

By: Representatives Morris, McBride, Smith
(27th)

To: Ways and Means

HOUSE BILL NO. 1526

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS IN THE AMOUNT OF \$20,000,000.00 FOR THE PURPOSE OF PROVIDING
3 FUNDS TO COUNTIES TO ASSIST IN PAYING COSTS INCURRED FOR
4 PURCHASING REAL PROPERTY AND OPTIONS ON REAL PROPERTY,
5 CONSTRUCTION AND DEVELOPMENT OF BUILDINGS, FACILITIES,
6 INFRASTRUCTURE AND OTHER IMPROVEMENTS TO PROPERTY, AND CONDUCTING
7 ENGINEERING, ENVIRONMENTAL AND RELATED SURVEYS OR STUDIES,
8 NECESSARY TO IMPROVE AND ENHANCE ANY SITE FOR THE RECRUITMENT,
9 LOCATION AND/OR RETENTION OF A MAJOR ECONOMIC DEVELOPMENT PROJECT;
10 TO REQUIRE THE COMMITMENT OF A CERTAIN AMOUNT OF MATCHING FUNDS
11 BEFORE BONDS MAY BE ISSUED UNDER THIS ACT; AND FOR RELATED
12 PURPOSES.

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

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

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

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

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

26 **SECTION 2.** (1) (a) A special fund, to be designated as the
27 "Local Economic Development Projects Improvements Fund" is created
28 within the State Treasury. The fund shall be maintained by the
29 State Treasurer as a separate and special fund, separate and apart
30 from the General Fund of the state. Unexpended amounts remaining
31 in the fund at the end of a fiscal year shall not lapse into the

32 State General Fund, and any interest earned or investment
33 earnings on amounts in the fund shall be deposited into such fund.

34 (b) Monies deposited into the fund shall be disbursed,
35 in the discretion of the Mississippi Development Authority, to
36 counties to assist in paying costs incurred for purchasing real
37 property and options on real property, construction and
38 development of buildings, facilities, infrastructure and other
39 improvements to property, and conducting engineering,
40 environmental and related surveys or studies necessary to improve
41 and enhance any site for the recruitment, location and/or
42 retention of a major economic development project.

43 (2) (a) The Mississippi Development Authority shall
44 establish a program to make funds available to counties for the
45 purposes described in this section. A county desiring assistance
46 under this section must submit an application to the Mississippi
47 Development Authority. The application must include a description
48 of the project for which assistance is requested, the cost of the
49 project for which assistance is requested, the amount of
50 assistance requested and any other information required by the
51 authority. In addition, before a county may receive assistance
52 under this section, it must present proof to the Mississippi
53 Development Authority that local matching funds of not less than
54 thirty percent (30%) of the amount of assistance requested have
55 been committed for such project.

56 (b) The Mississippi Development Authority shall have
57 all powers necessary to implement and administer the program
58 established under this section, and the authority shall promulgate
59 rules and regulations, in accordance with the Mississippi
60 Administrative Procedures Law, necessary for the implementation of
61 this section.

62 **SECTION 3.** (1) The commission, at one time, or from time to
63 time, may declare by resolution the necessity for issuance of
64 general obligation bonds of the State of Mississippi to provide

65 funds for all costs incurred or to be incurred for the purposes
66 described in Section 2 of this act. Upon the adoption of a
67 resolution by the Mississippi Development Authority, declaring the
68 necessity for the issuance of any part or all of the general
69 obligation bonds authorized by this section, the Mississippi
70 Development Authority shall deliver a certified copy of its
71 resolution or resolutions to the commission. Upon receipt of such
72 resolution, the commission, in its discretion, may act as the
73 issuing agent, prescribe the form of the bonds, advertise for and
74 accept bids, issue and sell the bonds so authorized to be sold and
75 do any and all other things necessary and advisable in connection
76 with the issuance and sale of such bonds. The total amount of
77 bonds issued under this act shall not exceed Twenty Million
78 Dollars (\$20,000,000.00).

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

83 **SECTION 4.** The principal of and interest on the bonds
84 authorized under this act shall be payable in the manner provided
85 in this section. Such bonds shall bear such date or dates, be in
86 such denomination or denominations, bear interest at such rate or
87 rates (not to exceed the limits set forth in Section 75-17-101,
88 Mississippi Code of 1972), be payable at such place or places
89 within or without the State of Mississippi, shall mature
90 absolutely at such time or times not to exceed twenty-five (25)
91 years from date of issue, be redeemable before maturity at such
92 time or times and upon such terms, with or without premium, shall
93 bear such registration privileges, and shall be substantially in
94 such form, all as shall be determined by resolution of the
95 commission.

96 **SECTION 5.** The bonds authorized by this act shall be signed
97 by the chairman of the commission, or by his facsimile signature,

98 and the official seal of the commission shall be affixed thereto,
99 attested by the secretary of the commission. The interest
100 coupons, if any, to be attached to such bonds may be executed by
101 the facsimile signatures of such officers. Whenever any such
102 bonds shall have been signed by the officials designated to sign
103 the bonds who were in office at the time of such signing but who
104 may have ceased to be such officers before the sale and delivery
105 of such bonds, or who may not have been in office on the date such
106 bonds may bear, the signatures of such officers upon such bonds
107 and coupons shall nevertheless be valid and sufficient for all
108 purposes and have the same effect as if the person so officially
109 signing such bonds had remained in office until their delivery to
110 the purchaser, or had been in office on the date such bonds may
111 bear. However, notwithstanding anything herein to the contrary,
112 such bonds may be issued as provided in the Registered Bond Act of
113 the State of Mississippi.

114 **SECTION 6.** All bonds and interest coupons issued under the
115 provisions of this act have all the qualities and incidents of
116 negotiable instruments under the provisions of the Uniform
117 Commercial Code, and in exercising the powers granted by this act,
118 the commission shall not be required to and need not comply with
119 the provisions of the Uniform Commercial Code.

120 **SECTION 7.** The commission shall act as the issuing agent for
121 the bonds authorized under this act, prescribe the form of the
122 bonds, advertise for and accept bids, issue and sell the bonds so
123 authorized to be sold, pay all fees and costs incurred in such
124 issuance and sale, and do any and all other things necessary and
125 advisable in connection with the issuance and sale of such bonds.
126 The commission is authorized and empowered to pay the costs that
127 are incident to the sale, issuance and delivery of the bonds
128 authorized under this act from the proceeds derived from the sale
129 of such bonds. The commission shall sell such bonds on sealed
130 bids at public sale, and for such price as it may determine to be

131 for the best interest of the State of Mississippi, but no such
132 sale shall be made at a price less than par plus accrued interest
133 to the date of delivery of the bonds to the purchaser. All
134 interest accruing on such bonds so issued shall be payable
135 semiannually or annually; however, the first interest payment may
136 be for any period of not more than one (1) year.

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

144 The commission, when issuing any bonds under the authority of
145 this act, may provide that bonds, at the option of the State of
146 Mississippi, may be called in for payment and redemption at the
147 call price named therein and accrued interest on such date or
148 dates named therein.

149 **SECTION 8.** The bonds issued under the provisions of this act
150 are general obligations of the State of Mississippi, and for the
151 payment thereof the full faith and credit of the State of
152 Mississippi is irrevocably pledged. If the funds appropriated by
153 the Legislature are insufficient to pay the principal of and the
154 interest on such bonds as they become due, then the deficiency
155 shall be paid by the State Treasurer from any funds in the State
156 Treasury not otherwise appropriated. All such bonds shall contain
157 recitals on their faces substantially covering the provisions of
158 this section.

159 **SECTION 9.** Upon the issuance and sale of bonds under the
160 provisions of this act, the commission shall transfer the proceeds
161 of any such sale or sales to the special fund created in Section 2
162 of this act. The proceeds of such bonds shall be disbursed solely
163 upon the order of the Mississippi Development Authority under such

164 restrictions, if any, as may be contained in the resolution
165 providing for the issuance of the bonds.

166 **SECTION 10.** The bonds authorized under this act may be
167 issued without any other proceedings or the happening of any other
168 conditions or things other than those proceedings, conditions and
169 things which are specified or required by this act. Any
170 resolution providing for the issuance of bonds under the
171 provisions of this act shall become effective immediately upon its
172 adoption by the commission, and any such resolution may be adopted
173 at any regular or special meeting of the commission by a majority
174 of its members.

175 **SECTION 11.** The bonds authorized under the authority of this
176 act may be validated in the Chancery Court of the First Judicial
177 District of Hinds County, Mississippi, in the manner and with the
178 force and effect provided by Chapter 13, Title 31, Mississippi
179 Code of 1972, for the validation of county, municipal, school
180 district and other bonds. The notice to taxpayers required by
181 such statutes shall be published in a newspaper published or
182 having a general circulation in the City of Jackson, Mississippi.

183 **SECTION 12.** Any holder of bonds issued under the provisions
184 of this act or of any of the interest coupons pertaining thereto
185 may, either at law or in equity, by suit, action, mandamus or
186 other proceeding, protect and enforce any and all rights granted
187 under this act, or under such resolution, and may enforce and
188 compel performance of all duties required by this act to be
189 performed, in order to provide for the payment of bonds and
190 interest thereon.

191 **SECTION 13.** All bonds issued under the provisions of this
192 act shall be legal investments for trustees and other fiduciaries,
193 and for savings banks, trust companies and insurance companies
194 organized under the laws of the State of Mississippi, and such
195 bonds shall be legal securities which may be deposited with and
196 shall be received by all public officers and bodies of this state

197 and all municipalities and political subdivisions for the purpose
198 of securing the deposit of public funds.

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

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

205 **SECTION 16.** The State Treasurer is authorized, without
206 further process of law, to certify to the Department of Finance
207 and Administration the necessity for warrants, and the Department
208 of Finance and Administration is authorized and directed to issue
209 such warrants, in such amounts as may be necessary to pay when due
210 the principal of, premium, if any, and interest on, or the
211 accreted value of, all bonds issued under this act; and the State
212 Treasurer shall forward the necessary amount to the designated
213 place or places of payment of such bonds in ample time to
214 discharge such bonds, or the interest thereon, on the due dates
215 thereof.

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

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