

By: Representatives Smith, Lamar, Calhoun,
Steverson, Zuber, White, Sykes

To: Ways and Means

HOUSE BILL NO. 1700

1 AN ACT TO AMEND SECTION 10, CHAPTER 567, LAWS OF 2013, TO
2 INCREASE BY \$10,000,000.00 THE AMOUNT OF BONDS AUTHORIZED TO BE
3 ISSUED FOR THE HINDS COUNTY DEVELOPMENT PROJECT LOAN FUND AND
4 AUTHORIZE MONEY IN THE FUND TO BE UTILIZED AS A LOAN TO HINDS
5 COUNTY, MISSISSIPPI, TO ASSIST IN FUNDING THE CONSTRUCTION OF A
6 PARKING GARAGE ASSOCIATED WITH A CERTAIN HOTEL CONSTRUCTION
7 PROJECT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 10, Chapter 567, Laws of 2013, is amended
10 as follows:

11 Section 10. (1) As used in this act:

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

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

19 (c) "County" means Hinds County, Mississippi.

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



21 (2) (a) (i) There is created in the State Treasury a
22 special fund to be known as the "Hinds County Development Project
23 Loan Fund." The fund shall be maintained by the State Treasurer
24 as a special fund, separate and apart from the State General Fund.
25 Unexpended amounts remaining in the special fund at the end of a
26 fiscal year shall not lapse into the State General Fund, and any
27 interest earned or investment earnings on amounts in the special
28 fund shall be deposited to the credit of the special fund. Monies
29 in the special fund may not be used or expended for any purpose
30 except as provided in this subsection.

31 (ii) Money deposited into the special fund shall
32 be disbursed, in the discretion of the Mississippi Development
33 Authority, to provide loans to the county to be utilized by the
34 county to assist in the construction of a hotel in the county with
35 at least two hundred (200) guest rooms, an associated parking
36 garage and related improvements.

37 (b) The county may apply to the Mississippi Development
38 Authority for a loan under this section. The proceeds of the loan
39 shall be utilized by the county for the purposes provided for in
40 paragraph (a)(ii) of this subsection.

41 (c) (i) The Mississippi Development Authority may
42 require county participation or funding from other sources.

43 (ii) The rate of interest on loans made under this
44 section shall be at the true interest cost on the most recent



45 issue of twenty-year state general obligation bonds occurring
46 prior to the date such loan is made.

47 (d) If the county receives a loan under this section,
48 the county shall pledge for repayment of the loan any part of the
49 homestead exemption annual tax loss reimbursement to which it may
50 be entitled under Section 27-33-77, and any revenue generated for
51 the county by a project funded by a loan made pursuant to this
52 act. The loan agreement shall provide for (i) monthly payments,
53 (ii) semiannual payments, or (iii) other periodic payments, as set
54 forth in the loan agreement. The loan agreement shall provide for
55 the repayment of all funds received within not more than twenty
56 (20) years from the date of issuance.

57 (e) Loan payments of the county shall be deposited into
58 the bond sinking fund created in subsection (4) of this section.

59 (f) If the loan payments of the county appear to be in
60 arrears, the State Auditor, upon request of the Mississippi
61 Development Authority, shall audit the receipts and expenditures
62 of the county, and if he finds that the county is in arrears in
63 such payments, he shall immediately notify the Executive Director
64 of the Department of Finance and Administration who shall withhold
65 all future payments to the county of homestead exemption
66 reimbursements under Section 27-33-77 until such time as the
67 county is again current in its loan payments as certified by the
68 Mississippi Development Authority.



69 (g) Evidences of indebtedness which are issued pursuant
70 to this act shall not be deemed indebtedness of the county within
71 the meaning specified in Section 19-9-5.

72 (3) In administering the provisions of this act, the
73 Mississippi Development Authority shall have the following powers
74 and duties:

75 (a) To supervise the use of all funds made available
76 under this act;

77 (b) To review and certify that the funds that are made
78 available under this act are utilized as authorized under this
79 act;

80 (c) To requisition money in the Hinds County
81 Development Project Loan Fund and distribute it in accordance with
82 the provisions of this act;

83 (d) To maintain an accurate record of all funds made
84 available to the county under this act; and

85 (e) To adopt and promulgate such rules and regulations
86 as may be necessary or desirable for the purpose of implementing
87 the provisions of this act.

88 (4) (a) For the purposes of providing for the payment of
89 the principal of and interest on bonds issued under this section,
90 there is created in the State Treasury a special fund to be known
91 as the "Hinds County Development Project Loan Fund Bond Sinking
92 Fund." The bond sinking fund shall consist of monies deposited
93 into the fund by the county for repayment of loans issued under



94 this act, and such other amounts as may be paid into the bond
95 sinking fund by appropriation or other authorization by the
96 Legislature. Unexpended amounts remaining in the bond sinking
97 fund at the end of a fiscal year shall not lapse into the State
98 General Fund, and any interest earned or investment earnings on
99 amounts in the bond sinking fund shall be deposited into the bond
100 sinking fund.

101 (b) At any time when the funds required to pay the
102 principal of and interest on the bonds issued under this act are
103 more than the amounts available in the bond sinking fund, the
104 Legislature shall appropriate the balance of the amount necessary
105 to pay the principal of and interest on the bonds issued under
106 this act from the State General Fund.

107 (c) The total amount of all payments deposited into the
108 bond sinking fund until the maturity date of the bonds authorized
109 under this act shall be in an amount sufficient to retire the
110 bonds.

111 (5) (a) The Mississippi Development Authority, at one time,
112 or from time to time, may declare by resolution the necessity for
113 issuance of general obligation bonds of the State of Mississippi
114 to provide funds for all costs incurred or to be incurred for the
115 purposes described in subsection (2) of this section. Upon the
116 adoption of a resolution by the Mississippi Development Authority
117 declaring the necessity for the issuance of any part or all of the
118 bonds authorized by this section, the Mississippi Development



Authority shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of the resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, and do any and all other things necessary and advisable in connection with the issuance and sale of the bonds. The total amount of bonds issued under this act shall not exceed * * * Thirty Million Dollars (\$30,000,000.00).

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

(6) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. The 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-five (25) 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 determined by resolution of the commission.

(7) The bonds authorized by this section 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 the bonds may be executed by the facsimile signatures of those officers. Whenever any such bonds have been signed by the officials designated to sign the bonds who were in office at the time of the signing but who may have ceased to be those officers before the sale and delivery of the bonds, or who may not have been in office on the date that the bonds may bear, the signatures of those officers upon the bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing the bonds had remained in office until their delivery to the purchaser, or had been in office on the date the bonds may bear. However, notwithstanding anything in this act to the contrary, the bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

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



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

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

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

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



of 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.

(10) The bonds issued under the provisions of this section 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. The principal of and the interest on the bonds shall be payable primarily from the bond sinking fund created in subsection (4) of this section in the manner provided in that subsection. If the funds available in the bond sinking fund and any funds appropriated by the Legislature for those purposes are insufficient to pay the principal of and the interest on the bonds as they become due, then the amount of the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All those bonds shall contain recitals on their faces substantially covering the provisions of this section.

(11) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the special fund created in subsection (2) of this section. The proceeds of the bonds shall be disbursed solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.



216 (12) The bonds authorized under this section may be issued
217 without any other proceedings or the happening of any other
218 conditions or things other than those proceedings, conditions and
219 things that are specified or required by this section. Any
220 resolution providing for the issuance of bonds under the
221 provisions of this section shall become effective immediately upon
222 its adoption by the commission, and any such resolution may be
223 adopted at any regular or special meeting of the commission by a
224 majority of its members.

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

233 (14) Any holder of bonds issued under the provisions of this
234 section or of any of the interest coupons pertaining to those
235 bonds may, either at law or in equity, by suit, action, mandamus
236 or other proceeding, protect and enforce any and all rights
237 granted under this section, or under the resolution, and may
238 enforce and compel performance of all duties required by this
239 section to be performed, in order to provide for the payment of
240 bonds and interest on the bonds.



(15) All bonds issued under the provisions of this section shall be legal investments for trustees and other fiduciaries, and for savings banks, trust companies and insurance companies organized under the laws of the State of Mississippi, and the bonds shall be legal securities that may be deposited with and shall be received by all public officers and bodies of this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

(16) Bonds issued under the provisions of this section and income from the bonds shall be exempt from all taxation in the State of Mississippi.

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

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



265 (19) This section shall be deemed to be full and complete
266 authority for the exercise of the powers granted in this section,
267 but this section shall not be deemed to repeal or to be in
268 derogation of any existing law of this state.

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

