

By: Representative Montgomery

To: Ways and Means

HOUSE BILL NO. 223

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
 2 BONDS IN THE AMOUNT OF \$14,500,000.00 TO PROVIDE FUNDS TO THE  
 3 PONTOTOC UNION LEE ALLIANCE 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 AND  
 9 LOCATION OF A MAJOR ECONOMIC DEVELOPMENT PROJECT; TO REQUIRE THE  
 10 COMMITMENT OF A CERTAIN AMOUNT OF MATCHING FUNDS BEFORE BONDS MAY  
 11 BE ISSUED UNDER THIS ACT; AND FOR RELATED PURPOSES.

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

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

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

23 (b) "Alliance" means the Pontotoc Union Lee Alliance  
 24 created under Section 57-64-1 et seq., Mississippi Code of 1972.

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

26 (d) "Commission" means the State Bond Commission.

27 **SECTION 2.** (1) (a) A special fund, to be designated as the  
 28 "Pontotoc Union Lee Alliance Project Improvements Fund" is created  
 29 within the State Treasury. The fund shall be maintained by the  
 30 State Treasurer as a separate and special fund, separate and apart  
 31 from the General Fund of the state. Unexpended amounts remaining



32 in the fund at the end of a fiscal year shall not lapse into the  
33 State General Fund, and any interest earned or investment earnings  
34 on amounts in the fund shall be deposited into such fund.

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

44 (2) Amounts deposited into such special fund shall be  
45 disbursed to pay the costs of the projects described in subsection  
46 (1) of this section. Promptly after the commission has certified,  
47 by resolution duly adopted, that the projects described in  
48 subsection (1) of this section shall have been completed,  
49 abandoned, or cannot be completed in a timely fashion, any amounts  
50 remaining in such special fund shall be applied to pay debt  
51 service on the bonds issued under this act, in accordance with the  
52 proceedings authorizing the issuance of such bonds and as directed  
53 by the commission.

54 **SECTION 3.** (1) The commission, at one time, or from time to  
55 time, may declare by resolution the necessity for issuance of  
56 general obligation bonds of the State of Mississippi to provide  
57 funds for all costs incurred or to be incurred for the purposes  
58 described in Section 2 of this act. No bonds shall be issued  
59 under this act until the alliance provides proof to the  
60 Mississippi Development Authority that Pontotoc County, Union  
61 County and Lee County have committed matching funds of not less  
62 than Four Million Five Hundred Thousand Dollars (\$4,500,000.00) in  
63 the aggregate. Upon the adoption of a resolution by the  
64 Mississippi Development Authority declaring that funds have been



65 committed in the required amount and declaring the necessity for  
66 the issuance of any part or all of the general obligation bonds  
67 authorized by this section, the Mississippi Development Authority  
68 shall deliver a certified copy of its resolution or resolutions to  
69 the commission. Upon receipt of such resolution, the commission,  
70 in its discretion, may act as the issuing agent, prescribe the  
71 form of the bonds, advertise for and accept bids, issue and sell  
72 the bonds so authorized to be sold and do any and all other things  
73 necessary and advisable in connection with the issuance and sale  
74 of such bonds. The total amount of bonds issued under this act  
75 shall not exceed Fourteen Million Five Hundred Thousand Dollars  
76 (\$14,500,000.00).

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

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

94 **SECTION 5.** The bonds authorized by this act shall be signed  
95 by the chairman of the commission, or by his facsimile signature,  
96 and the official seal of the commission shall be affixed thereto,  
97 attested by the secretary of the commission. The interest



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

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

118       **SECTION 7.** The commission shall act as the issuing agent for  
119 the bonds authorized under this act, prescribe the form of the  
120 bonds, advertise for and accept bids, issue and sell the bonds so  
121 authorized to be sold, pay all fees and costs incurred in such  
122 issuance and sale, and do any and all other things necessary and  
123 advisable in connection with the issuance and sale of such bonds.  
124 The commission is authorized and empowered to pay the costs that  
125 are incident to the sale, issuance and delivery of the bonds  
126 authorized under this act from the proceeds derived from the sale  
127 of such bonds. The commission shall sell such bonds on sealed  
128 bids at public sale, and for such price as it may determine to be  
129 for the best interest of the State of Mississippi, but no such  
130 sale shall be made at a price less than par plus accrued interest



131 to the date of delivery of the bonds to the purchaser. All  
132 interest accruing on such bonds so issued shall be payable  
133 semiannually or annually; however, the first interest payment may  
134 be for any period of not more than one (1) year.

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

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

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

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



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

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

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

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



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

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

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

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

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

