

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 1745

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$20,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE EXPANSION,
3 IMPROVEMENT, ADDITION AND MODERNIZATION OF FACTORIES, FACILITIES,
4 PLANTS AND OFFICES THAT ARE OWNED AND OPERATED BY A LARGE
5 MANUFACTURER OF MUSICAL AND PROFESSIONAL SOUND EQUIPMENT HAVING
6 ITS CORPORATE HEADQUARTERS IN LAUDERDALE COUNTY, MISSISSIPPI; AND
7 FOR RELATED PURPOSES.

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

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

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

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

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

21 (d) "Authority" means the Mississippi Development
22 Authority.

23 **SECTION 2.** The authority may use the proceeds from general
24 obligation bonds issued under this act for the following purposes:

25 (a) The expansion, improvement, addition and
26 modernization of those factories, facilities, plants and offices
27 within the state that are owned and operated by a large
28 manufacturer of musical and professional sound equipment having
29 its corporate headquarters in Lauderdale County, including

30 associated research and development and upgrades to address the
31 information technology and other office equipment and furnishing
32 needs of such manufacturer, with the maximum amount of funds
33 provided for the purposes described in this paragraph (a) being
34 limited to Fifteen Million Dollars (\$15,000,000.00);

35 (b) The expansion of the museum describing the history
36 of the manufacturer of musical and professional sound equipment
37 having its corporate headquarters in Lauderdale County to provide
38 a comprehensive history of music throughout the state, and the
39 relocation of such museum from the Sonny Montgomery Industrial
40 Park to the downtown area of the City of Meridian, near or
41 adjacent to the Mississippi State University Riley Center for the
42 Performing Arts, with the maximum amount of funds provided for the
43 purpose described in this paragraph (b) being limited to Five
44 Million Dollars (\$5,000,000.00).

45 **SECTION 3.** (1) (a) A special fund is created within the
46 State Treasury. The fund shall be maintained by the State
47 Treasurer as a separate and special fund, separate and apart from
48 the General Fund of the state. Unexpended amounts remaining in
49 the fund at the end of a fiscal year shall not lapse into the
50 State General Fund, and any interest earned or investment earnings
51 on amounts in the fund shall be deposited into such fund.

52 (b) Monies deposited into the fund shall be disbursed,
53 in the discretion of the authority, to pay the costs incurred by
54 the authority for the purposes specified in Section 2 of this act.

55 (c) Monies in the special fund may be used to reimburse
56 reasonable, actual and necessary costs incurred by the authority
57 in providing assistance related to the purposes for which funding
58 is provided under this act. The authority shall maintain an
59 accounting of actual costs incurred for each project for which
60 reimbursements are sought. Reimbursements under this paragraph
61 (c) shall satisfy any applicable federal tax law requirements.

62 (2) Amounts deposited into such special fund shall be
63 disbursed to pay the costs of projects associated with the
64 purposes specified in Section 2 of this act. If any monies in the
65 special fund are not used within four (4) years after the date the
66 proceeds of the bonds authorized under this act are deposited into
67 such fund, then the authority shall provide an accounting of such
68 unused monies to the commission. Promptly after the commission
69 has certified, by resolution duly adopted, that projects
70 associated with the purposes specified in Section 2 of this act
71 shall have been completed, abandoned, or cannot be completed in a
72 timely fashion, any amounts remaining in such special fund shall
73 be applied to pay debt service on the bonds issued under this act,
74 in accordance with the proceedings authorizing the issuance of
75 such bonds and as directed by the commission.

76 **SECTION 4.** (1) The commission, at one time, or from time to
77 time, may declare by resolution the necessity for issuance of
78 general obligation bonds of the State of Mississippi to provide
79 funds for all costs incurred or to be incurred for the purposes
80 described in Section 2 of this act. Upon the adoption of a
81 resolution by the authority declaring the necessity for the
82 issuance of any part or all of the general obligation bonds
83 authorized by this section, the authority shall deliver a
84 certified copy of its resolution or resolutions to the commission.
85 Upon receipt of such resolution, the commission, in its
86 discretion, may act as the issuing agent, prescribe the form of
87 the bonds, advertise for and accept bids, issue and sell the bonds
88 so authorized to be sold and do any and all other things necessary
89 and advisable in connection with the issuance and sale of such
90 bonds. The total amount of bonds issued under this act shall not
91 exceed Twenty Million Dollars (\$20,000,000.00). No bonds shall be
92 issued under this act after July 1, 2011.

93 (2) Any investment earnings on amounts deposited into the
94 special fund created in Section 3 of this act shall be used to pay

debt service on bonds issued under this act, in accordance with the proceedings authorizing issuance of such bonds.

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

SECTION 6. The bonds authorized by this act shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

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

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

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

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

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

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

SECTION 10. Upon the issuance and sale of bonds under the
provisions of this act, the commission shall transfer the proceeds
of any such sale or sales to the special fund created in Section 3
of this act. The proceeds of such bonds shall be disbursed solely
upon the order of the authority under such restrictions, if any,
as may be contained in the resolution providing for the issuance
of the bonds.

SECTION 11. The bonds authorized under this act may be
issued without any other proceedings or the happening of any other
conditions or things other than those proceedings, conditions and
things which are specified or required by this act. Any
resolution providing for the issuance of bonds under the
provisions of this act shall become effective immediately upon its
adoption by the commission, and any such resolution may be adopted
at any regular or special meeting of the commission by a majority
of its members.

SECTION 12. The bonds authorized under the authority of this
act may be validated in the Chancery Court of the First Judicial
District of Hinds County, Mississippi, in the manner and with the
force and effect provided by Chapter 13, Title 31, Mississippi
Code of 1972, for the validation of county, municipal, school

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

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

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

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

215 **SECTION 16.** The proceeds of the bonds issued under this act
216 shall be used solely for the purposes provided in this act,
217 including the costs incident to the issuance and sale of such
218 bonds.

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

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

230 **SECTION 18.** All improvements made to the state shipyard with
231 the proceeds of bonds issued pursuant to this act shall, as
232 state-owned property, be exempt from ad valorem taxation, except
233 ad valorem taxation for school district purposes.

234 **SECTION 19.** This act shall be deemed to be full and complete
235 authority for the exercise of the powers herein granted, but this
236 act shall not be deemed to repeal or to be in derogation of any
237 existing law of this state.

238 **SECTION 20.** This act shall take effect and be in force from
239 and after its passage.