

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

HOUSE BILL NO. 1492  
(As Passed the House)

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 ALCORN COUNTY, UNION COUNTY, LAFAYETTE COUNTY AND TIPP AH COUNTY,  
5 AND MUNICIPALITIES LOCATED WITHIN SUCH COUNTIES, IN PAYING COSTS  
6 ASSOCIATED WITH CONSTRUCTION AND IMPROVEMENT OF RAILROAD LINES AND  
7 RELATED FACILITIES LOCATED IN SUCH COUNTIES AND WHICH CONSTITUTE  
8 PART OF A COOPERATIVE PLAN OF SUCH COUNTIES FOR THE IMPROVEMENT OF  
9 RAIL TRANSPORTATION; AND FOR 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, Alcorn, Union, Lafayette  
25 and Tippah Counties Railroad Lines Improvements Fund" is created  
26 within the State Treasury. The fund shall be maintained by the  
27 State Treasurer as a separate and special fund, separate and apart  
28 from the General Fund of the state. Unexpended amounts remaining  
29 in the fund at the end of a fiscal year shall not lapse into the

30 State General Fund, and any interest earned or investment earnings  
31 on amounts in 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 (iii) Two Million Dollars (\$2,000,000.00) shall be  
59 disbursed, in the discretion of the Mississippi Development  
60 Authority, to assist Tippah County, Lafayette County and Union  
61 County, and municipalities located within such counties, in paying  
62 costs associated with construction and improvement of railroad

63 lines and related facilities, including projects necessary to  
64 ensure safety and structural integrity of rail lines and rail  
65 beds, located in such counties and which constitute part of a  
66 cooperative plan of such counties for the improvement of rail  
67 transportation; provided, however, not more than One Million  
68 Dollars (\$1,000,000.00) may be disbursed for such purposes in any  
69 fiscal year.

70 (c) If the owner or operator of a railroad line that is  
71 benefitted from assistance provided under this section sells such  
72 railroad line within ten (10) years of the date the assistance was  
73 provided, then such owner or operator shall repay to the State of  
74 Mississippi the amount of assistance provided under this section  
75 that benefitted the railroad line as follows:

76 (i) If the railroad line is sold within one (1)  
77 year of such assistance, one hundred percent (100%) of the amount  
78 of the assistance;

79 (ii) If the railroad line is sold within two (2)  
80 years of such assistance, ninety percent (90%) of the amount of  
81 the assistance;

82 (iii) If the railroad line is sold within three  
83 (3) years of such assistance, eighty percent (80%) of the amount  
84 of the assistance;

85 (iv) If the railroad line is sold within four (4)  
86 years of such assistance, seventy percent (70%) of the amount of  
87 the assistance;

88 (v) If the railroad line is sold within five (5)  
89 years of such assistance, sixty percent (60%) of the amount of the  
90 assistance;

91 (vi) If the railroad line is sold within six (6)  
92 years of such assistance, fifty percent (50%) of the amount of the  
93 assistance;

94 (vii) If the railroad line is sold within seven  
95 (7) years of such assistance, forty percent (40%) of the amount of  
96 the assistance;

97 (viii) If the railroad line is sold within eight  
98 (8) years of such assistance, thirty percent (30%) of the amount  
99 of the assistance;

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

103 (x) If the railroad line is sold within ten (10)  
104 years of such assistance, ten percent (10%) of the amount of the  
105 assistance.

106 (d) Monies in the special fund may be used to reimburse  
107 reasonable actual and necessary costs incurred by the Mississippi  
108 Development Authority in providing assistance related to a project  
109 for which funding is provided under this act. The Mississippi  
110 Development Authority shall maintain an accounting of actual costs  
111 incurred for each project for which reimbursements are sought.  
112 Reimbursements under this paragraph (c) shall not exceed Fifteen  
113 Thousand Dollars (\$15,000.00) in the aggregate. Reimbursements  
114 under this paragraph (c) shall satisfy any applicable federal tax  
115 law requirements.

116 (2) Amounts deposited into such special fund shall be  
117 disbursed to pay the costs of the projects described in subsection  
118 (1) of this section. Promptly after the commission has certified,  
119 by resolution duly adopted, that the projects described in  
120 subsection (1) of this section shall have been completed,  
121 abandoned, or cannot be completed in a timely fashion, any amounts  
122 remaining in such special fund shall be applied to pay debt  
123 service on the bonds issued under this act, in accordance with the  
124 proceedings authorizing the issuance of such bonds and as directed  
125 by the commission.

126           **SECTION 3.** (1) The commission, at one time, or from time to  
127 time, may declare by resolution the necessity for issuance of  
128 general obligation bonds of the State of Mississippi to provide  
129 funds for all costs incurred or to be incurred for the purposes  
130 described in Section 2 of this act. Upon the adoption of a  
131 resolution by the Mississippi Development Authority, declaring the  
132 necessity for the issuance of any part or all of the general  
133 obligation bonds authorized by this section, the Mississippi  
134 Development Authority shall deliver a certified copy of its  
135 resolution or resolutions to the commission. Upon receipt of such  
136 resolution, the commission, in its discretion, may act as the  
137 issuing agent, prescribe the form of the bonds, advertise for and  
138 accept bids, issue and sell the bonds so authorized to be sold and  
139 do any and all other things necessary and advisable in connection  
140 with the issuance and sale of such bonds. The total amount of  
141 bonds issued under this act shall not exceed Four Million Dollars  
142 (\$4,000,000.00); provided, however, that not more than Two Million  
143 Dollars (\$2,000,000.00) of bonds may be issued in any fiscal year.

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

148           **SECTION 4.** The principal of and interest on the bonds  
149 authorized under this act shall be payable in the manner provided  
150 in this section. Such bonds shall bear such date or dates, be in  
151 such denomination or denominations, bear interest at such rate or  
152 rates (not to exceed the limits set forth in Section 75-17-101,  
153 Mississippi Code of 1972), be payable at such place or places  
154 within or without the State of Mississippi, shall mature  
155 absolutely at such time or times not to exceed twenty-five (25)  
156 years from date of issue, be redeemable before maturity at such  
157 time or times and upon such terms, with or without premium, shall  
158 bear such registration privileges, and shall be substantially in

159 such form, all as shall be determined by resolution of the  
160 commission.

161       **SECTION 5.** The bonds authorized by this act shall be signed  
162 by the chairman of the commission, or by his facsimile signature,  
163 and the official seal of the commission shall be affixed thereto,  
164 attested by the secretary of the commission. The interest  
165 coupons, if any, to be attached to such bonds may be executed by  
166 the facsimile signatures of such officers. Whenever any such  
167 bonds shall have been signed by the officials designated to sign  
168 the bonds who were in office at the time of such signing but who  
169 may have ceased to be such officers before the sale and delivery  
170 of such bonds, or who may not have been in office on the date such  
171 bonds may bear, the signatures of such officers upon such bonds  
172 and coupons shall nevertheless be valid and sufficient for all  
173 purposes and have the same effect as if the person so officially  
174 signing such bonds had remained in office until their delivery to  
175 the purchaser, or had been in office on the date such bonds may  
176 bear. However, notwithstanding anything herein to the contrary,  
177 such bonds may be issued as provided in the Registered Bond Act of  
178 the State of Mississippi.

179       **SECTION 6.** All bonds and interest coupons issued under the  
180 provisions of this act have all the qualities and incidents of  
181 negotiable instruments under the provisions of the Uniform  
182 Commercial Code, and in exercising the powers granted by this act,  
183 the commission shall not be required to and need not comply with  
184 the provisions of the Uniform Commercial Code.

185       **SECTION 7.** The commission shall act as the issuing agent for  
186 the bonds authorized under this act, prescribe the form of the  
187 bonds, advertise for and accept bids, issue and sell the bonds so  
188 authorized to be sold, pay all fees and costs incurred in such  
189 issuance and sale, and do any and all other things necessary and  
190 advisable in connection with the issuance and sale of such bonds.  
191 The commission is authorized and empowered to pay the costs that

192 are incident to the sale, issuance and delivery of the bonds  
193 authorized under this act from the proceeds derived from the sale  
194 of such bonds. The commission shall sell such bonds on sealed  
195 bids at public sale, and for such price as it may determine to be  
196 for the best interest of the State of Mississippi, but no such  
197 sale shall be made at a price less than par plus accrued interest  
198 to the date of delivery of the bonds to the purchaser. All  
199 interest accruing on such bonds so issued shall be payable  
200 semiannually or annually; however, the first interest payment may  
201 be for any period of not more than one (1) year.

202 Notice of the sale of any such bonds shall be published at  
203 least one time, not less than ten (10) days before the date of  
204 sale, and shall be so published in one or more newspapers  
205 published or having a general circulation in the City of Jackson,  
206 Mississippi, and in one or more other newspapers or financial  
207 journals with a national circulation, to be selected by the  
208 commission.

209 The commission, when issuing any bonds under the authority of  
210 this act, may provide that bonds, at the option of the State of  
211 Mississippi, may be called in for payment and redemption at the  
212 call price named therein and accrued interest on such date or  
213 dates named therein.

214 **SECTION 8.** The bonds issued under the provisions of this act  
215 are general obligations of the State of Mississippi, and for the  
216 payment thereof the full faith and credit of the State of  
217 Mississippi is irrevocably pledged. If the funds appropriated by  
218 the Legislature are insufficient to pay the principal of and the  
219 interest on such bonds as they become due, then the deficiency  
220 shall be paid by the State Treasurer from any funds in the State  
221 Treasury not otherwise appropriated. All such bonds shall contain  
222 recitals on their faces substantially covering the provisions of  
223 this section.

224           **SECTION 9.** Upon the issuance and sale of bonds under the  
225 provisions of this act, the commission shall transfer the proceeds  
226 of any such sale or sales to the special fund created in Section 2  
227 of this act. The proceeds of such bonds shall be disbursed solely  
228 upon the order of the Mississippi Development Authority under such  
229 restrictions, if any, as may be contained in the resolution  
230 providing for the issuance of the bonds.

231           **SECTION 10.** The bonds authorized under this act may be  
232 issued without any other proceedings or the happening of any other  
233 conditions or things other than those proceedings, conditions and  
234 things which are specified or required by this act. Any  
235 resolution providing for the issuance of bonds under the  
236 provisions of this act shall become effective immediately upon its  
237 adoption by the commission, and any such resolution may be adopted  
238 at any regular or special meeting of the commission by a majority  
239 of its members.

240           **SECTION 11.** The bonds authorized under the authority of this  
241 act may be validated in the Chancery Court of the First Judicial  
242 District of Hinds County, Mississippi, in the manner and with the  
243 force and effect provided by Chapter 13, Title 31, Mississippi  
244 Code of 1972, for the validation of county, municipal, school  
245 district and other bonds. The notice to taxpayers required by  
246 such statutes shall be published in a newspaper published or  
247 having a general circulation in the City of Jackson, Mississippi.

248           **SECTION 12.** Any holder of bonds issued under the provisions  
249 of this act or of any of the interest coupons pertaining thereto  
250 may, either at law or in equity, by suit, action, mandamus or  
251 other proceeding, protect and enforce any and all rights granted  
252 under this act, or under such resolution, and may enforce and  
253 compel performance of all duties required by this act to be  
254 performed, in order to provide for the payment of bonds and  
255 interest thereon.



256           **SECTION 13.** All bonds issued under the provisions of this  
257 act shall be legal investments for trustees and other fiduciaries,  
258 and for savings banks, trust companies and insurance companies  
259 organized under the laws of the State of Mississippi, and such  
260 bonds shall be legal securities which may be deposited with and  
261 shall be received by all public officers and bodies of this state  
262 and all municipalities and political subdivisions for the purpose  
263 of securing the deposit of public funds.

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

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

270           **SECTION 16.** The State Treasurer is authorized, without  
271 further process of law, to certify to the Department of Finance  
272 and Administration the necessity for warrants, and the Department  
273 of Finance and Administration is authorized and directed to issue  
274 such warrants, in such amounts as may be necessary to pay when due  
275 the principal of, premium, if any, and interest on, or the  
276 accreted value of, all bonds issued under this act; and the State  
277 Treasurer shall forward the necessary amount to the designated  
278 place or places of payment of such bonds in ample time to  
279 discharge such bonds, or the interest thereon, on the due dates  
280 thereof.

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

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