

By: Representatives Compretta, Dedeaux,
Upshaw

To: Ways and Means

HOUSE BILL NO. 1083

1 AN ACT TO AMEND SECTION 6, CHAPTER 538, LAWS OF 2006, WHICH
2 AUTHORIZES THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS TO
3 PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS AT A SPACE, SCIENCE AND
4 EDUCATION FACILITY IN HANCOCK COUNTY, MISSISSIPPI, TO REVISE
5 CERTAIN PROVISIONS REGARDING JOB CREATION COMMITMENTS THAT MUST BE
6 SATISFIED BEFORE SUCH FUNDS MAY BE USED AND TO REVISE CERTAIN
7 PROVISIONS REGARDING OWNERSHIP OF THE FACILITY; AND FOR RELATED
8 PURPOSES.

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

10 SECTION 1. Section 6, Chapter 538, Laws of 2006, is amended
11 as follows:

12 Section 6. (1) As used in this section, the following words
13 shall have the meanings ascribed herein unless the context clearly
14 requires otherwise:

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

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

23 (c) "Project" means an economic development and tourism
24 destination facility in Hancock County, Mississippi, that will
25 feature a space, science and education center. * * *

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

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

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

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

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

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

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

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

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

69 (4) (a) The commission, at one time, or from time to time,
70 may declare by resolution the necessity for issuance of general
71 obligation bonds of the State of Mississippi to provide funds for
72 all costs incurred or to be incurred for the purposes described in
73 subsection (3) of this section. No bonds shall be issued under
74 this section until the authority is provided proof that the funds
75 from private, local or federal sources have been irrevocably
76 dedicated to the project in the amount of not less than Six
77 Million Dollars (\$6,000,000.00). Upon the adoption of a
78 resolution by the authority, declaring that funds have been
79 irrevocably dedicated in the required amount and declaring the
80 necessity for the issuance of any part or all of the general
81 obligation bonds authorized by this subsection, the authority
82 shall deliver a certified copy of its resolution or resolutions to
83 the commission. Upon receipt of such resolution, the commission,
84 in its discretion, may act as the issuing agent, prescribe the
85 form of the bonds, advertise for and accept bids, issue and sell
86 the bonds so authorized to be sold and do any and all other things
87 necessary and advisable in connection with the issuance and sale
88 of such bonds. The total amount of bonds issued under this
89 section shall not exceed Six Million Dollars (\$6,000,000.00). No
90 bonds shall be issued under this section after July 1, 2010.

91 (b) Any investment earnings on amounts deposited into
92 the special fund created in subsection (3) of this section shall
93 be used to pay debt service on bonds issued under this section, in

94 accordance with the proceedings authorizing issuance of such
95 bonds.

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

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

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

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

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

156 The commission, when issuing any bonds under the authority of
157 this section, may provide that bonds, at the option of the State
158 of Mississippi, may be called in for payment and redemption at the

159 call price named therein and accrued interest on such date or
160 dates named therein.

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

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

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

187 (12) The bonds authorized under the authority of this
188 section may be validated in the Chancery Court of the First
189 Judicial District of Hinds County, Mississippi, in the manner and
190 with the force and effect provided by Chapter 13, Title 31,
191 Mississippi Code of 1972, for the validation of county, municipal,

192 school district and other bonds. The notice to taxpayers required
193 by such statutes shall be published in a newspaper published or
194 having a general circulation in the City of Jackson, Mississippi.

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

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

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

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

218 (17) The State Treasurer is authorized, without further
219 process of law, to certify to the Department of Finance and
220 Administration the necessity for warrants, and the Department of
221 Finance and Administration is authorized and directed to issue
222 such warrants, in such amounts as may be necessary to pay when due
223 the principal of, premium, if any, and interest on, or the
224 accreted value of, all bonds issued under this section; and the

225 State Treasurer shall forward the necessary amount to the
226 designated place or places of payment of such bonds in ample time
227 to discharge such bonds, or the interest thereon, on the due dates
228 thereof.

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

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