

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 295

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 AND MUNICIPALITIES TO ASSIST IN PAYING COSTS
4 INCURRED FOR PURCHASING REAL PROPERTY AND OPTIONS ON REAL
5 PROPERTY, 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 and municipalities to assist in paying costs incurred for
37 purchasing real property and options on real property,
38 construction and development of buildings, facilities,
39 infrastructure and other improvements to property, and conducting
40 engineering, environmental and related surveys or studies
41 necessary to improve and enhance any site for the recruitment,
42 location and/or 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 and
45 municipalities for the purposes described in this section. A
46 county or municipality desiring assistance under this section must
47 submit an application to the Mississippi Development Authority.
48 The application must include a description of the project for
49 which assistance is requested, the cost of the project for which
50 assistance is requested, the amount of assistance requested and
51 any other information required by the authority. In addition,
52 before a county or municipality may receive assistance under this
53 section, it must present proof to the Mississippi Development
54 Authority that local matching funds of not less than thirty
55 percent (30%) of the amount of assistance requested have been
56 committed for such project.

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

63 **SECTION 3.** (1) The commission, at one time, or from time to
64 time, may declare by resolution the necessity for issuance of

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

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

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

97 **SECTION 5.** The bonds authorized by this act shall be signed
98 by the chairman of the commission, or by his facsimile signature,
99 and the official seal of the commission shall be affixed thereto,
100 attested by the secretary of the commission. The interest
101 coupons, if any, to be attached to such bonds may be executed by
102 the facsimile signatures of such officers. Whenever any such
103 bonds shall have been signed by the officials designated to sign
104 the bonds who were in office at the time of such signing but who
105 may have ceased to be such officers before the sale and delivery
106 of such bonds, or who may not have been in office on the date such
107 bonds may bear, the signatures of such officers upon such bonds
108 and coupons shall nevertheless be valid and sufficient for all
109 purposes and have the same effect as if the person so officially
110 signing such bonds had remained in office until their delivery to
111 the purchaser, or had been in office on the date such bonds may
112 bear. However, notwithstanding anything herein to the contrary,
113 such bonds may be issued as provided in the Registered Bond Act of
114 the State of Mississippi.

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

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

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

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

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

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

160 **SECTION 9.** Upon the issuance and sale of bonds under the
161 provisions of this act, the commission shall transfer the proceeds
162 of any such sale or sales to the special fund created in Section 2

163 of this act. The proceeds of such bonds shall be disbursed solely
164 upon the order of the Mississippi Development Authority under such
165 restrictions, if any, as may be contained in the resolution
166 providing for the issuance of the bonds.

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

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

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

192 **SECTION 13.** All bonds issued under the provisions of this
193 act shall be legal investments for trustees and other fiduciaries,
194 and for savings banks, trust companies and insurance companies
195 organized under the laws of the State of Mississippi, and such

196 bonds shall be legal securities which may be deposited with and
197 shall be received by all public officers and bodies of this state
198 and all municipalities and political subdivisions for the purpose
199 of securing the deposit of public funds.

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

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

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

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

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