

By: Senator(s) Wiggins

To: Finance

SENATE BILL NO. 2051

1 AN ACT TO AMEND SECTION 17, CHAPTER 472, LAWS OF 2015, TO  
2 REVISE THE AUTHORITY OF THE MISSISSIPPI DEVELOPMENT AUTHORITY  
3 REGARDING THE DISBURSAL OF CERTAIN BOND PROCEEDS FOR CAPITAL  
4 IMPROVEMENTS AT THE STATE-OWNED SHIPYARD LOCATED IN JACKSON  
5 COUNTY, MISSISSIPPI; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 17, Chapter 472, Laws of 2015, is amended  
8 as follows:

9 Section 17. (1) As used in this section, the following  
10 words shall have the meanings ascribed herein unless the context  
11 clearly 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 shipyard" means the shipyard property owned  
21 by the state and located in Jackson County, Mississippi.

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

23 (e) "Authority" means the Mississippi Development  
24 Authority.

25 (2) (a) (i) A special fund, to be designated as the "2015  
26 State Shipyard Improvement Fund," is created within the State  
27 Treasury. The fund shall be maintained by the State Treasurer as  
28 a separate and special fund, separate and apart from the General  
29 Fund of the state. Unexpended amounts remaining in the fund at  
30 the end of a fiscal year shall not lapse into the State General  
31 Fund, and any interest earned or investment earnings on amounts in  
32 the fund shall be deposited into such fund.

33 (ii) Monies deposited into the fund shall be  
34 disbursed, in the discretion of the authority, to pay the costs  
35 incurred \* \* \* in making such capital improvements at the state  
36 shipyard as \* \* \* are considered by the authority to be a part  
37 of \* \* \* the five-year plan to modernize the state shipyard and  
38 keep it competitive with other shipyards.

39 (iii) Monies in the special fund may be used to  
40 reimburse reasonable actual and necessary costs incurred by the  
41 authority in providing assistance related to a project for which  
42 funding is provided under this act. The authority shall maintain  
43 an accounting of actual costs incurred for each project for which  
44 reimbursements are sought. Reimbursements under this paragraph



45 shall not exceed Three Hundred Thousand Dollars (\$300,000.00) in  
46 the aggregate. Reimbursements under this paragraph shall satisfy  
47 any applicable federal tax law requirements.

48 (iv) Monies in the special fund may be used to  
49 reimburse reasonable actual and necessary costs incurred by the  
50 Department of Audit in providing services related to a project for  
51 which funding is provided under this act. The Department of Audit  
52 shall maintain an accounting of actual costs incurred for each  
53 project for which reimbursements are sought. The Department of  
54 Audit may escalate its budget and expend such funds in accordance  
55 with rules and regulations of the Department of Finance and  
56 Administration in a manner consistent with the escalation of  
57 federal funds. Reimbursements under this paragraph shall not  
58 exceed One Hundred Thousand Dollars (\$100,000.00) in the  
59 aggregate. Reimbursements under this paragraph shall satisfy any  
60 applicable federal tax law requirements.

61 (b) Amounts deposited into such special fund shall be  
62 disbursed to pay the costs of the projects described in this  
63 subsection. If any money in the special fund is not used within  
64 four (4) years after the date the proceeds of the bonds authorized  
65 under this act are deposited into the fund, then the authority  
66 shall provide an accounting of the unused monies to the  
67 commission. Promptly after the commission has certified, by  
68 resolution duly adopted, that the projects described in this  
69 subsection shall have been completed, abandoned, or cannot be



70 completed in a timely fashion, any amounts remaining in such  
71 special fund shall be applied to pay debt service on the bonds  
72 issued under this act, in accordance with the proceedings  
73 authorizing the issuance of such bonds and as directed by the  
74 commission. Before money in the special fund may be used for the  
75 projects described in this subsection, the authority shall require  
76 that the lessee of the shipyard enter into binding commitments  
77 regarding at least the following:

78 (i) That the lessee shall maintain a certain  
79 minimum number of jobs and/or economic impact over a certain  
80 period of time as determined by the authority (any required jobs  
81 must be held by persons eligible for employment in the United  
82 States under applicable state and federal law); and

83 (ii) That if the lessee fails to satisfy any such  
84 commitments, the lessee must repay an amount equal to all or a  
85 portion of the funds provided by the state under this act as  
86 determined by the authority.

87 (3) (a) The commission, at one time, or from time to time,  
88 may declare by resolution the necessity for issuance of general  
89 obligation bonds of the State of Mississippi to provide funds for  
90 all costs incurred or to be incurred for the purposes described in  
91 subsection (2) of this section. No bonds shall be issued under  
92 this act until the authority is provided proof that the lessee of  
93 the shipyard has incurred debt or has otherwise irrevocably  
94 dedicated funds or a combination of debt and funds in the amount



95 of not less than Forty Million Dollars (\$40,000,000.00) used by  
96 the lessee in calendar year 2006 or thereafter, for capital  
97 improvements, capital investments or capital upgrades at  
98 facilities in Jackson County, Mississippi, owned or leased by the  
99 lessee. The debt or dedication of funds or combination of debt  
100 and funds required of the lessee under this section shall be in  
101 addition to any debt or funds required of the lessee under Section  
102 4 of Chapter 501, Laws of 2003, Section 4 of Chapter 1, Laws of  
103 2004 Third Extraordinary Session, and Section 4 of Chapter 475,  
104 2006 Regular Session. In addition, no bonds shall be issued under  
105 this act until the authority has certified that the lessee has  
106 satisfied the minimum jobs requirements of Section 3(2) of Chapter  
107 501, Laws of 2003, Section 3(2) of Chapter 1, Laws of 2004 Third  
108 Extraordinary Session, and Section 3 of Chapter 475, 2006 Regular  
109 Session. Upon the adoption of a resolution by the authority,  
110 declaring that the lessee has incurred the required amount of debt  
111 and/or irrevocable dedication of funds and maintained the required  
112 minimum number of jobs and/or economic impact and declaring the  
113 necessity for the issuance of any part or all of the general  
114 obligation bonds authorized by this section, the authority shall  
115 deliver a certified copy of its resolution or resolutions to the  
116 commission. Upon receipt of such resolution, the commission, in  
117 its discretion, may act as the issuing agent, prescribe the form  
118 of the bonds, determine the appropriate method for sale of the  
119 bonds, advertise for and accept bids or negotiate the sale of the



120 bonds, issue and sell the bonds so authorized to be sold, and do  
121 any and all other things necessary and advisable in connection  
122 with the issuance and sale of such bonds. The total amount of  
123 bonds issued under this act shall not exceed Twenty Million  
124 Dollars (\$20,000,000.00). No bonds shall be issued under this  
125 section after July 1, 2019.

126 (b) Any investment earnings on amounts deposited into  
127 the special fund created in subsection (2) of this section shall  
128 be used to pay debt service on bonds issued under this section, in  
129 accordance with the proceedings authorizing issuance of such  
130 bonds.

131 (4) The principal of and interest on the bonds authorized  
132 under this section shall be payable in the manner provided in this  
133 subsection. Such bonds shall bear such date or dates, be in such  
134 denomination or denominations, bear interest at such rate or rates  
135 (not to exceed the limits set forth in Section 75-17-101,  
136 Mississippi Code of 1972), be payable at such place or places  
137 within or without the State of Mississippi, shall mature  
138 absolutely at such time or times not to exceed twenty-five (25)  
139 years from date of issue, be redeemable before maturity at such  
140 time or times and upon such terms, with or without premium, shall  
141 bear such registration privileges, and shall be substantially in  
142 such form, all as shall be determined by resolution of the  
143 commission.



144           (5) The bonds authorized by this section shall be signed by  
145 the chairman of the commission, or by his facsimile signature, and  
146 the official seal of the commission shall be affixed thereto,  
147 attested by the secretary of the commission. The interest  
148 coupons, if any, to be attached to such bonds may be executed by  
149 the facsimile signatures of such officers. Whenever any such  
150 bonds shall have been signed by the officials designated to sign  
151 the bonds who were in office at the time of such signing but who  
152 may have ceased to be such officers before the sale and delivery  
153 of such bonds, or who may not have been in office on the date such  
154 bonds may bear, the signatures of such officers upon such bonds  
155 and coupons shall nevertheless be valid and sufficient for all  
156 purposes and have the same effect as if the person so officially  
157 signing such bonds had remained in office until their delivery to  
158 the purchaser, or had been in office on the date such bonds may  
159 bear. However, notwithstanding anything herein to the contrary,  
160 such bonds may be issued as provided in the Registered Bond Act of  
161 the State of Mississippi.

162           (6) All bonds and interest coupons issued under the  
163 provisions of this section have all the qualities and incidents of  
164 negotiable instruments under the provisions of the Uniform  
165 Commercial Code, and in exercising the powers granted by this  
166 section, the commission shall not be required to and need not  
167 comply with the provisions of the Uniform Commercial Code.



168           (7) The commission shall act as issuing agent for the bonds  
169 authorized under this section, prescribe the form of the bonds,  
170 determine the appropriate method for sale of the bonds, advertise  
171 for and accept bids or negotiate the sale of the bonds, issue and  
172 sell the bonds so authorized to be sold, pay all fees and costs  
173 incurred in such issuance and sale, and do any and all other  
174 things necessary and advisable in connection with the issuance and  
175 sale of such bonds. The commission is authorized and empowered to  
176 pay the costs that are incident to the sale, issuance and delivery  
177 of the bonds authorized under this section from the proceeds  
178 derived from the sale of such bonds. The commission may sell such  
179 bonds on sealed bids at public sale or may negotiate the sale of  
180 the bonds for such price as it may determine to be for the best  
181 interest of the State of Mississippi. All interest accruing on  
182 such bonds so issued shall be payable semiannually or annually.

183           If such bonds are sold by sealed bids at public sale, notice  
184 of the sale shall be published at least one (1) time, not less  
185 than ten (10) days before the date of sale, and shall be so  
186 published in one or more newspapers published or having a general  
187 circulation in the City of Jackson, Mississippi, selected by the  
188 commission.

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





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

194 (8) The bonds issued under the provisions of this section  
195 are general obligations of the State of Mississippi, and for the  
196 payment thereof the full faith and credit of the State of  
197 Mississippi are irrevocably pledged. If the funds appropriated by  
198 the Legislature are insufficient to pay the principal of and the  
199 interest on such bonds as they become due, then the deficiency  
200 shall be paid by the State Treasurer from any funds in the State  
201 Treasury not otherwise appropriated. All such bonds shall contain  
202 recitals on their faces substantially covering the provisions of  
203 this subsection.

204 (9) Upon the issuance and sale of bonds under the provisions  
205 of this section, the commission shall transfer the proceeds of any  
206 such sale or sales to the special fund created in subsection (2)  
207 of this section. The proceeds of such bonds shall be disbursed  
208 solely upon the order of the Department of Finance and  
209 Administration under such restrictions, if any, as may be  
210 contained in the resolution providing for the issuance of the  
211 bonds.

212 (10) The bonds authorized under this section may be issued  
213 without any other proceedings or the happening of any other  
214 conditions or things other than those proceedings, conditions and  
215 things which are specified or required by this section. Any  
216 resolution providing for the issuance of bonds under the



217 provisions of this section shall become effective immediately upon  
218 its adoption by the commission, and any such resolution may be  
219 adopted at any regular or special meeting of the commission by a  
220 majority of its members.

221 (11) The bonds authorized under the authority of this  
222 section may be validated in the Chancery Court of the First  
223 Judicial District of Hinds County, Mississippi, in the manner and  
224 with the force and effect provided by Chapter 13, Title 31,  
225 Mississippi Code of 1972, for the validation of county, municipal,  
226 school district and other bonds. The notice to taxpayers required  
227 by such statutes shall be published in a newspaper published or  
228 having a general circulation in the City of Jackson, Mississippi.

229 (12) Any holder of bonds issued under the provisions of this  
230 section or of any of the interest coupons pertaining thereto may,  
231 either at law or in equity, by suit, action, mandamus or other  
232 proceeding, protect and enforce any and all rights granted under  
233 this section, or under such resolution, and may enforce and compel  
234 performance of all duties required by this section to be  
235 performed, in order to provide for the payment of bonds and  
236 interest thereon.

237 (13) All bonds issued under the provisions of this section  
238 shall be legal investments for trustees and other fiduciaries, and  
239 for savings banks, trust companies and insurance companies  
240 organized under the laws of the State of Mississippi, and such  
241 bonds shall be legal securities which may be deposited with and



242 shall be received by all public officers and bodies of this state  
243 and all municipalities and political subdivisions for the purpose  
244 of securing the deposit of public funds.

245 (14) Bonds issued under the provisions of this section and  
246 income therefrom shall be exempt from all taxation in the State of  
247 Mississippi.

248 (15) The proceeds of the bonds issued under this section  
249 shall be used solely for the purposes herein provided, including  
250 the costs incident to the issuance and sale of such bonds.

251 (16) The State Treasurer is authorized, without further  
252 process of law, to certify to the Department of Finance and  
253 Administration the necessity for warrants, and the Department of  
254 Finance and Administration is authorized and directed to issue  
255 such warrants, in such amounts as may be necessary to pay when due  
256 the principal of, premium, if any, and interest on, or the  
257 accreted value of, all bonds issued under this section; and the  
258 State Treasurer shall forward the necessary amount to the  
259 designated place or places of payment of such bonds in ample time  
260 to discharge such bonds, or the interest thereon, on the due dates  
261 thereof.

262 (17) This section shall be deemed to be full and complete  
263 authority for the exercise of the powers herein granted, but this  
264 section shall not be deemed to repeal or to be in derogation of  
265 any existing law of this state.



266           (18) All improvements made to the state shipyard with the  
267 proceeds of bonds issued pursuant to this act shall, as  
268 state-owned property, be exempt from ad valorem taxation, except  
269 ad valorem taxation for school district purposes.

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

