

By: Representative Espy

To: Ways and Means

HOUSE BILL NO. 1641

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR LOANS TO BUSINESS
3 ENTERPRISES IN GROWTH AND PROSPERITY COUNTIES; TO AUTHORIZE THE
4 MISSISSIPPI DEVELOPMENT AUTHORITY TO MAKE LOANS FOR SUCH PURPOSES;
5 TO LIMIT THE MAXIMUM AMOUNT FOR WHICH SUCH A LOAN MAY BE MADE; TO
6 AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS FOR THE
7 PURPOSE OF PROVIDING FUNDS FOR GRANTS TO GROWTH AND PROSPERITY
8 COUNTIES FOR CERTAIN PROJECTS; TO AUTHORIZE THE MISSISSIPPI
9 DEVELOPMENT AUTHORITY TO PROVIDE GRANTS FOR SUCH PURPOSES; TO
10 LIMIT THE MAXIMUM AMOUNT FOR WHICH SUCH A GRANT MAY BE MADE; AND
11 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) "State" means the State of Mississippi.

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

25 (d) "This act" means Sections 1 through 17 of this act.

26 **SECTION 2.** (1) A special fund, to be designated as the
27 "Growth and Prosperity Counties Loan Fund" is created within the
28 State Treasury. The fund shall be maintained by the State
29 Treasurer as a separate and special fund, separate and apart from
30 the General Fund of the state. Unexpended amounts remaining in
31 the fund at the end of a fiscal year shall not lapse into the

32 State General Fund, and any interest earned or investment earnings
33 on amounts in the fund shall be deposited into such fund.

34 Monies in the fund shall be used by the Mississippi
35 Development Authority (MDA) to make loans as provided in
36 subsection (2) of this section.

37 (2) (a) The MDA shall establish a loan program to make
38 loans to business enterprises in growth and prosperity counties.
39 For the purposes of this subsection, the term "growth and
40 prosperity counties" means and has the same definition as that
41 term has in Section 57-80-5. The amount of any loan made under
42 this subsection shall not exceed One Hundred Seventy-five Thousand
43 Dollars (\$175,000.00). The rate of interest on loans made under
44 this subsection shall be at the rate of one percent (1%) per
45 annum, and the term of any such loan shall not exceed twenty (20)
46 years. The proceeds of such loans may be used for the purchase
47 and/or lease of land, buildings, equipment and inventory, and for
48 working capital.

49 (b) A business enterprise desiring assistance under
50 this subsection must submit an application to the MDA. The
51 application must include a description of the purpose for which
52 assistance is requested, the amount of assistance requested and
53 any other information required by the MDA.

54 (c) The MDA shall have all powers necessary to
55 implement and administer the program established under this
56 subsection, and the authority shall promulgate rules and
57 regulations, in accordance with the Mississippi Administrative
58 Procedures Law, necessary for the implementation of this
59 subsection.

60 **SECTION 3.** (1) The commission, at one time, or from time to
61 time, may declare by resolution the necessity for issuance of
62 general obligation bonds of the State of Mississippi to provide
63 funds for all costs incurred or to be incurred for the purposes
64 described in Section 2 of this act. Upon the adoption of a

65 resolution by the Mississippi Development Authority, declaring the
66 necessity for the issuance of any part or all of the general
67 obligation bonds authorized by this section, the Mississippi
68 Development Authority shall deliver a certified copy of its
69 resolution or resolutions to the commission. Upon receipt of such
70 resolution, the commission, in its discretion, may act as the
71 issuing agent, prescribe the form of the bonds, advertise for and
72 accept bids, issue and sell the bonds so authorized to be sold and
73 do any and all other things necessary and advisable in connection
74 with the issuance and sale of such bonds. The total amount of
75 bonds issued under this act shall not exceed Three Million Five
76 Hundred Thousand Dollars (\$3,500,000.00).

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.** As used in this act, the following words shall
219 have the meanings ascribed herein unless the context clearly
220 requires otherwise:

221 (a) "Accreted value" of any bond means, as of any date
222 of computation, an amount equal to the sum of (i) the stated
223 initial value of such bond, plus (ii) the interest accrued thereon
224 from the issue date to the date of computation at the rate,
225 compounded semiannually, that is necessary to produce the
226 approximate yield to maturity shown for bonds of the same
227 maturity.

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

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

230 (d) "This act" means Sections 18 through 35 of this
231 act.

232 **SECTION 19.** (1) A special fund, to be designated as the
233 "Growth and Prosperity Counties Grant Fund" is created within the
234 State Treasury. The fund shall be maintained by the State
235 Treasurer as a separate and special fund, separate and apart from
236 the General Fund of the state. Unexpended amounts remaining in
237 the fund at the end of a fiscal year shall not lapse into the
238 State General Fund, and any interest earned or investment earnings
239 on amounts in the fund shall be deposited into such fund.

240 Monies in the fund shall be used by the Mississippi
241 Development Authority (MDA) to make grants as provided in
242 subsection (2) of this section.

243 (2) (a) The MDA shall establish a grant program to make
244 grants to growth and prosperity counties to assist such counties
245 in completing certain projects under this subsection. Grants made
246 to a growth and prosperity county under this subsection shall not
247 exceed One Hundred Seventy-five Thousand Dollars (\$175,000.00)
248 during any grant period established by the MDA. For the purposes
249 of this subsection, the term "growth and prosperity counties"
250 means and has the same definition as that term has in Section
251 57-80-5, and the term "project" means highways, streets and other
252 roadways, bridges, sidewalks, utilities, airfields, airports,
253 acquisition of equipment, acquisition of real property,
254 development of real property, improvements to real property, and
255 any other project approved by the MDA.

256 (b) A growth and prosperity county desiring assistance
257 under this subsection must submit an application to the MDA. The
258 application must include a description of the project for which
259 assistance is requested, the cost of the project for which
260 assistance is requested, the amount of assistance requested and
261 any other information required by the MDA.

262 (c) The MDA shall have all powers necessary to
263 implement and administer the program established under this
264 subsection, and the authority shall promulgate rules and
265 regulations, in accordance with the Mississippi Administrative
266 Procedures Law, necessary for the implementation of this section.

267 **SECTION 20.** (1) The commission, at one time, or from time
268 to time, may declare by resolution the necessity for issuance of
269 general obligation bonds of the State of Mississippi to provide
270 funds for all costs incurred or to be incurred for the purposes
271 described in Section 19 of this act. Upon the adoption of a
272 resolution by the Mississippi Development Authority, declaring the
273 necessity for the issuance of any part or all of the general
274 obligation bonds authorized by this section, the Mississippi
275 Development Authority shall deliver a certified copy of its
276 resolution or resolutions to the commission. Upon receipt of such
277 resolution, the commission, in its discretion, may act as the
278 issuing agent, prescribe the form of the bonds, advertise for and
279 accept bids, issue and sell the bonds so authorized to be sold and
280 do any and all other things necessary and advisable in connection
281 with the issuance and sale of such bonds. The total amount of
282 bonds issued under this act shall not exceed Three Million Five
283 Hundred Thousand Dollars (\$3,500,000.00).

284 (2) Any investment earnings on amounts deposited into the
285 special fund created in Section 19 of this act shall be used to
286 pay debt service on bonds issued under this act, in accordance
287 with the proceedings authorizing issuance of such bonds.

288 **SECTION 21.** The principal of and interest on the bonds
289 authorized under this act shall be payable in the manner provided
290 in this section. Such bonds shall bear such date or dates, be in
291 such denomination or denominations, bear interest at such rate or
292 rates (not to exceed the limits set forth in Section 75-17-101,
293 Mississippi Code of 1972), be payable at such place or places
294 within or without the State of Mississippi, shall mature

295 absolutely at such time or times not to exceed twenty-five (25)
296 years from date of issue, be redeemable before maturity at such
297 time or times and upon such terms, with or without premium, shall
298 bear such registration privileges, and shall be substantially in
299 such form, all as shall be determined by resolution of the
300 commission.

301 **SECTION 22.** The bonds authorized by this act shall be signed
302 by the chairman of the commission, or by his facsimile signature,
303 and the official seal of the commission shall be affixed thereto,
304 attested by the secretary of the commission. The interest
305 coupons, if any, to be attached to such bonds may be executed by
306 the facsimile signatures of such officers. Whenever any such
307 bonds shall have been signed by the officials designated to sign
308 the bonds who were in office at the time of such signing but who
309 may have ceased to be such officers before the sale and delivery
310 of such bonds, or who may not have been in office on the date such
311 bonds may bear, the signatures of such officers upon such bonds
312 and coupons shall nevertheless be valid and sufficient for all
313 purposes and have the same effect as if the person so officially
314 signing such bonds had remained in office until their delivery to
315 the purchaser, or had been in office on the date such bonds may
316 bear. However, notwithstanding anything herein to the contrary,
317 such bonds may be issued as provided in the Registered Bond Act of
318 the State of Mississippi.

319 **SECTION 23.** All bonds and interest coupons issued under the
320 provisions of this act have all the qualities and incidents of
321 negotiable instruments under the provisions of the Uniform
322 Commercial Code, and in exercising the powers granted by this act,
323 the commission shall not be required to and need not comply with
324 the provisions of the Uniform Commercial Code.

325 **SECTION 24.** The commission shall act as the issuing agent
326 for the bonds authorized under this act, prescribe the form of the
327 bonds, advertise for and accept bids, issue and sell the bonds so

328 authorized to be sold, pay all fees and costs incurred in such
329 issuance and sale, and do any and all other things necessary and
330 advisable in connection with the issuance and sale of such bonds.
331 The commission is authorized and empowered to pay the costs that
332 are incident to the sale, issuance and delivery of the bonds
333 authorized under this act from the proceeds derived from the sale
334 of such bonds. The commission shall sell such bonds on sealed
335 bids at public sale, and for such price as it may determine to be
336 for the best interest of the State of Mississippi, but no such
337 sale shall be made at a price less than par plus accrued interest
338 to the date of delivery of the bonds to the purchaser. All
339 interest accruing on such bonds so issued shall be payable
340 semiannually or annually; however, the first interest payment may
341 be for any period of not more than one (1) year.

342 Notice of the sale of any such bonds shall be published at
343 least one time, not less than ten (10) days before the date of
344 sale, and shall be so published in one or more newspapers
345 published or having a general circulation in the City of Jackson,
346 Mississippi, and in one or more other newspapers or financial
347 journals with a national circulation, to be selected by the
348 commission.

349 The commission, when issuing any bonds under the authority of
350 this act, may provide that bonds, at the option of the State of
351 Mississippi, may be called in for payment and redemption at the
352 call price named therein and accrued interest on such date or
353 dates named therein.

354 **SECTION 25.** The bonds issued under the provisions of this
355 act are general obligations of the State of Mississippi, and for
356 the payment thereof the full faith and credit of the State of
357 Mississippi is irrevocably pledged. If the funds appropriated by
358 the Legislature are insufficient to pay the principal of and the
359 interest on such bonds as they become due, then the deficiency
360 shall be paid by the State Treasurer from any funds in the State

361 Treasury not otherwise appropriated. All such bonds shall contain
362 recitals on their faces substantially covering the provisions of
363 this section.

364 **SECTION 26.** Upon the issuance and sale of bonds under the
365 provisions of this act, the commission shall transfer the proceeds
366 of any such sale or sales to the special fund created in Section
367 19 of this act. The proceeds of such bonds shall be disbursed
368 solely upon the order of the Mississippi Development Authority
369 under such restrictions, if any, as may be contained in the
370 resolution providing for the issuance of the bonds.

371 **SECTION 27.** The bonds authorized under this act may be
372 issued without any other proceedings or the happening of any other
373 conditions or things other than those proceedings, conditions and
374 things which are specified or required by this act. Any
375 resolution providing for the issuance of bonds under the
376 provisions of this act shall become effective immediately upon its
377 adoption by the commission, and any such resolution may be adopted
378 at any regular or special meeting of the commission by a majority
379 of its members.

380 **SECTION 28.** The bonds authorized under the authority of this
381 act may be validated in the Chancery Court of the First Judicial
382 District of Hinds County, Mississippi, in the manner and with the
383 force and effect provided by Chapter 13, Title 31, Mississippi
384 Code of 1972, for the validation of county, municipal, school
385 district and other bonds. The notice to taxpayers required by
386 such statutes shall be published in a newspaper published or
387 having a general circulation in the City of Jackson, Mississippi.

388 **SECTION 29.** Any holder of bonds issued under the provisions
389 of this act or of any of the interest coupons pertaining thereto
390 may, either at law or in equity, by suit, action, mandamus or
391 other proceeding, protect and enforce any and all rights granted
392 under this act, or under such resolution, and may enforce and
393 compel performance of all duties required by this act to be

394 performed, in order to provide for the payment of bonds and
395 interest thereon.

396 **SECTION 30.** All bonds issued under the provisions of this
397 act shall be legal investments for trustees and other fiduciaries,
398 and for savings banks, trust companies and insurance companies
399 organized under the laws of the State of Mississippi, and such
400 bonds shall be legal securities which may be deposited with and
401 shall be received by all public officers and bodies of this state
402 and all municipalities and political subdivisions for the purpose
403 of securing the deposit of public funds.

404 **SECTION 31.** Bonds issued under the provisions of this act
405 and income therefrom shall be exempt from all taxation in the
406 State of Mississippi.

407 **SECTION 32.** The proceeds of the bonds issued under this act
408 shall be used solely for the purposes herein provided, including
409 the costs incident to the issuance and sale of such bonds.

410 **SECTION 33.** The State Treasurer is authorized, without
411 further process of law, to certify to the Department of Finance
412 and Administration the necessity for warrants, and the Department
413 of Finance and Administration is authorized and directed to issue
414 such warrants, in such amounts as may be necessary to pay when due
415 the principal of, premium, if any, and interest on, or the
416 accreted value of, all bonds issued under this act; and the State
417 Treasurer shall forward the necessary amount to the designated
418 place or places of payment of such bonds in ample time to
419 discharge such bonds, or the interest thereon, on the due dates
420 thereof.

421 **SECTION 34.** This act shall be deemed to be full and complete
422 authority for the exercise of the powers herein granted, but this
423 act shall not be deemed to repeal or to be in derogation of any
424 existing law of this state.

425 **SECTION 35.** This act shall take effect and be in force from
426 and after July 1, 2007.