

By: Senator(s) Hewes, Gollott, Cuevas,  
Dawkins

To: Local and Private;  
Finance

SENATE BILL NO. 3105

1 AN ACT TO AMEND CHAPTER 950, LOCAL AND PRIVATE LAWS OF 1980,  
2 AS LAST AMENDED BY CHAPTER 978, LOCAL AND PRIVATE LAWS OF 1998, TO  
3 INCREASE THE PRINCIPAL AMOUNT OF BONDS THAT MAY BE ISSUED FOR THE  
4 MEMORIAL HOSPITAL AT GULFPORT TO AUTHORIZE UNDERTAKING ALL THINGS  
5 NECESSARY OR HELPFUL FOR THE HOSPITAL TO PARTICIPATE IN ALL  
6 ASPECTS OF FEDERAL AND STATE LEGISLATION AND PROGRAMS RELATED TO  
7 HURRICANE KATRINA RELIEF, AND TO AUTHORIZE UNDERTAKING CREDIT  
8 SUPPORT INSTRUMENTS FOR THE BENEFIT OF THE HOSPITAL; AND FOR  
9 RELATED PURPOSES.

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

11 **SECTION 1.** Chapter 950, Local and Private Laws of 1980, as  
12 amended by Chapter 844, Local and Private Laws of 1981, as amended  
13 by Chapter 818, Local and Private Laws of 1982, as amended by  
14 Chapter 876, Local and Private Laws of 1991, as amended by Chapter  
15 978, Local and Private Laws of 1998, is amended as follows:

16 Section 1. It is hereby determined and declared that for the  
17 benefit of the people of the City of Gulfport, Mississippi, and  
18 the people of Supervisors Districts Two, Three and Four, and  
19 election districts New Hope, Poplar Head and West Creek of  
20 Supervisors District Five, of Harrison County, Mississippi, as  
21 those supervisors districts and election districts existed on July  
22 18, 1946, and the surrounding area, the increase of their  
23 commerce, welfare and prosperity, and the improvement and  
24 maintenance of their health and living conditions, it is essential  
25 that the people of said area have access to adequate medical care  
26 and hospital facilities; it is essential that the City of  
27 Gulfport, Mississippi, and the Board of Supervisors of Harrison  
28 County, Mississippi, acting for and on behalf of Supervisors  
29 Districts Two, Three and Four and election districts New Hope,  
30 Poplar Head and West Creek of Supervisors District Five, as those

31 supervisors districts and election districts existed on July 18,  
32 1946, be provided with appropriate additional means to assist in  
33 the improvement and maintenance of the public health; it is the  
34 purpose of this act to provide a measure of assistance and an  
35 alternative method to enable either the City of Gulfport,  
36 Mississippi, or the Board of Supervisors of Harrison County,  
37 Mississippi, acting for and on behalf of Supervisors Districts  
38 Two, Three and Four and election districts New Hope, Poplar Head  
39 and West Creek of Supervisors District Five, as those supervisors  
40 districts and election districts existed on July 18, 1946, or  
41 both, to issue bonds to provide the facilities which are needed to  
42 accomplish the purposes of this act, all to the public benefit and  
43 good, as more fully provided herein. This act shall not suspend  
44 the operation of general law and shall be liberally construed in  
45 conformity with the intention expressed in this section.

46 Section 2. Whenever used in this act, unless a different  
47 meaning clearly appears in the context, the following terms,  
48 whether used in the singular or plural, shall be given the  
49 following meanings:

50 (a) "Governing body" shall mean the Mayor and Board of  
51 Commissioners of the City of Gulfport or the Board of Supervisors  
52 of Harrison County, Mississippi, acting for and on behalf of  
53 Supervisors Districts Two, Three and Four and election districts  
54 New Hope, Poplar Head and West Creek of Supervisors District Five,  
55 as those supervisors districts and election districts existed on  
56 July 18, 1946, or both of said bodies in the event that both shall  
57 determine to issue bonds.

58 (b) "Board of trustees" shall mean the Board of  
59 Trustees of the Memorial Hospital at Gulfport, which is jointly  
60 owned by the City of Gulfport and Supervisors Districts Two, Three  
61 and Four, and the New Hope, Poplar Head and West Creek election  
62 districts of Supervisors District Five of Harrison County,  
63 Mississippi, as they existed on July 18, 1946.

64 (c) "Bonds" shall mean those debt obligations of the  
65 issuer issued under the provisions of this act, which debt  
66 obligations may be issued as bonds, notes, certificates of  
67 indebtedness or in such other form as may be determined by the  
68 governing body which is not inconsistent with the provisions of  
69 this act.

70 (d) "Issuer" shall mean the City of Gulfport,  
71 Mississippi, or Supervisors Districts Two, Three and Four, and  
72 election districts New Hope, Poplar Head and West Creek of  
73 Supervisors District Five, of Harrison County, Mississippi, as  
74 those supervisors districts and election districts existed on July  
75 18, 1946, or both, acting in their respective capacities as the  
76 issuers of bonds pursuant to this act.

77 (e) "Hospital" shall mean the Memorial Hospital at  
78 Gulfport, together with structures, facilities, machinery,  
79 equipment and/or other property suitable for use as or in  
80 connection with such hospital or any of its legally authorized  
81 health care activities, including, without limitation, sites  
82 therefor, communication facilities, computer facilities, dining  
83 halls, fire fighting facilities, fire prevention facilities, food  
84 service and preparation facilities, interns' residences,  
85 laboratories, laundries, maintenance facilities, offices, parking  
86 areas and structures, pharmacies, recreational facilities,  
87 research facilities, storage facilities, utilities, radiology  
88 facilities, and all other property, whether real or personal, and  
89 wherever located, which it is authorized by law to own, or any  
90 combination of the foregoing. The hospital shall be owned in  
91 accordance with the provisions of Chapter 13, Title 41,  
92 Mississippi Code of 1972, and the terms of a contract dated July  
93 18, 1946, as the same may be amended from time to time, between  
94 the City of Gulfport, Mississippi, and the Board of Supervisors of  
95 Harrison County, Mississippi, acting for and on behalf of  
96 Supervisors Districts Two, Three and Four, and the New Hope,

97 Poplar Head and West Creek election districts of Supervisors  
98 District Five of Harrison County, Mississippi, as they existed on  
99 July 18, 1946.

100 Section 3. The governing body, acting for and on behalf of  
101 the issuer, is hereby authorized to issue bonds to provide funds  
102 to establish, erect, build, construct, remodel, add to, acquire,  
103 equip and furnish the hospital and to acquire real estate  
104 therefor. Bonds issued pursuant to this act, exclusive of bonds  
105 issued to provide for the refunding of outstanding bonds, shall  
106 not exceed Two Hundred Fifteen Million Dollars (\$215,000,000.00).

107 Section 4. Prior to the issuance of any bonds, the governing  
108 body shall adopt a resolution declaring its intention so to do,  
109 stating the amount of bonds proposed to be issued, the purposes  
110 for which the bonds are to be issued, and the date upon which the  
111 governing body proposes to direct the issuance of such bonds.  
112 Such resolution shall be published once a week for at least three  
113 (3) consecutive weeks in at least one (1) newspaper published in  
114 Harrison County, Mississippi. The first publication of such  
115 resolution shall be made not less than twenty-one (21) days prior  
116 to the date fixed in such resolution to direct the issuance of the  
117 bonds, and the last publication shall be made not more than seven  
118 (7) days prior to such date. If ten percent (10%) of the  
119 qualified electors of the issuer, or fifteen hundred (1500),  
120 whichever is the lesser, shall file a written protest against the  
121 issuance of such bonds on or before the date specified in such  
122 resolution, then an election on the question of the issuance of  
123 such bonds shall be called and held as herein provided. If no  
124 such protest be filed, then such bonds may be issued without an  
125 election on the question of the issuance thereof at any time  
126 within a period of two (2) years after the date specified in the  
127 above-mentioned resolution; provided, however, that the governing  
128 body, in its discretion, may nevertheless call an election on such  
129 question, in which event it shall not be necessary to publish the

130 resolution declaring its intention to issue bonds as herein  
131 provided.

132 Section 5. Where an election is to be called as provided in  
133 Section 4 of this act, notice of such election shall be signed by  
134 the clerk of the issuer, and shall be published once a week for at  
135 least three (3) consecutive weeks in at least one (1) newspaper  
136 published in Harrison County, Mississippi. The first publication  
137 of such notice shall be made not less than twenty-one (21) days  
138 prior to the date fixed for such election and the last publication  
139 shall be made not more than seven (7) days prior to such date.

140 Section 6. Such election shall be held, as far as is  
141 practicable, in the same manner as other special elections are  
142 held in the issuer. At such election, all qualified electors of  
143 the issuer may vote, and the ballots used at such election shall  
144 have printed thereon a brief statement of the amount and purpose  
145 of the proposed bond issue and the words "FOR THE BOND ISSUE" and  
146 "AGAINST THE BOND ISSUE", and the voter shall vote by placing a  
147 cross mark (x) or a check mark (✓) opposite his choice on the  
148 proposition.

149 Section 7. When the results of the election on the question  
150 of the issuance of such bonds shall have been canvassed by the  
151 election commissioners of the issuer and certified by them to the  
152 governing body, it shall be the duty of such governing body to  
153 determine and adjudicate whether or not a majority of the  
154 qualified electors who voted thereon in such election voted in  
155 favor of the issuance of such bonds, and unless a majority of the  
156 qualified electors who voted thereon in such election shall have  
157 voted in favor of the issuance of such bonds, then such bonds  
158 shall not be issued. Should a majority of the qualified electors  
159 who voted thereon in such election vote in favor of the issuance  
160 of such bonds, then the governing body may issue such bonds,  
161 either in whole or in part, within two (2) years after the date of

162 the election or the date of the final favorable termination of any  
163 litigation affecting the issuance of such bonds.

164 Section 8. All bonds shall be limited obligations of the  
165 issuer, the principal of, redemption premium, if any, and interest  
166 on which shall be payable solely from and shall be secured by a  
167 pledge of the revenues and receipts derived from the operation of  
168 the hospital, which pledge may be subordinate to a prior pledge of  
169 the revenues of the hospital securing obligations outstanding at  
170 the time of issuance of the bonds. Bonds and interest coupons  
171 appurtenant thereto shall never constitute an indebtedness of the  
172 City of Gulfport, Harrison County, Mississippi, or any subdivision  
173 thereof, within the meaning of any state constitutional provision  
174 or statutory limitation, and shall never constitute nor give rise  
175 to a pecuniary liability of the City of Gulfport, Harrison County,  
176 or any subdivision thereof or a charge against their general  
177 credit or taxing powers, and such fact shall be plainly stated on  
178 the face of each such bond. The bonds shall not be considered  
179 when computing any limitation of indebtedness of the issuer  
180 established by law. All bonds and all interest coupons  
181 appurtenant thereto shall be construed to be negotiable  
182 instruments, despite the fact that they are payable solely from a  
183 specified source.

184 Section 9. Bonds may be executed and delivered by the issuer  
185 at any time and from time to time, may be in such form and  
186 denominations and of such terms and maturities, may be in fully  
187 registered form or in bearer form registrable either as to  
188 principal or interest or both, may bear such conversion privileges  
189 and be payable in such installments and at such time or times not  
190 exceeding forty (40) years from the date thereof, may be payable  
191 at such place or places, whether within or without the State of  
192 Mississippi, may bear interest at such rate or rates, not to  
193 exceed fourteen percent (14%) per annum, payable at such time or  
194 times and at such place or places, and evidenced in such manner,

195 and may contain such provisions not inconsistent herewith, all as  
196 shall be provided in the proceedings of the governing body  
197 whereunder the bonds shall be authorized to be issued. If deemed  
198 advisable by the governing body, there may be retained in the  
199 proceedings under which any bonds are authorized to be issued an  
200 option to redeem all or any part thereof as may be specified in  
201 such proceedings, at such price or prices and after such notice or  
202 notices and on such terms and conditions as may be set forth in  
203 such proceedings and briefly recited or referred to on the face of  
204 the bonds, but nothing herein contained shall be construed to  
205 confer on the issuer any right or option to redeem any bonds,  
206 except as may be provided in the proceedings under which they  
207 shall be issued. Bonds may be sold at such price or prices, at  
208 public or private sale, in such manner and at such times as the  
209 issuer shall determine; provided, however, that no such sale shall  
210 be at a price so low as to require the payment of interest on the  
211 money received therefor at more than fourteen percent (14%) per  
212 annum computed with relation to the absolute maturity of the  
213 bonds, in accordance with the actuarial method, excluding from  
214 such computation the amount of any premium to be paid on  
215 redemption of any bonds prior to maturity. The issuer may pay all  
216 expenses, premiums and commissions which the governing body may  
217 deem necessary or advantageous in connection with the issuance and  
218 sale thereof. The issuance by the issuer of one or more series of  
219 bonds shall not preclude it from issuing other series of bonds,  
220 but the proceedings whereunder any subsequent bonds may be issued  
221 shall recognize and protect any prior pledge made for any prior  
222 issue of bonds.

223         The proceeds of bonds may be used (a) to establish, erect,  
224 build, construct, remodel, add to, equip and furnish the hospital,  
225 and to acquire real estate therefor, (b) to pay interest on the  
226 bonds while such hospital is being established, erected, built,  
227 constructed, remodeled, added to, equipped or furnished and for a

228 maximum of six (6) months after the estimated date of completion,  
229 (c) to provide for the payment of or to make provision for payment  
230 of, by the appropriate escrowing of monies or securities, the  
231 principal of and interest on which when due will be adequate to  
232 make such payment, any indebtedness encumbering the revenues of  
233 the hospital, whether such payment is to be effected by redemption  
234 of such indebtedness prior to maturity or by payment at maturity,  
235 (d) to pay engineering, fiscal, printing, accounting, financial  
236 advisor, construction manager, feasibility consultant, hospital  
237 consultant, architectural and legal expenses incurred in  
238 connection with such hospital and the issuance of the bonds, (e)  
239 to provide for the establishment of a reasonable reserve fund for  
240 the payment of principal of and interest on the bonds in the event  
241 of a deficiency in the revenues and receipts available for such  
242 payments, (f) to pay the premium or premiums on any insurance  
243 obtained from any source to assure the prompt payment of principal  
244 and interest when due, and (g) to pay start-up costs and costs of  
245 operation and maintenance of the hospital while it is being  
246 established, erected, built, constructed, remodeled, added to,  
247 equipped or furnished and for a maximum of twelve (12) months  
248 after the estimated date of completion.

249       Section 10. (1) Any debt obligations of the issuer,  
250 including bonds issued under this act and obligations issued under  
251 Sections 41-13-15 through 41-13-51, Mississippi Code of 1972,  
252 issued to establish, erect, build, construct, remodel, add to,  
253 equip and furnish the hospital, at any time outstanding may, at  
254 any time and from time to time, be refunded by the issuer by the  
255 issuance of its refunding bonds in such amount as the governing  
256 body may deem necessary, but not exceeding (a) the principal  
257 amount of the obligations being refinanced, (b) applicable  
258 redemption premiums thereon, (c) unpaid interest on such  
259 obligations to the date of delivery or exchange of the refunding  
260 bonds, (d) in the event the proceeds from the sale of the



261 refunding bonds are to be deposited in trust as hereinafter  
262 provided, interest to accrue on such obligations from the date of  
263 delivery of the refunding bonds to the date of maturity or to the  
264 first redemption date of the obligations to be refunded, and (e)  
265 expenses, premiums and commissions deemed by the governing body to  
266 be necessary in connection with the issuance of the refunding  
267 bonds.

268 (2) Any such refunding may be effected, whether the  
269 obligations to be refunded shall have then matured or shall  
270 thereafter mature, either by the exchange of the refunding bonds  
271 for the obligations to be refunded thereby with the consent of the  
272 holders of the obligations so to be refunded, or by sale of the  
273 refunding bonds and the application of the proceeds thereof to the  
274 payment of the obligations to be refunded thereby, and regardless  
275 of whether or not the obligations proposed to be refunded shall be  
276 payable on the same date or different dates or shall be due  
277 serially or otherwise.

278 (3) The principal proceeds from the sale of any refunding  
279 bonds shall be applied only as follows:

280 (a) To the immediate payment and retirement of the  
281 obligations being refunded; or

282 (b) To the extent not required for the immediate  
283 payment of the obligations being refunded, then such proceeds  
284 shall be deposited in trust to provide for the payment and  
285 retirement of the obligations being refunded, and to pay any  
286 expenses incurred in connection with such refunding, but may also  
287 be used to pay interest on the refunding bonds prior to the  
288 retirement of the obligations being refunded. Money in any such  
289 trust fund may be invested in direct obligations of, or  
290 obligations the principal of and interest on which are guaranteed  
291 by, the United States Government, or obligations of any agency or  
292 instrumentality of the United States Government, or in  
293 certificates of deposit issued by a bank or trust company or

294 insured savings and loan association located in the State of  
295 Mississippi, if such certificates shall be secured by a pledge of  
296 any of said obligations having an aggregate market value,  
297 exclusive of accrued interest, equal at least to the principal  
298 amount of the certificates so secured. Nothing herein shall be  
299 construed as a limitation on the duration of any deposit in trust  
300 for the retirement of obligations being refunded, but which shall  
301 not have matured and which shall not be presently redeemable.

302 Section 11. (1) The bonds may be secured by a trust  
303 agreement among the issuer, the board of trustees, and a corporate  
304 trustee, which may be any trust company or bank incorporated under  
305 the laws of the United States or the laws of any state in the  
306 United States. Any such trust agreement may pledge or assign for  
307 the payment of the principal of, redemption premium, if any, and  
308 interest on the bonds, the revenues and receipts derived from the  
309 operation of the hospital.

310 (2) Such trust agreement or resolution providing for the  
311 issuance of bonds may provide for the creation and maintenance of  
312 such reserve funds as the governing body shall determine are  
313 reasonable and proper. Any such trust agreement or any resolution  
314 providing for the issuance of bonds may contain such provisions  
315 for protecting and enforcing the rights and remedies of the  
316 holders thereof as may be reasonable and proper and not in  
317 violation of law, including the duties of the issuer and the board  
318 of trustees in relation to the acquisition of property and the  
319 construction, improvement, maintenance, repair, operation and  
320 insurance of the hospital for which such bonds shall have been  
321 issued or the revenues from which are pledged as security for the  
322 bonds, and the custody, safeguarding and application of all  
323 monies. Any such trust agreement may set forth the rights and  
324 remedies of the bondholders and of the corporate trustee, and may  
325 restrict the individual right of action by bondholders as is  
326 customary in trust agreements or trust indentures securing bonds

327 and debentures of corporations. In addition to the foregoing, any  
328 such trust agreement may contain such provisions as the governing  
329 body may deem reasonable and proper for the security of the  
330 bondholders and may also contain provisions governing the issuance  
331 of bonds to replace lost, stolen or mutilated bonds.

332 (3) Any trust agreement made in accordance with the  
333 provisions of this act may contain a provision that, in the event  
334 of a default in the payment of the principal of, redemption  
335 premium, if any, or the interest on the bonds issued in accordance  
336 with, or relating to, such agreement, or in the performance of any  
337 agreement contained in the proceedings, trust agreement or  
338 instruments relating to such bonds, such payment and performance  
339 may be enforced by mandamus or by the appointment of a receiver in  
340 equity with power to charge and collect the revenues and receipts,  
341 and rental payments, if any, pledged to the payment of the bonds  
342 and to apply such revenues and receipts, and rental payments, if  
343 any, in accordance with such proceedings, trust agreements or  
344 instruments.

345 Section 12. No bond shall bear more than one (1) rate of  
346 interest; each bond shall bear interest from its date to its  
347 stated maturity date at the interest rate specified on the bonds;  
348 all bonds of the same maturity shall bear the same rate of  
349 interest from date to maturity. All interest accruing on bonds  
350 shall be payable semiannually or annually, except that the first  
351 interest coupon attached to any bond may be for any period not  
352 exceeding one (1) year. No interest payment shall be evidenced by  
353 more than one (1) coupon, and neither cancelled nor supplemental  
354 coupons shall be permitted.

355 Section 13. All bonds shall be executed on behalf of the  
356 issuer by the manual or facsimile signature of the mayor if the  
357 issuer is the City of Gulfport or by the president of the board of  
358 supervisors, if the issuer is Supervisors Districts Two, Three and  
359 Four, and election districts New Hope, Poplar Head and West Creek

360 of Supervisors District Five, of Harrison County, Mississippi, as  
361 those supervisors districts and election districts existed on July  
362 18, 1946, and shall be countersigned by the manual or facsimile  
363 signature of the Clerk of the City of Gulfport or the clerk of the  
364 board of supervisors, whichever is applicable; provided that at  
365 least one (1) signature on each bond shall be manual. All coupons  
366 shall be executed on behalf of the issuer by the facsimile  
367 signatures of the mayor or president of the board of supervisors,  
368 as applicable, and clerk of the issuer. If the officers whose  
369 signatures or countersignatures appear on the bonds or interest  
370 coupons shall cease to be such officers before delivery of the  
371 bonds, such signatures or countersignatures shall, nevertheless,  
372 be valid and sufficient for all purposes, the same as if they had  
373 remained in office until such delivery.

374 Section 14. Bonds issued under the provisions of this act  
375 shall be legal investments for commercial banks, savings and loan  
376 associations and insurance companies organized under the laws of  
377 this state.

378 Section 15. The board of trustees shall continue to have the  
379 authority, powers, rights, privileges and immunities with respect  
380 to the hospital as provided under Sections 41-13-15 through  
381 41-13-51, Mississippi Code of 1972.

382 Section 16. This act, without reference to any statute not  
383 referred to herein, shall be deemed to be full and complete  
384 authority for the issuance of bonds, and shall be construed as an  
385 additional and alternative method therefor, and none of the  
386 present restrictions, requirements, conditions or limitations of  
387 law applicable to the issuance or sale of bonds, notes or other  
388 obligations by issuers in this state shall apply to the issuance  
389 and sale of bonds under this act, and no proceedings shall be  
390 required for the issuance of bonds other than those provided for  
391 and required herein, and all powers necessary to be exercised in

392 order to carry out the provisions of this act are hereby  
393 conferred.

394 Section 17. The bonds authorized by this act and the income  
395 therefrom shall be exempt from all taxation in the State of  
396 Mississippi.

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