

By: Representative Dedeaux

To: Ways and Means

HOUSE BILL NO. 165

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS
3 AT AN ECONOMIC DEVELOPMENT AND TOURISM DESTINATION FACILITY IN
4 HANCOCK COUNTY, MISSISSIPPI, THAT FEATURES A SPACE, SCIENCE AND
5 EDUCATION CENTER; TO REQUIRE THE COMMITMENT OF A CERTAIN AMOUNT OF
6 PRIVATE, LOCAL OR FEDERAL FUNDS FOR SUCH PROJECT AS A CONDITION
7 PRECEDENT TO THE ISSUANCE OF SUCH BONDS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** (1) As used in this section, the following words
10 shall have the meanings ascribed herein unless the context clearly
11 requires otherwise:

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

19 (b) "Commission" means the State Bond Commission.

20 (c) "Project" means an economic development and tourism
21 destination facility in Hancock County, Mississippi, that will
22 feature a space, science and education center. The title to the
23 project facilities is to be vested in the National Aeronautics and
24 Space Administration.

25 (d) "State" means the State of Mississippi.

26 (e) "Authority" means the Mississippi Development
27 Authority.



28 (2) The authority may use the proceeds from general
29 obligation bonds issued under this section for the project as it
30 considers necessary to further the project.

31 (3) (a) (i) A special fund, to be designated as the "2007
32 Infinity Space, Science and Education Center Fund," is created
33 within the State Treasury. The fund shall be maintained by the
34 State Treasurer as a separate and special fund, separate and apart
35 from the General Fund of the state. Unexpended amounts remaining
36 in the fund at the end of a fiscal year shall not lapse into the
37 State General Fund, and any interest earned or investment earnings
38 on amounts in the fund shall be deposited into such fund.

39 (ii) Monies deposited into the fund shall be
40 disbursed, in the discretion of the authority, to pay the costs
41 incurred for the construction, furnishing and equipping the
42 project.

43 (b) Amounts deposited into such special fund shall be
44 disbursed to pay the costs of the project. If any monies in the
45 special fund are not used within four (4) years after the date the
46 proceeds of the bonds authorized under this section are deposited
47 into such fund, then the authority shall provide an accounting of
48 such unused monies to the commission. Promptly after the
49 commission has certified, by resolution duly adopted, that the
50 project shall have been completed, abandoned, or cannot be
51 completed in a timely fashion, any amounts remaining in such
52 special fund shall be applied to pay debt service on the bonds
53 issued under this section, in accordance with the proceedings
54 authorizing the issuance of such bonds and as directed by the
55 commission. Before monies in the special fund may be used for the
56 project, the authority shall require that the National Aeronautics
57 and Space Administration enter into binding commitments regarding
58 at least the following:

59 (i) That a certain minimum number of jobs will be
60 created over a certain period of time as determined by the



61 authority (which jobs must be held by persons eligible for
62 employment in the United States under applicable state and federal
63 law); and

64 (ii) That if any such commitments are not
65 satisfied, an amount equal to all or a portion of the funds
66 provided by the state under this section as determined by the
67 authority shall be repaid.

68 (4) (a) The commission, at one time, or from time to time,
69 may declare by resolution the necessity for issuance of general
70 obligation bonds of the State of Mississippi to provide funds for
71 all costs incurred or to be incurred for the purposes described in
72 subsection (3) of this section. No bonds shall be issued under
73 this section until the authority is provided proof that the funds
74 from private, local or federal sources have been irrevocably
75 dedicated to the project in the amount of not less than Ten
76 Million Dollars (\$10,000,000.00). The dedication of funds
77 required under this paragraph (a) shall be in addition to any
78 dedication of funds required under Section 6(4) of Chapter 538,
79 Laws of 2006. Upon the adoption of a resolution by the authority,
80 declaring that funds have been irrevocably dedicated in the
81 required amount and declaring the necessity for the issuance of
82 any part or all of the general obligation bonds authorized by this
83 subsection, the authority shall deliver a certified copy of its
84 resolution or resolutions to the commission. Upon receipt of such
85 resolution, the commission, in its discretion, may act as the
86 issuing agent, prescribe the form of the bonds, advertise for and
87 accept bids, issue and sell the bonds so authorized to be sold and
88 do any and all other things necessary and advisable in connection
89 with the issuance and sale of such bonds. The total amount of
90 bonds issued under this section shall not exceed Ten Million
91 Dollars (\$10,000,000.00). No bonds shall be issued under this
92 section after July 1, 2011.



93 (b) Any investment earnings on amounts deposited into
94 the special fund created in subsection (3) of this section shall
95 be used to pay debt service on bonds issued under this section, in
96 accordance with the proceedings authorizing issuance of such
97 bonds.

98 (5) The principal of and interest on the bonds authorized
99 under this section shall be payable in the manner provided in this
100 subsection. Such bonds shall bear such date or dates, be in such
101 denomination or denominations, bear interest at such rate or rates
102 (not to exceed the limits set forth in Section 75-17-101,
103 Mississippi Code of 1972), be payable at such place or places
104 within or without the State of Mississippi, shall mature
105 absolutely at such time or times not to exceed twenty (20) years
106 from date of issue, be redeemable before maturity at such time or
107 times and upon such terms, with or without premium, shall bear
108 such registration privileges, and shall be substantially in such
109 form, all as shall be determined by resolution of the commission.

110 (6) The bonds authorized by this section shall be signed by
111 the chairman of the commission, or by his facsimile signature, and
112 the official seal of the commission shall be affixed thereto,
113 attested by the secretary of the commission. The interest
114 coupons, if any, to be attached to such bonds may be executed by
115 the facsimile signatures of such officers. Whenever any such
116 bonds shall have been signed by the officials designated to sign
117 the bonds who were in office at the time of such signing but who
118 may have ceased to be such officers before the sale and delivery
119 of such bonds, or who may not have been in office on the date such
120 bonds may bear, the signatures of such officers upon such bonds
121 and coupons shall nevertheless be valid and sufficient for all
122 purposes and have the same effect as if the person so officially
123 signing such bonds had remained in office until their delivery to
124 the purchaser, or had been in office on the date such bonds may
125 bear. However, notwithstanding anything herein to the contrary,



126 such bonds may be issued as provided in the Registered Bond Act of
127 the State of Mississippi.

128 (7) All bonds and interest coupons issued under the
129 provisions of this section have all the qualities and incidents of
130 negotiable instruments under the provisions of the Uniform
131 Commercial Code, and in exercising the powers granted by this
132 section, the commission shall not be required to and need not
133 comply with the provisions of the Uniform Commercial Code.

134 (8) The commission shall act as the issuing agent for the
135 bonds authorized under this section, prescribe the form of the
136 bonds, advertise for and accept bids, issue and sell the bonds so
137 authorized to be sold, pay all fees and costs incurred in such
138 issuance and sale, and do any and all other things necessary and
139 advisable in connection with the issuance and sale of such bonds.
140 The commission is authorized and empowered to pay the costs that
141 are incident to the sale, issuance and delivery of the bonds
142 authorized under this section from the proceeds derived from the
143 sale of such bonds. The commission shall sell such bonds on
144 sealed bids at public sale, and for such price as it may determine
145 to be for the best interest of the State of Mississippi, but no
146 such sale shall be made at a price less than par plus accrued
147 interest to the date of delivery of the bonds to the purchaser.
148 All interest accruing on such bonds so issued shall be payable
149 semiannually or annually; however, the first interest payment may
150 be for any period of not more than one (1) year.

151 Notice of the sale of any such bonds shall be published at
152 least one time, not less than ten (10) days before the date of
153 sale, and shall be so published in one or more newspapers
154 published or having a general circulation in the City of Jackson,
155 Mississippi, and in one or more other newspapers or financial
156 journals with a national circulation, to be selected by the
157 commission.



158 The commission, when issuing any bonds under the authority of
159 this section, may provide that bonds, at the option of the State
160 of Mississippi, may be called in for payment and redemption at the
161 call price named therein and accrued interest on such date or
162 dates named therein.

163 (9) The bonds issued under the provisions of this section
164 are general obligations of the State of Mississippi, and for the
165 payment thereof the full faith and credit of the State of
166 Mississippi is irrevocably pledged. If the funds appropriated by
167 the Legislature for such purposes are insufficient to pay the
168 principal of and the interest on such bonds as they become due,
169 then the deficiency shall be paid by the State Treasurer from any
170 funds in the State Treasury not otherwise appropriated. All such
171 bonds shall contain recitals on their faces substantially covering
172 the provisions of this subsection.

173 (10) Upon the issuance and sale of bonds under the
174 provisions of this section, the commission shall transfer the
175 proceeds of any such sale or sales to the special fund created in
176 subsection (3) of this section. The proceeds of such bonds shall
177 be disbursed solely upon the order of the authority under such
178 restrictions, if any, as may be contained in the resolution
179 providing for the issuance of the bonds.

180 (11) The bonds authorized under this section may be issued
181 without any other proceedings or the happening of any other
182 conditions or things other than those proceedings, conditions and
183 things which are specified or required by this section. Any
184 resolution providing for the issuance of bonds under the
185 provisions of this section shall become effective immediately upon
186 its adoption by the commission, and any such resolution may be
187 adopted at any regular or special meeting of the commission by a
188 majority of its members.

189 (12) The bonds authorized under the authority of this
190 section may be validated in the Chancery Court of the First



191 Judicial District of Hinds County, Mississippi, in the manner and
192 with the force and effect provided by Chapter 13, Title 31,
193 Mississippi Code of 1972, for the validation of county, municipal,
194 school district and other bonds. The notice to taxpayers required
195 by such statutes shall be published in a newspaper published or
196 having a general circulation in the City of Jackson, Mississippi.

197 (13) Any holder of bonds issued under the provisions of this
198 section or of any of the interest coupons pertaining thereto may,
199 either at law or in equity, by suit, action, mandamus or other
200 proceeding, protect and enforce any and all rights granted under
201 this section, or under such resolution, and may enforce and compel
202 performance of all duties required by this section to be
203 performed, in order to provide for the payment of bonds and
204 interest thereon.

205 (14) All bonds issued under the provisions of this section
206 shall be legal investments for trustees and other fiduciaries, and
207 for savings banks, trust companies and insurance companies
208 organized under the laws of the State of Mississippi, and such
209 bonds shall be legal securities which may be deposited with and
210 shall be received by all public officers and bodies of this state
211 and all municipalities and political subdivisions for the purpose
212 of securing the deposit of public funds.

213 (15) Bonds issued under the provisions of this section and
214 income therefrom shall be exempt from all taxation in the State of
215 Mississippi.

216 (16) The proceeds of the bonds issued under this section
217 shall be used solely for the purposes provided in this section,
218 including the costs incident to the issuance and sale of such
219 bonds.

220 (17) The State Treasurer is authorized, without further
221 process of law, to certify to the Department of Finance and
222 Administration the necessity for warrants, and the Department of
223 Finance and Administration is authorized and directed to issue



224 such warrants, in such amounts as may be necessary to pay when due
225 the principal of, premium, if any, and interest on, or the
226 accreted value of, all bonds issued under this section; and the
227 State Treasurer shall forward the necessary amount to the
228 designated place or places of payment of such bonds in ample time
229 to discharge such bonds, or the interest thereon, on the due dates
230 thereof.

231 (18) This section shall be deemed to be full and complete
232 authority for the exercise of the powers herein granted, but this
233 section shall not be deemed to repeal or to be in derogation of
234 any existing law of this state.

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

