

By: Representatives Morris, Clark

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 295

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

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

15 **SECTION 1.** This act shall be known and may be cited as the
16 "Leonard Morris Industrial Development Projects Act."

17 **SECTION 2.** As used in this act, the following words shall
18 have the meanings ascribed herein unless the context clearly
19 requires otherwise:

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

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

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

29 **SECTION 3.** (1) (a) A special fund, to be designated as the
30 "Local Industrial Development Projects Improvements Fund" is
31 created within the State Treasury. The fund shall be maintained
32 by the State Treasurer as a separate and special fund, separate

33 and apart from the General Fund of the state. Unexpended amounts
34 remaining in the fund at the end of a fiscal year shall not lapse
35 into the State General Fund, and any interest earned or
36 investment earnings on amounts in the fund shall be deposited into
37 such fund.

38 (b) Monies deposited into the fund shall be disbursed,
39 in the discretion of the Mississippi Development Authority, to
40 make loans to counties and municipalities to assist in paying
41 costs incurred for purchasing real property and options on real
42 property, construction and development of buildings, facilities,
43 infrastructure and other improvements to property, and conducting
44 engineering, environmental and related surveys or studies
45 necessary to improve and enhance any site for the recruitment,
46 location and/or retention of an industrial development project.

47 (c) Monies in the fund which are derived from proceeds
48 of bonds under this section may be used to reimburse reasonable
49 actual and necessary costs incurred by the Mississippi Development
50 Authority in providing assistance directly related to a project
51 described in paragraph (b) of this subsection for which funding is
52 provided under this section from the use of proceeds of such
53 bonds. An accounting of actual costs incurred for which
54 reimbursement is sought shall be maintained for each project by
55 the Mississippi Development Authority. Reimbursement of
56 reasonable actual and necessary costs for a project shall not
57 exceed three percent (3%) of the proceeds of bonds issued for such
58 project. Monies authorized for a particular project may not be
59 used to reimburse administrative costs for unrelated projects.

60 (2) (a) (i) The Mississippi Development Authority shall
61 establish a program to make loans available to counties and
62 municipalities for the purposes described in this section. A
63 county or municipality desiring assistance under this section must
64 submit an application to the Mississippi Development Authority.
65 The application must include a description of the project for

66 which assistance is requested, the cost of the project for which
67 assistance is requested, the amount of assistance requested and
68 any other information required by the authority. In addition,
69 before a county or municipality may receive assistance under this
70 section, it must present proof to the Mississippi Development
71 Authority that local matching funds of not less than thirty
72 percent (30%) of the amount of assistance requested have been
73 committed for such project. Such matching funds may be provided
74 in the form of cash or in-kind contributions or any combination of
75 cash or in-kind contributions. A county that receives a loan
76 under this section shall pledge for repayment of the loan any part
77 of the homestead exemption annual tax loss reimbursement to which
78 it may be entitled under Section 27-33-77. An incorporated
79 municipality that receives a loan under this section shall pledge
80 for repayment of the loan any part of the sales tax revenue
81 distribution to which it may be entitled under Section 27-65-75.

82 (ii) No interest shall be charged on loans made
83 under this section. Repayments of loans made under this section
84 shall be deposited into the special fund created in subsection (1)
85 of this section.

86 (b) The Mississippi Development Authority shall have
87 all powers necessary to implement and administer the program
88 established under this section, and the authority shall promulgate
89 rules and regulations, in accordance with the Mississippi
90 Administrative Procedures Law, necessary for the implementation of
91 this section.

92 **SECTION 4.** (1) The commission, at one time, or from time to
93 time, may declare by resolution the necessity for issuance of
94 general obligation bonds of the State of Mississippi to provide
95 funds for all costs incurred or to be incurred for the purposes
96 described in Section 3 of this act. Upon the adoption of a
97 resolution by the Mississippi Development Authority, declaring the
98 necessity for the issuance of any part or all of the general

99 obligation bonds authorized by this section, the Mississippi
100 Development Authority shall deliver a certified copy of its
101 resolution or resolutions to the commission. Upon receipt of such
102 resolution, the commission, in its discretion, may act as the
103 issuing agent, prescribe the form of the bonds, advertise for and
104 accept bids, issue and sell the bonds so authorized to be sold and
105 do any and all other things necessary and advisable in connection
106 with the issuance and sale of such bonds. The total amount of
107 bonds issued under this act shall not exceed Twenty Million
108 Dollars (\$20,000,000.00).

109 (2) Any investment earnings on amounts deposited into the
110 special fund created in Section 3 of this act shall be used to pay
111 debt service on bonds issued under this act, in accordance with
112 the proceedings authorizing issuance of such bonds.

113 **SECTION 5.** The principal of and interest on the bonds
114 authorized under this act shall be payable in the manner provided
115 in this section. Such bonds shall bear such date or dates, be in
116 such denomination or denominations, bear interest at such rate or
117 rates (not to exceed the limits set forth in Section 75-17-101,
118 Mississippi Code of 1972), be payable at such place or places
119 within or without the State of Mississippi, shall mature
120 absolutely at such time or times not to exceed twenty-five (25)
121 years from date of issue, be redeemable before maturity at such
122 time or times and upon such terms, with or without premium, shall
123 bear such registration privileges, and shall be substantially in
124 such form, all as shall be determined by resolution of the
125 commission.

126 **SECTION 6.** The bonds authorized by this act shall be signed
127 by the chairman of the commission, or by his facsimile signature,
128 and the official seal of the commission shall be affixed thereto,
129 attested by the secretary of the commission. The interest
130 coupons, if any, to be attached to such bonds may be executed by
131 the facsimile signatures of such officers. Whenever any such

132 bonds shall have been signed by the officials designated to sign
133 the bonds who were in office at the time of such signing but who
134 may have ceased to be such officers before the sale and delivery
135 of such bonds, or who may not have been in office on the date such
136 bonds may bear, the signatures of such officers upon such bonds
137 and coupons shall nevertheless be valid and sufficient for all
138 purposes and have the same effect as if the person so officially
139 signing such bonds had remained in office until their delivery to
140 the purchaser, or had been in office on the date such bonds may
141 bear. However, notwithstanding anything herein to the contrary,
142 such bonds may be issued as provided in the Registered Bond Act of
143 the State of Mississippi.

144 **SECTION 7.** All bonds and interest coupons issued under the
145 provisions of this act have all the qualities and incidents of
146 negotiable instruments under the provisions of the Uniform
147 Commercial Code, and in exercising the powers granted by this act,
148 the commission shall not be required to and need not comply with
149 the provisions of the Uniform Commercial Code.

150 **SECTION 8.** The commission shall act as the issuing agent for
151 the bonds authorized under this act, prescribe the form of the
152 bonds, advertise for and accept bids, issue and sell the bonds so
153 authorized to be sold, pay all fees and costs incurred in such
154 issuance and sale, and do any and all other things necessary and
155 advisable in connection with the issuance and sale of such bonds.
156 The commission is authorized and empowered to pay the costs that
157 are incident to the sale, issuance and delivery of the bonds
158 authorized under this act from the proceeds derived from the sale
159 of such bonds. The commission shall sell such bonds on sealed
160 bids at public sale, and for such price as it may determine to be
161 for the best interest of the State of Mississippi, but no such
162 sale shall be made at a price less than par plus accrued interest
163 to the date of delivery of the bonds to the purchaser. All
164 interest accruing on such bonds so issued shall be payable

165 semiannually or annually; however, the first interest payment may
166 be for any period of not more than one (1) year.

167 Notice of the sale of any such bonds shall be published at
168 least one time, not less than ten (10) days before the date of
169 sale, and shall be so published in one or more newspapers
170 published or having a general circulation in the City of Jackson,
171 Mississippi, and in one or more other newspapers or financial
172 journals with a national circulation, to be selected by the
173 commission.

174 The commission, when issuing any bonds under the authority of
175 this act, may provide that bonds, at the option of the State of
176 Mississippi, may be called in for payment and redemption at the
177 call price named therein and accrued interest on such date or
178 dates named therein.

179 **SECTION 9.** The bonds issued under the provisions of this act
180 are general obligations of the State of Mississippi, and for the
181 payment thereof the full faith and credit of the State of
182 Mississippi is irrevocably pledged. If the funds appropriated by
183 the Legislature are insufficient to pay the principal of and the
184 interest on such bonds as they become due, then the deficiency
185 shall be paid by the State Treasurer from any funds in the State
186 Treasury not otherwise appropriated. All such bonds shall contain
187 recitals on their faces substantially covering the provisions of
188 this section.

189 **SECTION 10.** Upon the issuance and sale of bonds under the
190 provisions of this act, the commission shall transfer the proceeds
191 of any such sale or sales to the special fund created in Section 3
192 of this act. The proceeds of such bonds shall be disbursed solely
193 upon the order of the Mississippi Development Authority under such
194 restrictions, if any, as may be contained in the resolution
195 providing for the issuance of the bonds.

196 **SECTION 11.** The bonds authorized under this act may be
197 issued without any other proceedings or the happening of any other

198 conditions or things other than those proceedings, conditions and
199 things which are specified or required by this act. Any
200 resolution providing for the issuance of bonds under the
201 provisions of this act shall become effective immediately upon its
202 adoption by the commission, and any such resolution may be adopted
203 at any regular or special meeting of the commission by a majority
204 of its members.

205 **SECTION 12.** The bonds authorized under the authority of this
206 act may be validated in the Chancery Court of the First Judicial
207 District of Hinds County, Mississippi, in the manner and with the
208 force and effect provided by Chapter 13, Title 31, Mississippi
209 Code of 1972, for the validation of county, municipal, school
210 district and other bonds. The notice to taxpayers required by
211 such statutes shall be published in a newspaper published or
212 having a general circulation in the City of Jackson, Mississippi.

213 **SECTION 13.** Any holder of bonds issued under the provisions
214 of this act or of any of the interest coupons pertaining thereto
215 may, either at law or in equity, by suit, action, mandamus or
216 other proceeding, protect and enforce any and all rights granted
217 under this act, or under such resolution, and may enforce and
218 compel performance of all duties required by this act to be
219 performed, in order to provide for the payment of bonds and
220 interest thereon.

221 **SECTION 14.** All bonds issued under the provisions of this
222 act shall be legal investments for trustees and other fiduciaries,
223 and for savings banks, trust companies and insurance companies
224 organized under the laws of the State of Mississippi, and such
225 bonds shall be legal securities which may be deposited with and
226 shall be received by all public officers and bodies of this state
227 and all municipalities and political subdivisions for the purpose
228 of securing the deposit of public funds.

229 **SECTION 15.** Bonds issued under the provisions of this act
230 and income therefrom shall be exempt from all taxation in the
231 State of Mississippi.

232 **SECTION 16.** The proceeds of the bonds issued under this act
233 shall be used solely for the purposes herein provided, including
234 the costs incident to the issuance and sale of such bonds.

235 **SECTION 17.** The State Treasurer is authorized, without
236 further process of law, to certify to the Department of Finance
237 and Administration the necessity for warrants, and the Department
238 of Finance and Administration is authorized and directed to issue
239 such warrants, in such amounts as may be necessary to pay when due
240 the principal of, premium, if any, and interest on, or the
241 accreted value of, all bonds issued under this act; and the State
242 Treasurer shall forward the necessary amount to the designated
243 place or places of payment of such bonds in ample time to
244 discharge such bonds, or the interest thereon, on the due dates
245 thereof.

246 **SECTION 18.** This act shall be deemed to be full and complete
247 authority for the exercise of the powers herein granted, but this
248 act shall not be deemed to repeal or to be in derogation of any
249 existing law of this state.

250 **SECTION 19.** This act shall take effect and be in force from
251 and after its passage.