the form of the  
175 bonds, advertise for and accept bids, issue and sell the bonds so  
176 authorized to be sold, pay all fees and costs incurred in such  
177 issuance and sale, and do any and all other things necessary and  
178 advisable in connection with the issuance and sale of such bonds.  
179 The commission is authorized and empowered to pay the costs that  
180 are incident to the sale, issuance and delivery of the bonds  
181 authorized under this act from the proceeds derived from the sale  
182 of such bonds. The commission shall sell such bonds on sealed  
183 bids at public sale, and for such price as it may determine to be  
184 for the best interest of the State of Mississippi, but no such  
185 sale shall be made at a price less than par plus accrued interest  
186 to the date of delivery of the bonds to the purchaser. All  
187 interest accruing on such bonds so issued shall be payable  
188 semiannually or annually; however, the first interest payment may  
189 be for any period of not more than one (1) year.

190       Notice of the sale of any such bonds shall be published at  
191 least one time, not less than ten (10) days before the date of  
192 sale, and shall be so published in one or more newspapers

193 published or having a general circulation in the City of Jackson,  
194 Mississippi, and in one or more other newspapers or financial  
195 journals with a national circulation, to be selected by the  
196 commission.

197 The commission, when issuing any bonds under the authority of  
198 this act, may provide that bonds, at the option of the State of  
199 Mississippi, may be called in for payment and redemption at the  
200 call price named therein and accrued interest on such date or  
201 dates named therein.

202 **SECTION 8.** The bonds issued under the provisions of this act  
203 are general obligations of the State of Mississippi, and for the  
204 payment thereof the full faith and credit of the State of  
205 Mississippi is irrevocably pledged. If the funds appropriated by  
206 the Legislature are insufficient to pay the principal of and the  
207 interest on such bonds as they become due, then the deficiency  
208 shall be paid by the State Treasurer from any funds in the State  
209 Treasury not otherwise appropriated. All such bonds shall contain  
210 recitals on their faces substantially covering the provisions of  
211 this section.

212 **SECTION 9.** Upon the issuance and sale of bonds under the  
213 provisions of this act, the commission shall transfer the proceeds  
214 of any such sale or sales to the special fund created in Section 2  
215 of this act. The proceeds of such bonds shall be disbursed solely  
216 upon the order of the Mississippi Development Authority under such  
217 restrictions, if any, as may be contained in the resolution  
218 providing for the issuance of the bonds.

219 **SECTION 10.** The bonds authorized under this act may be  
220 issued without any other proceedings or the happening of any other  
221 conditions or things other than those proceedings, conditions and  
222 things which are specified or required by this act. Any  
223 resolution providing for the issuance of bonds under the  
224 provisions of this act shall become effective immediately upon its  
225 adoption by the commission, and any such resolution may be adopted

226 at any regular or special meeting of the commission by a majority  
227 of its members.

228         **SECTION 11.** The bonds authorized under the authority of this  
229 act may be validated in the Chancery Court of the First Judicial  
230 District of Hinds County, Mississippi, in the manner and with the  
231 force and effect provided by Chapter 13, Title 31, Mississippi  
232 Code of 1972, for the validation of county, municipal, school  
233 district and other bonds. The notice to taxpayers required by  
234 such statutes shall be published in a newspaper published or  
235 having a general circulation in the City of Jackson, Mississippi.

236         **SECTION 12.** Any holder of bonds issued under the provisions  
237 of this act or of any of the interest coupons pertaining thereto  
238 may, either at law or in equity, by suit, action, mandamus or  
239 other proceeding, protect and enforce any and all rights granted  
240 under this act, or under such resolution, and may enforce and  
241 compel performance of all duties required by this act to be  
242 performed, in order to provide for the payment of bonds and  
243 interest thereon.

244         **SECTION 13.** All bonds issued under the provisions of this  
245 act shall be legal investments for trustees and other fiduciaries,  
246 and for savings banks, trust companies and insurance companies  
247 organized under the laws of the State of Mississippi, and such  
248 bonds shall be legal securities which may be deposited with and  
249 shall be received by all public officers and bodies of this state  
250 and all municipalities and political subdivisions for the purpose  
251 of securing the deposit of public funds.

252         **SECTION 14.** Bonds issued under the provisions of this act  
253 and income therefrom shall be exempt from all taxation in the  
254 State of Mississippi.

255         **SECTION 15.** The proceeds of the bonds issued under this act  
256 shall be used solely for the purposes herein provided, including  
257 the costs incident to the issuance and sale of such bonds.

258           **SECTION 16.** The State Treasurer is authorized, without  
259 further process of law, to certify to the Department of Finance  
260 and Administration the necessity for warrants, and the Department  
261 of Finance and Administration is authorized and directed to issue  
262 such warrants, in such amounts as may be necessary to pay when due  
263 the principal of, premium, if any, and interest on, or the  
264 accreted value of, all bonds issued under this act; and the State  
265 Treasurer shall forward the necessary amount to the designated  
266 place or places of payment of such bonds in ample time to  
267 discharge such bonds, or the interest thereon, on the due dates  
268 thereof.

269           **SECTION 17.** This act shall be deemed to be full and complete  
270 authority for the exercise of the powers herein granted, but this  
271 act shall not be deemed to repeal or to be in derogation of any  
272 existing law of this state.

273           **SECTION 18.** This act shall take effect and be in force from  
274 and after its passage.