

By: Representative DeLano

To: Ways and Means

HOUSE BILL NO. 220

1 AN ACT TO ESTABLISH A LOCAL GOVERNMENTS MSWIN INFRASTRUCTURE
2 AND EQUIPMENT REVOLVING LOAN PROGRAM FOR THE PURPOSE OF ASSISTING
3 COUNTIES AND MUNICIPALITIES IN MAKING PURCHASES THAT ARE NEEDED TO
4 BE ABLE TO PARTICIPATE IN THE MISSISSIPPI WIRELESS INFORMATION
5 NETWORK (MSWIN); TO PROVIDE THAT THE PROGRAM SHALL BE ADMINISTERED
6 BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO DEFINE "MSWIN
7 PARTICIPATION PURCHASES" FOR THE PURPOSES OF THE LOAN PROGRAM; TO
8 CREATE A SPECIAL FUND IN THE STATE TREASURY, DESIGNATED AS THE
9 "LOCAL GOVERNMENTS MSWIN INFRASTRUCTURE AND EQUIPMENT REVOLVING
10 LOAN FUND"; TO PRESCRIBE THE MANNER IN WHICH FUNDS UNDER THIS ACT
11 MAY BE MADE AVAILABLE TO AND EXPENDED BY COUNTIES AND
12 MUNICIPALITIES; TO PRESCRIBE THE POWERS AND DUTIES OF THE
13 MISSISSIPPI DEVELOPMENT AUTHORITY UNDER THE PROVISIONS OF THIS
14 ACT; TO PROVIDE FOR THE ISSUANCE OF NOT MORE THAN \$20,000,000.00
15 IN STATE GENERAL OBLIGATION BONDS TO FUND THE LOCAL GOVERNMENTS
16 CAPITAL IMPROVEMENTS REVOLVING LOAN FUND; AND FOR RELATED
17 PURPOSES.

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

19 **SECTION 1.** (1) There is established a Local Governments
20 MSWIN Infrastructure and Equipment Revolving Loan Program to be
21 administered by the Mississippi Development Authority for the
22 purpose of assisting counties and municipalities in making
23 purchases that are needed to be able to participate in the
24 Mississippi Wireless Information Network (MSWIN).



25 (2) For purposes of Sections 1 through 3 of this act, "MSWIN
26 participation purchases" include any combination of the following:

27 (a) Network infrastructure purchases. Purchases that
28 are necessary for a county or municipality to enhance the MSWIN
29 coverage in a specific area of the state. These types of
30 purchases include, but are not limited to, equipment, installation
31 and engineering services and costs for maintenance of the
32 equipment. Examples of this type of equipment include, but are
33 not limited to, repeaters, antennas and lines, microwave backhaul,
34 radio access network (RAN) and eNodeBs, and the average useful
35 life of this equipment is fifteen (15) to twenty (20) years.

36 (b) Subscriber equipment. Purchases of end user
37 devices that are necessary for a county or municipality to use the
38 MSWIN network, and may include services for installation and costs
39 for maintenance of the equipment. Examples of this type of
40 equipment include, but are not limited to, P25-compatible two-way
41 radios, batteries, chargers, modems, consoles, LTE handhelds and
42 LTE tablets, and the average useful life of this equipment is five
43 (5) to seven (7) years.

44 **SECTION 2.** (1) There is created a special fund in the State
45 Treasury to be designated as the "Local Governments MSWIN
46 Infrastructure and Equipment Revolving Loan Fund," which fund
47 shall consist of such monies as provided in Section 4 of this act.
48 The fund shall be maintained in perpetuity for the purposes
49 established in Sections 1 through 3 of this act. Unexpended



50 amounts remaining in the fund at the end of a fiscal year shall
51 not lapse into the State General Fund, and any interest earned on
52 amounts in the fund shall be deposited to the credit of the fund.
53 Monies in the fund may not be used or expended for any purpose
54 except as authorized under Sections 1 through 3 of this act.

55 (2) A county or municipality may apply to the Mississippi
56 Development Authority for a loan under the Local Governments MSWIN
57 Infrastructure and Equipment Revolving Loan Program established
58 under this act for making MSWIN participation purchases.

59 (3) (a) The Mississippi Development Authority shall
60 establish a loan program by which loans, at the rate of interest
61 provided for in paragraph (b) of this subsection, may be made
62 available to counties and municipalities to assist counties and
63 municipalities in making MSWIN participation purchases. Loans
64 from the revolving fund may be made to counties and municipalities
65 as set forth in a loan agreement in amounts not to exceed one
66 hundred percent (100%) of the cost of eligible MSWIN participation
67 purchases as established by the Mississippi Development Authority.
68 The Mississippi Development Authority may require county or
69 municipal participation or funding from other sources, or
70 otherwise limit the percentage of costs covered by loans from the
71 revolving fund. The Mississippi Development Authority may
72 establish a maximum amount for any loan and/or a maximum amount
73 for all loans made to any one (1) county or municipality, in order
74 to provide for broad and equitable participation in the program.



75 (b) The rate of interest on loans made from the Local
76 Governments MSWIN Infrastructure and Equipment Revolving Loan Fund
77 for MSWIN participation purchases shall be at the rate of the
78 lesser of two percent (2%) per annum, calculated according to the
79 actuarial method, or the true interest cost on the most recent
80 issue of state general obligation bonds occurring before the date
81 such loan is made.

82 (4) A county that receives a loan from the revolving fund
83 shall pledge for repayment of the loan any part of the homestead
84 exemption annual tax loss reimbursement to which it may be
85 entitled under Section 27-33-77. A municipality that receives a
86 loan from the revolving fund shall pledge for repayment of the
87 loan any part of the sales tax revenue distribution to which it
88 may be entitled under Section 27-65-75. Each loan agreement shall
89 provide for (i) monthly payments, (ii) semiannual payments, or
90 (iii) other periodic payments, the annual total of which shall not
91 exceed the annual total for any other year of the loan by more
92 than fifteen percent (15%). The loan agreement shall provide for
93 the repayment of all funds received not later than the end of the
94 maximum average useful life for the equipment purchased, as
95 specified in Section 1(2) of this act.

96 (5) The State Auditor, upon request of the Mississippi
97 Development Authority, shall audit the receipts and expenditures
98 of a county or a municipality whose loan payments appear to be in
99 arrears, and if he finds that the county or municipality is in



100 arrears in such payments, he shall immediately notify the State
101 Fiscal Officer, who shall withhold all future payments to the
102 county of homestead exemption reimbursements under Section
103 27-33-77 and all sums allocated to the municipality under Section
104 27-65-75 until such time as the county or the municipality is
105 again current in its loan payments as certified by the Mississippi
106 Development Authority.

107 (6) MSWIN participation purchases that are made using funds
108 from loans from the Local Governments MSWIN Infrastructure and
109 Equipment Revolving Loan Fund shall be subject to review and/or
110 approval of the Wireless Communication Commission created under
111 Section 25-53-171, in accordance with the rules of the commission,
112 if the amount of the purchase exceeds the minimum amount
113 prescribed in the rules of the commission for review and/or
114 approval.

115 (7) Evidences of indebtedness that are issued under Sections
116 1 through 3 of this act shall not be deemed indebtedness within
117 the meaning specified in Section 21-33-303 with regard to
118 municipalities, and in Section 19-9-5 with regard to counties.

119 **SECTION 3.** In administering the provisions of Sections 1
120 through 3 of this act, the Mississippi Development Authority shall
121 have the following powers and duties:

122 (a) To supervise the use of all funds made available
123 under this act for MSWIN participation purchases by counties and
124 municipalities;



125 (b) To review and certify all MSWIN participation
126 purchases for which funds are authorized to be made available
127 under Sections 1 through 3 of this act;

128 (c) To requisition monies in the Local Governments
129 MSWIN Infrastructure and Equipment Revolving Loan Fund and
130 distribute those monies on a individual purchase basis in
131 accordance with the provisions of Sections 1 through 3 of this
132 act;

133 (d) To insure that the funds made available to a county
134 or a municipality under Sections 1 through 3 of this act provide
135 for an equitable distribution of MSWIN participation purchases and
136 funds among the counties and municipalities;

137 (e) To maintain an accurate record of all funds made
138 available to counties and municipalities under Sections 1 through
139 3 of this act and the costs for each MSWIN participation purchase;

140 (f) To prescribe any conditions for receiving a loan
141 under Sections 1 through 3 of this act, and prescribe the terms of
142 repayment of loans made under Sections 1 through 3 of this act,
143 which may include, but not be limited to, requiring counties and
144 municipalities to pay a service fee or fees in addition to the
145 principal and interest on the loan, and/or purchasing insurance to
146 cover damage to equipment purchased with the loan;

147 (g) To adopt and promulgate such rules and regulations
148 as may be necessary or desirable for the purpose of implementing
149 the provisions of Sections 1 through 3 of this act; and



150 (h) To file annually with the Legislature a report
151 detailing how monies in the Local Governments MSWIN Infrastructure
152 and Equipment Revolving Loan Fund were spent during the preceding
153 fiscal year in each county and municipality, the number of MSWIN
154 participation purchases approved and made, and the cost of each
155 purchase.

156 **SECTION 4.** (1) As used in this section, the following words
157 shall have the meanings ascribed herein unless the context clearly
158 requires otherwise:

159 (a) "Accreted value" of any bonds means, as of any date
160 of computation, an amount equal to the sum of (i) the stated
161 initial value of such bond, plus (ii) the interest accrued thereon
162 from the issue date to the date of computation at the rate,
163 compounded semiannually, that is necessary to produce the
164 approximate yield to maturity shown for bonds of the same
165 maturity.

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

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

168 (2) (a) The Commission, at one time, or from time to time,
169 may declare by resolution the necessity for issuance of general
170 obligation bonds of the State of Mississippi to provide funds for
171 all costs incurred or to be incurred for the purposes described in
172 Section 2 of this act. Upon the adoption of a resolution by the
173 Mississippi Development Authority, declaring the necessity for the
174 issuance of any part or all of the general obligation bonds



175 authorized by this subsection, the Mississippi Development
176 Authority shall deliver a certified copy of its resolution or
177 resolutions to the commission. Upon receipt of such resolution,
178 the commission, in its discretion, may act as the issuing agent,
179 prescribe the form of the bonds, determine the appropriate method
180 for sale of the bonds, advertise for and accept bids or negotiate
181 the sale of the bonds, issue and sell the bonds so authorized to
182 be sold, and do any and all other things necessary and advisable
183 in connection with the issuance and sale of such bonds. The total
184 amount of bonds issued under this section shall not exceed Twenty
185 Million Dollars (\$20,000,000.00).

186 (b) The proceeds of bonds issued pursuant to this
187 section shall be deposited into the Local Governments MSWIN
188 Infrastructure and Equipment Revolving Loan Fund created in
189 Section 2 of this act. Any investment earnings on bonds issued
190 pursuant to this section shall be used to pay debt service on
191 bonds issued under this section, in accordance with the
192 proceedings authorizing issuance of such bonds.

193 (3) The principal of and interest on the bonds authorized
194 under this section shall be payable in the manner provided in this
195 subsection. Such bonds shall bear such date or dates, be in such
196 denomination or denominations, bear interest at such rate or rates
197 (not to exceed the limits set forth in Section 75-17-101,
198 Mississippi Code of 1972), be payable at such place or places
199 within or without the State of Mississippi, shall mature



200 absolutely at such time or times not to exceed twenty-five (25)
201 years from date of issue, be redeemable before maturity at such
202 time or times and upon such terms, with or without premium, shall
203 bear such registration privileges, and shall be substantially in
204 such form, all as shall be determined by resolution of the
205 commission.

206 (4) The bonds authorized by this section shall be signed by
207 the chairman of the commission, or by his facsimile signature, and
208 the official seal of the commission shall be affixed thereto,
209 attested by the secretary of the commission. The interest
210 coupons, if any, to be attached to such bonds may be executed by
211 the facsimile signatures of such officers. Whenever any such
212 bonds shall have been signed by the officials designated to sign
213 the bonds who were in office at the time of such signing but who
214 may have ceased to be such officers before the sale and delivery
215 of such bonds, or who may not have been in office on the date such
216 bonds may bear, the signatures of such officers upon such bonds
217 and coupons shall nevertheless be valid and sufficient for all
218 purposes and have the same effect as if the person so officially
219 signing such bonds had remained in office until their delivery to
220 the purchaser, or had been in office on the date such bonds may
221 bear. However, notwithstanding anything herein to the contrary,
222 such bonds may be issued as provided in the Registered Bond Act of
223 the State of Mississippi.



224 (5) All bonds and interest coupons issued under the
225 provisions of this section have all the qualities and incidents of
226 negotiable instruments under the provisions of the Uniform
227 Commercial Code, and in exercising the powers granted by this
228 section, the commission shall not be required to and need not
229 comply with the provisions of the Uniform Commercial Code.

230 (6) The commission shall act as issuing agent for the bonds
231 authorized under this section, prescribe the form of the bonds,
232 determine the appropriate method for sale of the bonds, advertise
233 for and accept bids or negotiate the sale of the bonds, issue and
234 sell the bonds so authorized to be sold, pay all fees and costs
235 incurred in such issuance and sale, and do any and all other
236 things necessary and advisable in connection with the issuance and
237 sale of such bonds. The commission is authorized and empowered to
238 pay the costs that are incident to the sale, issuance and delivery
239 of the bonds authorized under this section from the proceeds
240 derived from the sale of such bonds. The commission may sell such
241 bonds on sealed bids at public sale or may negotiate the sale of
242 the bonds for such price as it may determine to be for the best
243 interest of the State of Mississippi. All interest accruing on
244 such bonds so issued shall be payable semiannually or annually.

245 If such bonds are sold by sealed bids at public sale, notice
246 of the sale shall be published at least one time, not less than
247 ten (10) days before the date of sale, and shall be so published
248 in one or more newspapers published or having a general



249 circulation in the City of Jackson, Mississippi, selected by the
250 commission.

251 The commission, when issuing any bonds under the authority of
252 this section, may provide that bonds, at the option of the State
253 of Mississippi, may be called in for payment and redemption at the
254 call price named therein and accrued interest on such date or
255 dates named therein.

256 (7) The bonds issued under the provisions of this section
257 are general obligations of the State of Mississippi, and for the
258 payment thereof the full faith and credit of the State of
259 Mississippi is irrevocably pledged. If the funds appropriated by
260 the Legislature are insufficient to pay the principal of and the
261 interest on such bonds as they become due, then the deficiency
262 shall be paid by the State Treasurer from any funds in the State
263 Treasury not otherwise appropriated. All such bonds shall contain
264 recitals on their faces substantially covering the provisions of
265 this subsection.

266 (8) Upon the issuance and sale of bonds under the provisions
267 of this section, the commission shall transfer the proceeds of any
268 such sale or sales to the Local Governments MSWIN Infrastructure
269 and Equipment Revolving Loan Fund created in Section 2 of this
270 act. The proceeds of such bonds shall be disbursed solely upon
271 the order of the Mississippi Development Authority under such
272 restrictions, if any, as may be contained in the resolution
273 providing for the issuance of the bonds.



274 (9) The bonds authorized under this section may be issued
275 without any other proceedings or the happening of any other
276 conditions or things other than those proceedings, conditions and
277 things which are specified or required by this section. Any
278 resolution providing for the issuance of bonds under the
279 provisions of this section shall become effective immediately upon
280 its adoption by the commission, and any such resolution may be
281 adopted at any regular or special meeting of the commission by a
282 majority of its members.

283 (10) The bonds authorized under the authority of this
284 section may be validated in the Chancery Court of the First
285 Judicial District of Hinds County, Mississippi, in the manner and
286 with the force and effect provided by Chapter 13, Title 31,
287 Mississippi Code of 1972, for the validation of county, municipal,
288 school district and other bonds. The notice to taxpayers required
289 by such statutes shall be published in a newspaper published or
290 having a general circulation in the City of Jackson, Mississippi.

291 (11) Any holder of bonds issued under the provisions of this
292 section or of any of the interest coupons pertaining thereto may,
293 either at law or in equity, by suit, action, mandamus or other
294 proceeding, protect and enforce any and all rights granted under
295 this section, or under such resolution, and may enforce and compel
296 performance of all duties required by this section to be
297 performed, in order to provide for the payment of bonds and
298 interest thereon.



299 (12) All bonds issued under the provisions of this section
300 shall be legal investments for trustees and other fiduciaries, and
301 for savings banks, trust companies and insurance companies
302 organized under the laws of the State of Mississippi, and such
303 bonds shall be legal securities which may be deposited with and
304 shall be received by all public officers and bodies of this state
305 and all municipalities and political subdivisions for the purpose
306 of securing the deposit of public funds.

307 (13) Bonds issued under the provisions of this section and
308 income therefrom shall be exempt from all taxation in the State of
309 Mississippi.

310 (14) The proceeds of the bonds issued under this section
311 shall be used solely for the purposes therein provided, including
312 the costs incident to the issuance and sale of such bonds.

313 (15) The State Treasurer is authorized, without further
314 process of law, to certify to the Department of Finance and
315 Administration the necessity for warrants, and the Department of
316 Finance and Administration is authorized and directed to issue
317 such warrants, in such amounts as may be necessary to pay when due
318 the principal of, premium, if any, and interest on, or the
319 accreted value of, all bonds issued under this section; and the
320 State Treasurer shall forward the necessary amount to the
321 designated place or places of payment of such bonds in ample time
322 to discharge such bonds, or the interest thereon, on the due dates
323 thereof.



324 (16) This section shall be deemed to be full and complete
325 authority for the exercise of the powers therein granted, but this
326 section shall not be deemed to repeal or to be in derogation of
327 any existing law of this state.

328 **SECTION 5.** This act shall take effect and be in force from
329 and after July 1, 2018.

