

By: Senator(s) Cuevas, Albritton, Dawkins,
Jackson (11th), Jackson (32nd), Lee (47th),
Morgan

To: Finance

SENATE BILL NO. 3110
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 6, CHAPTER 538, LAWS OF 2006, TO
2 INCREASE THE AMOUNT OF STATE GENERAL OBLIGATION BONDS THAT MAY BE
3 ISSUED TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS AT A SPACE,
4 SCIENCE AND EDUCATION FACILITY IN HANCOCK COUNTY, MISSISSIPPI, TO
5 REVISE CERTAIN PROVISIONS REGARDING JOB CREATION COMMITMENTS THAT
6 MUST BE SATISFIED BEFORE SUCH FUNDS MAY BE USED AND TO REVISE
7 CERTAIN PROVISIONS REGARDING OWNERSHIP OF THE FACILITY; AND FOR
8 RELATED 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 Fourteen
77 Million Dollars (\$14,000,000.00). 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 Fourteen Million Dollars
90 (\$14,000,000.00). No bonds shall be issued under this section
91 after July 1, 2011.

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

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

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

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

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

133 (8) The commission shall act as the issuing agent for the
134 bonds authorized under this section, 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 section from the proceeds derived from the
142 sale of such bonds. The commission shall sell such bonds on
143 sealed bids at public sale, and for such price as it may determine
144 to be for the best interest of the State of Mississippi, but no
145 such sale shall be made at a price less than par plus accrued
146 interest to the date of delivery of the bonds to the purchaser.
147 All 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 section, may provide that bonds, at the option of the State
159 of Mississippi, may be called in for payment and redemption at the

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

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

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

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

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

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

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

204 (14) All bonds issued under the provisions of this section
205 shall be legal investments for trustees and other fiduciaries, and
206 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 (15) Bonds issued under the provisions of this section and
213 income therefrom shall be exempt from all taxation in the State of
214 Mississippi.

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

219 (17) The State Treasurer is authorized, without further
220 process of law, to certify to the Department of Finance and
221 Administration the necessity for warrants, and the Department of
222 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 section; and the

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

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

234 **SECTION 2.** This act shall take effect and be in force from
235 and after July 1, 2007, and shall stand repealed from and after
236 June 30, 2007.