

By: Senator(s) Carter, Gollott

To: Finance

SENATE BILL NO. 2944

1 AN ACT TO AUTHORIZE THE MISSISSIPPI STATE PORT AUTHORITY AT
2 GULFPORT TO ISSUE REVENUE BONDS TO PROVIDE FUNDS TO DEFRAY ANY
3 COSTS ASSOCIATED WITH THE IMPROVEMENT OF THE GULFPORT HARBOR SHIP
4 CHANNEL, INCLUDING, BUT NOT LIMITED TO, WIDENING AND DEEPENING THE
5 SHIP CHANNEL; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** (1) As used in this section, "authority" means
8 the Mississippi State Port Authority at Gulfport.

9 (2) The authority shall have the power and is hereby
10 authorized, from time to time, to borrow money and to issue bonds
11 in such principal amounts as the authority may determine to be
12 necessary to provide funds to defray any costs associated with the
13 improvement of the Gulfport Harbor ship channel, including, but
14 not limited to, widening and deepening the ship channel. The
15 principal amount of bonds issued under the authority of this
16 section at any time outstanding shall not exceed an aggregate
17 principal amount of One Hundred Million Dollars (\$100,000,000.00).

18 (3) Bonds of the authority issued pursuant to subsections
19 (2) and (10) of this section shall be payable solely from and



20 secured by a pledge of all or any designated part of the revenue,
21 rents and earnings from the operation or maintenance of Gulfport
22 Harbor. Additionally, the bonds may be secured by private
23 insurance, letter of credit or any other credit enhancement
24 facility procured by the authority for the payment of the bonds.
25 The bonds may be issued and secured under a trust indenture
26 between the authority and a corporate trustee, which may be any
27 trust company or bank having powers of a trust company located
28 within or without the state, and by reserves and accounts
29 established thereunder to secure the payment of principal and
30 interest of the bonds. Any pledge of earnings, revenues or other
31 monies made by the authority shall be valid and binding from the
32 time the pledge is made. The earnings, revenues or other monies
33 so pledged and thereafter received by the authority shall
34 immediately be subject to the lien of the pledge without any
35 physical delivery thereof or further act, and the lien of any such
36 pledge shall be valid and binding as against all parties having
37 claims of any kind against the authority irrespective of whether
38 the parties have notice thereof. Neither the bond resolution,
39 trust indenture nor any other instrument by which a pledge is
40 created need be recorded.

41 (4) Bonds of the authority issued under subsection (2) of
42 this section may be authorized and issued in one or more series by
43 a resolution or resolutions of the authority, without publication
44 of notice of intent and without an election on the question of the



45 issuance thereof. The bonds shall bear such date or dates, mature
46 at such time or times, bear interest at such rate or rates, be in
47 such denomination or denominations, be in such form, carry such
48 conversion privileges, have such rank or priority, be executed in
49 such manner and by such officers, be payable from such sources in
50 such medium of payment at such place or places within or without
51 the state, be subject to such terms of redemption prior to
52 maturity, all as may be provided by resolution or resolutions of
53 the board of directors. The bonds may be executed and delivered
54 at any time as a single issue or from time to time as several
55 issues, and may mature or become payable in such amounts and at
56 such time or times not exceeding thirty (30) years from their
57 date, all as may be provided by resolution or resolutions of the
58 authority.

59 (5) Bonds of the authority issued pursuant to this section
60 may be sold at a price not less than ninety-eight percent (98%) of
61 par value plus accrued interest, at public or private sale, at
62 such times as may be determined by the authority to be in the
63 public interest, and the authority may pay from the proceeds
64 thereof all expenses, premiums, fees and commissions which it may
65 deem necessary and advantageous in connection with the issuance
66 and sale thereof.

67 (6) Whenever any bonds issued under this section shall have
68 been signed by the officer or officers designated by the
69 resolution of the authority to sign the bonds, who were in office



70 at the time of the signing but who may have ceased to be such
71 officer or officers prior to the sale and delivery of such bonds,
72 or who may not have been in office on the date the bonds may bear,
73 the manual or facsimile signatures of the officer or officers upon
74 the bonds, shall nevertheless be valid and sufficient for all
75 purposes and have the same effect as if the person or persons, so
76 officially executing the bonds had remained in office until the
77 delivery of the same to the purchaser or had been in office on the
78 date such bonds may bear.

79 (7) Proceeds from the sale of bonds issued pursuant to
80 subsection (2) of this section may be applied only for the
81 purposes of (i) defraying the costs incurred by the authority
82 associated with the improvement of the Gulfport Harbor ship
83 channel as permitted in this section; (ii) providing for the
84 payment of interest on the bonds; (iii) providing debt service
85 reserves; and (iv) paying underwriters discount, original issue
86 discount, accountants' fees, engineers' fees, attorneys' fees,
87 rating agency fees and other fees and expenses in connection with
88 the issuance of the bonds and other necessary and proper expenses
89 of the authority in connection with the project and facilities
90 related to the project. Proceeds from the sale of bonds issued
91 pursuant to this section may be invested, subject to federal
92 limitations, pending their use, in such securities as may be
93 specified in the resolution authorizing the issuance of the bonds
94 or the trust indenture securing them, and the earning on such



95 investment applied as provided in such resolution or trust
96 indenture.

97 (8) Neither the members of the authority nor any person
98 executing the bonds shall be personally liable on the bonds or be
99 subject to any personal liability or accountability by reason of
100 the issuance thereof.

101 (9) In anticipation of the issuance of bonds under
102 subsection (2) of this section, the authority is authorized to
103 negotiate and enter into any loan or credit agreement with any
104 bank, trust company or other lending institution for the purpose
105 of making any payments authorized under this section. All
106 borrowing made under this provision shall be evidenced by notes of
107 the authority which shall be issued from time to time, for amounts
108 not exceeding the amount of bonds authorized in this section, in
109 such form and in such denomination and subject to such terms and
110 conditions of sale and issuance, prepayment or redemption and
111 maturity, rate or rates of interest not to exceed the maximum rate
112 authorized herein for bonds, and time of payment of interest as
113 the authority shall agree to in such agreement. The notes may
114 also be issued for the purpose of refunding previously issued
115 notes; provided that no notes shall mature more than three (3)
116 years following the date of issuance of the first note hereunder
117 and provided further, that all outstanding notes shall be retired
118 from the proceeds of the first issuance of bonds hereunder. The
119 authority is authorized to provide for the compensation of any



120 purchaser of the notes by payment of a fixed fee or commission and
121 for all other costs and expenses of issuance and service,
122 including paying agent costs. The costs and expenses may be paid
123 from the proceeds of the notes.

124 (10) The authority may issue refunding bonds for the purpose
125 of paying any of its bonds issued pursuant to subsection (2) of
126 this section at or prior to maturity or upon acceleration or
127 redemption. Refunding bonds may be issued at such time prior to
128 the maturity or redemption of the refunded bonds as the authority
129 deems to be in the public interest, without notice and without an
130 election on the question of the issuance thereof. The refunding
131 bonds may be issued in sufficient amounts to pay or provide the
132 principal of the bonds being refunded, together with any
133 redemption premium thereon, any interest accrued or to accrue to
134 the date of payment of such bonds, the expenses of issue of the
135 refunding bonds, the expenses of redeeming the bonds being
136 refunded, and such reserves for debt service or other capital or
137 current expenses from the proceeds of such refunding bonds as may
138 be required by the resolution, trust indenture or other security
139 instruments. The issue of refunding bonds, the maturities and
140 other details thereof, the security therefor, the rights of the
141 holders and the rights, duties and obligations of the authority in
142 respect of the same shall be governed by the provisions of this
143 section relating to the issue of bonds other than refunding bonds
144 insofar as the same may be applicable. Any such refunding may be



145 effected, whether the obligations to be refunded shall have then
146 matured or shall thereafter mature, either by the exchange of the
147 refunding bonds for the obligations to be refunded thereby with
148 the consent of the holders of the obligations so to be refunded,
149 or by sale of the refunding bonds and the application of the
150 proceeds thereof to the payment of the obligations proposed to be
151 refunded thereby, and regardless of whether the obligations
152 proposed to be refunded shall be payable on the same date or
153 different dates or shall be due serially or otherwise.

154 (11) All bonds (other than refunding bonds, interim notes
155 and certificates of indebtedness, which may be validated) issued
156 by the authority pursuant to subsection (2) of this section shall
157 be validated as provided in Sections 31-13-1 through 31-13-11,
158 Mississippi Code of 1972. The validation proceedings shall be
159 instituted in the Chancery Court of the First Judicial District of
160 Harrison County. The validity of the bonds so validated and of
161 the pledge of the specified revenues of the authority for payment
162 and security for the bonds shall be forever conclusive against the
163 authority; and the validity of the bonds and the pledge of such
164 revenues for the payment of the bonds shall never be called in
165 question in any court in this state.

166 (12) Bonds issued by the authority pursuant to subsections
167 (2) and (10) of this section shall not be deemed to constitute a
168 debt, liability or obligation of any public agency or political
169 subdivision other than the authority, and shall be payable solely



170 from the revenues, monies and funds of the authority specifically
171 pledged therefor. Each bond shall contain on the face thereof a
172 statement to the effect that the authority shall not be obligated
173 to pay the same nor the interest thereon except from those sources
174 specifically pledged therefor and that neither the full faith and
175 credit of the authority, nor the full faith and credit and taxing
176 power of the State of Mississippi or any county or political
177 subdivision or public agency thereof is pledged to the payment of
178 the principal of or the interest on such bond.

179 (13) The authority may, in any authorizing resolution, trust
180 indenture or other security instrument relating to its bonds,
181 provide for the appointment of a trustee who shall have such
182 powers as are provided therein to represent the registered owners
183 of any issue of bonds in the enforcement or protection of their
184 rights under any such resolution, trust indenture or security
185 instrument. The authority may also provide in such resolution,
186 trust indenture or other security instrument that the trustee, or
187 in the event that the trustee so appointed shall fail or decline
188 to so protect and enforce such registered owners' rights then such
189 percentage of registered owners as shall be set forth in, and
190 subject to the provisions of, such resolution, trust indenture or
191 other security interest, may petition the court of proper
192 jurisdiction for the appointment of a receiver of the revenues of
193 which are pledged to the payment of the principal of and interest
194 on the bonds of such registered owners. Such receiver may



195 exercise any power as may be granted in any such resolution, trust
196 indenture or security instrument to collect, enforce and receive
197 all such revenues, and carry out the contracts and obligations of
198 the authority in the same manner as the authority itself might do,
199 all under the direction of such court.

200 (14) Any bonds issued by the authority under the provisions
201 of subsections (2) and (10) of this act, and the income therefrom
202 shall at all times be free from taxation by the state and any
203 local unit or political subdivision or other instrumentality of
204 the state, excepting inheritance and gift taxes.

205 (15) All bonds issued pursuant to this section shall be
206 legal investments for trustees, other fiduciaries, savings banks,
207 trust companies and insurance companies organized under the laws
208 of the State of Mississippi. All bonds issued pursuant to this
209 section shall be legal securities which may be deposited with and
210 shall be received by all public officers and bodies of the state
211 and all municipalities and other political subdivisions thereof
212 for the purpose of securing the deposit of public funds.

213 (16) The state hereby covenants with the registered owners
214 of bonds of the authority issued pursuant to this section, that so
215 long as the bonds are outstanding and unpaid the state will not
216 limit or alter the rights and powers of the authority under this
217 section to conduct the activities referred to herein in any way
218 pertinent to the interests of the bondholders including, without
219 limitation, the authority's right to collect revenues and to



220 fulfill the terms of any covenants made with the registered owners
221 of the bonds, or in any other way impair the rights and remedies
222 of the registered owners of the bonds, unless provision for full
223 payment of such bonds, by escrow or otherwise, has been made
224 pursuant to the terms of the bonds or the resolution, trust
225 indenture or security instrument securing the bonds.

226 (17) The provisions of this section are cumulative of other
227 statutes now or hereafter enacted relating to the issuance of
228 bonds by the authority, and the authority may exercise all
229 presently held power in the furtherance of this act. If any
230 clause, sentence, paragraph, section or part of the provisions of
231 this act shall be adjudged by any court of competent jurisdiction
232 to be invalid, such judgment shall not affect, impair or
233 invalidate the remainder thereof directly involved in the
234 controversy in which judgment shall have been rendered.

235 **SECTION 2.** This act shall take effect and be in force from
236 and after July 1, 2019.

