

By: Representative Smith

To: Ways and Means

HOUSE BILL NO. 1556

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS FOR IMPROVEMENTS TO THE DEPARTMENT OF
3 REVENUE LIQUOR DISTRIBUTION CENTER IN MADISON COUNTY, MISSISSIPPI;
4 TO PROVIDE THAT THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE
5 PAID PRIMARILY FROM MONIES IN A BOND SINKING FUND CREATED IN THIS
6 ACT; TO IMPOSE A HANDLING FEE ON EACH MANUFACTURER OR WHOLESALER
7 OF ALCOHOLIC BEVERAGES WHOSE PRODUCT IS PLACED IN THE DEPARTMENT
8 OF REVENUE LIQUOR DISTRIBUTION CENTER; TO PROVIDE THAT REVENUE
9 DERIVED FROM THE HANDLING FEE SHALL BE PLACED INTO THE BOND
10 SINKING FUND CREATED FOR THE PAYMENT OF BONDS ISSUED UNDER THIS
11 ACT; TO AMEND SECTION 27-71-29, MISSISSIPPI CODE OF 1972, IN
12 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) As used in this section, the following words
15 shall have the meanings ascribed herein unless the context clearly
16 requires otherwise:

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



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

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

26 (2) (a) (i) A special fund, to be designated as the "2018
27 Department of Revenue Liquor Distribution Center Improvements
28 Fund," is created within the State Treasury. The fund shall be
29 maintained by the State Treasurer as a separate and special fund,
30 separate and apart from the General Fund of the state. Unexpended
31 amounts remaining in the fund at the end of a fiscal year shall
32 not lapse into the State General Fund, and any interest earned or
33 investment earnings on amounts in the fund shall be deposited into
34 such fund.

35 (ii) Monies deposited into the fund shall be
36 disbursed, in the discretion of the Department of Finance and
37 Administration, to pay the costs associated with any construction,
38 expansion, maintenance, repair and/or upgrade of any structure,
39 equipment, computer hardware and software and/or personal property
40 used in the operation of the Department of Revenue Liquor
41 Distribution Center in Madison County, Mississippi.

42 (b) Amounts deposited into such special fund shall be
43 disbursed to pay the costs of the projects described in paragraph
44 (a) of this subsection. Promptly after the commission has
45 certified, by resolution duly adopted, that the projects described
46 in paragraph (a) of this subsection shall have been completed,
47 abandoned, or cannot be completed in a timely fashion, any amounts
48 remaining in such special fund shall be applied to pay debt



49 service on the bonds issued under this section, in accordance with
50 the proceedings authorizing the issuance of such bonds and as
51 directed by the commission.

52 (3) (a) For the purposes of providing for the payment of
53 the principal of and interest on bonds issued under this section,
54 there is created in the State Treasury a special fund to be known
55 as the "2018 Department of Revenue Liquor Distribution Center
56 Improvements Bond Sinking Fund." The bond sinking fund shall
57 consist of monies deposited into the fund under Section 2 of this
58 act and such other amounts as may be paid into the bond sinking
59 fund by appropriation or other authorization by the Legislature.
60 Monies in the bond sinking fund shall be used to pay the debt
61 service requirements of the bonds issued under this section.
62 Unexpended amounts remaining in the bond sinking fund at the end
63 of a fiscal year shall not lapse into the State General Fund, and
64 any interest earned or investment earnings on amounts in the bond
65 sinking fund shall be deposited into the bond sinking fund.

66 (4) (a) The commission, at one time, or from time to time,
67 may declare by resolution the necessity for issuance of general
68 obligation bonds of the State of Mississippi to provide funds for
69 all costs incurred or to be incurred for the purposes described in
70 subsection (2) of this section. Upon the adoption of a resolution
71 by the Department of Finance and Administration, declaring the
72 necessity for the issuance of any part or all of the general
73 obligation bonds authorized by this subsection, the department



74 shall deliver a certified copy of its resolution or resolutions to
75 the commission. Upon receipt of such resolution, the commission,
76 in its discretion, may act as issuing agent, prescribe the form of
77 the bonds, determine the appropriate method for sale of the bonds,
78 advertise for and accept bids or negotiate the sale of the bonds,
79 issue and sell the bonds so authorized to be sold, and do any and
80 all other things necessary and advisable in connection with the
81 issuance and sale of such bonds. The total amount of bonds issued
82 under this section shall not exceed Thirty-five Million Dollars
83 (\$35,000,000.00). No bonds shall be issued under this section
84 after July 1, 2022.

85 (b) Any investment earnings on amounts deposited into
86 the special fund created in subsection (2) of this section shall
87 be used to pay debt service on bonds issued under this section, in
88 accordance with the proceedings authorizing issuance of such
89 bonds.

90 (5) The principal of and interest on the bonds authorized
91 under this section shall be payable in the manner provided in this
92 subsection. Such bonds shall bear such date or dates, be in such
93 denomination or denominations, bear interest at such rate or rates
94 (not to exceed the limits set forth in Section 75-17-101,
95 Mississippi Code of 1972), be payable at such place or places
96 within or without the State of Mississippi, shall mature
97 absolutely at such time or times not to exceed twenty (20) years
98 from date of issue, be redeemable before maturity at such time or



99 times and upon such terms, with or without premium, shall bear
100 such registration privileges, and shall be substantially in such
101 form, all as shall be determined by resolution of the commission.

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

120 (7) All bonds and interest coupons issued under the
121 provisions of this section have all the qualities and incidents of
122 negotiable instruments under the provisions of the Uniform
123 Commercial Code, and in exercising the powers granted by this



124 section, the commission shall not be required to and need not
125 comply with the provisions of the Uniform Commercial Code.

126 (8) The commission shall act as issuing agent for the bonds
127 authorized under this section, prescribe the form of the bonds,
128 determine the appropriate method for sale of the bonds, advertise
129 for and accept bids or negotiate the sale of the bonds, issue and
130 sell the bonds so authorized to be sold, pay all fees and costs
131 incurred in such issuance and sale, and do any and all other
132 things necessary and advisable in connection with the issuance and
133 sale of such bonds. The commission is authorized and empowered to
134 pay the costs that are incident to the sale, issuance and delivery
135 of the bonds authorized under this section from the proceeds
136 derived from the sale of such bonds. The commission may sell such
137 bonds on sealed bids at public sale or may negotiate the sale of
138 the bonds for such price as it may determine to be for the best
139 interest of the State of Mississippi. All interest accruing on
140 such bonds so issued shall be payable semiannually or annually.

141 If such bonds are sold by sealed bids at public sale, notice
142 of the sale shall be published at least one time, not less than
143 ten (10) days before the date of sale, and shall be so published
144 in one or more newspapers published or having a general
145 circulation in the City of Jackson, Mississippi, selected by the
146 commission.

147 The commission, when issuing any bonds under the authority of
148 this section, may provide that bonds, at the option of the State



149 of Mississippi, may be called in for payment and redemption at the
150 call price named therein and accrued interest on such date or
151 dates named therein.

152 (9) The bonds issued under the provisions of this section
153 are general obligations of the State of Mississippi, and for the
154 payment thereof the full faith and credit of the State of
155 Mississippi is irrevocably pledged. The principal of and the
156 interest on the bonds shall be payable primarily from the bond
157 sinking fund created in subsection (3) of this section. If the
158 funds available in the bond sinking fund and any funds
159 appropriated by the Legislature are insufficient to pay the
160 principal of and the interest on such bonds as they become due,
161 then the deficiency shall be paid by the State Treasurer from any
162 funds in the State Treasury not otherwise appropriated. All such
163 bonds shall contain recitals on their faces substantially covering
164 the provisions of this subsection.

165 (10) Upon the issuance and sale of bonds under the
166 provisions of this section, the commission shall transfer the
167 proceeds of any such sale or sales to the special fund created in
168 subsection (2) of this section. The proceeds of such bonds shall
169 be disbursed solely upon the order of the Department of Finance
170 and Administration under such restrictions, if any, as may be
171 contained in the resolution providing for the issuance of the
172 bonds.



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

182 (12) The bonds authorized under the authority of this
183 section may be validated in the Chancery Court of the First
184 Judicial District of Hinds County, Mississippi, in the manner and
185 with the force and effect provided by Chapter 13, Title 31,
186 Mississippi Code of 1972, for the validation of county, municipal,
187 school district and other bonds. The notice to taxpayers required
188 by such statutes shall be published in a newspaper published or
189 having a general circulation in the City of Jackson, Mississippi.

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



198 (14) All bonds issued under the provisions of this section
199 shall be legal investments for trustees and other fiduciaries, and
200 for savings banks, trust companies and insurance companies
201 organized under the laws of the State of Mississippi, and such
202 bonds shall be legal securities which may be deposited with and
203 shall be received by all public officers and bodies of this state
204 and all municipalities and political subdivisions for the purpose
205 of securing the deposit of public funds.

206 (15) Bonds issued under the provisions of this section and
207 income therefrom shall be exempt from all taxation in the State of
208 Mississippi.

209 (16) The proceeds of the bonds issued under this section
210 shall be used solely for the purposes herein provided, including
211 the costs incident to the issuance and sale of such bonds.

212 (17) The State Treasurer is authorized, without further
213 process of law, to certify to the Department of Finance and
214 Administration the necessity for warrants, and the Department of
215 Finance and Administration is authorized and directed to issue
216 such warrants, in such amounts as may be necessary to pay when due
217 the principal of, premium, if any, and interest on, or the
218 accreted value of, all bonds issued under this section; and the
219 State Treasurer shall forward the necessary amount to the
220 designated place or places of payment of such bonds in ample time
221 to discharge such bonds, or the interest thereon, on the due dates
222 thereof.



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

227 **SECTION 2.** (1) (a) There is imposed and shall be collected
228 from each manufacturer or wholesaler whose product is placed in
229 the department liquor distribution center, by bailment or
230 otherwise, a handling fee of One Dollar (\$1.00) per case. The fee
231 shall be collected by the department by any means available,
232 including, but not limited to, the deduction of the fee from any
233 monies due to the manufacturer or wholesaler. In addition to any
234 other remedies available, the department may stop handling the
235 product of any manufacturer or wholesaler who, after a demand for
236 payment, fails to pay any handling fees. The revenue derived from
237 the fee imposed in this subsection (1) shall be deposited into the
238 bond sinking fund created in Section 1(3) of this act as provided
239 in Section 27-71-29. For the purposes of this section, the term
240 "department liquor distribution center" means the Department of
241 Revenue Liquor Distribution Center in Madison County, Mississippi.

242 (2) The fee imposed in subsection (1) of this section shall
243 apply only to that product sold by the department on or after July
244 1, 2018.

245 (3) The Commissioner of Revenue may from time to time make
246 such rules and regulations, not inconsistent with this section, as
247 he may deem necessary to enforce its provisions.



248 **SECTION 3.** Section 27-71-29, Mississippi Code of 1972, is
249 amended as follows:

250 27-71-29. All taxes levied by this article shall be paid to
251 the * * * Department of Revenue in cash or by personal check,
252 cashier's check, bank exchange, post office money order or express
253 money order and shall be deposited by the * * * department in the
254 State Treasury on the same day collected, but no remittances other
255 than cash shall be a final discharge of liability for the tax
256 herein imposed and levied unless and until it has been paid in
257 cash to the * * * Department of Revenue.

258 All taxes levied under Section 27-71-7(1) and received by
259 the * * * department under this article shall be paid into the
260 General Fund, and the three percent (3%) levied under Section
261 27-71-7(2) and received by the * * * department under this article
262 shall be paid into the special fund in the State Treasury
263 designated as the "Alcoholism Treatment and Rehabilitation Fund"
264 as required by law. Any funds derived from the sale of alcoholic
265 beverages in excess of inventory requirements shall be paid not
266 less often than annually into the General Fund.

267 The revenue derived from the fee imposed under Section 2(1)
268 of this act shall be deposited into the bond sinking fund created
269 in Section 1(3) of this act.

270 **SECTION 4.** Section 2 of this act shall be codified as a new
271 section in Chapter 71, Title 27, Mississippi Code of 1972.



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

