

By: Senator(s) Little

To: Local and Private

SENATE BILL NO. 3213

1 AN ACT TO AMEND CHAPTER 944, LOCAL AND PRIVATE LAWS OF 1980,
2 AS AMENDED BY CHAPTER 841, LOCAL AND PRIVATE LAWS OF 1981, TO
3 INCREASE THE AMOUNT OF BONDS THAT MAY BE ISSUED BY THE BOARD OF
4 SUPERVISORS OF ALCORN COUNTY, MISSISSIPPI, AND THE CITY OF
5 CORINTH, MISSISSIPPI, FOR THE PURPOSE OF ADDITIONS AND
6 IMPROVEMENTS TO THE MAGNOLIA REGIONAL MEDICAL CENTER; TO REVISE
7 THE MAXIMUM INTEREST RATE TO MATURITY ON SUCH BONDS; TO ALLOW
8 VARIABLE INTEREST RATES ON SUCH BONDS; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Chapter 944, Local and Private Laws of 1980, as
11 amended by Chapter 841, Local and Private Laws of 1981, is amended
12 as follows:

13 Section 1. Whenever used in this act, unless a different
14 meaning clearly appears in the context, the following terms,
15 whether used in the singular or plural, shall be given the
16 following meanings:

17 (a) "Board of supervisors" shall mean the Board of
18 Supervisors of Alcorn County, Mississippi.

19 (b) "Board of alderman" shall mean the Board of
20 Aldermen of the City of Corinth, Mississippi.

21 (c) "Board of trustees" shall mean the Board of
22 Trustees of Magnolia Regional Medical Center, a community hospital
23 jointly owned by the City of Corinth, Mississippi, and Alcorn
24 County, Mississippi.

25 (d) "Bonds" shall include notes, bonds and other
26 obligations authorized to be issued under this act.

27 (e) "City" shall mean the City of Corinth, Mississippi.

28 (f) "County" shall mean Alcorn County, Mississippi.

29 (g) "Hospital facility" shall mean a structure,
30 facility, machinery, equipment and/or other property suitable for



use by a hospital institution in connection with its operations or proposed operations, including, without limitation, a site therefor, a communication facility, computer facility, dining hall, extended care facility, fire fighting facility, fire prevention facility, food service and preparation facility, health care facility, hospital, interns' residence, laboratory, laundry, maintenance facility, nurses' residence, offices, parking areas and structures, pharmacy, recreational facility, research facility, storage facility, utilities, x-ray facility or any combination of the foregoing.

(h) "Issuing authority" shall mean, as the case may be, the Board of Supervisors of Alcorn County, Mississippi, acting for and on behalf of the county, and the Board of Aldermen of the City of Corinth, Mississippi, acting for and on behalf of the city, respectively.

(i) "Issuing jurisdiction" shall mean, as the case may be, the county or the city, respectively.

Section 2. The board of supervisors, acting for and on behalf of the county, and the mayor and board of aldermen, acting for and on behalf of the city, are hereby authorized to construct, acquire, reconstruct, improve, equip, furnish, better or extend one (1) or more hospital facilities, including making additions and improvements to existing facilities of Magnolia Regional Medical Center, and to do any and all other things necessary to make such hospital facilities suitable for their intended use; and is further authorized to issue bonds in an amount not to exceed Ninety-five Million Dollars (\$95,000,000.00) to provide funds for such purposes. The bonds shall not be considered when computing the limitation of indebtedness pursuant to Section 19-9-5, Mississippi Code of 1972, or any other limitations of indebtedness fixed by law.

Section 3. Prior to the issuance of any bonds under the provisions of this act, the issuing authority shall each adopt a



64 resolution declaring its intention so to do, stating the amount of
65 bonds proposed to be issued, the purpose for which the bonds are
66 to be issued, and the date upon which the issuing authority
67 proposes to direct the issuance of such bonds. Such resolution
68 shall be published once a week for at least three (3) consecutive
69 weeks in at least one (1) newspaper published in Alcorn County,
70 Mississippi. The first publication of such resolution shall be
71 made not less than twenty-one (21) days prior to the date fixed in
72 such resolution to direct the issuance of the bonds and the last
73 publication shall be made not more than seven (7) days prior to
74 such date. If twenty percent (20%) of the qualified electors of
75 the county or the city, as the case may be, file a written protest
76 against the issuance of such bonds on or before the date specified
77 in such resolution, than an election on the question of the
78 issuance of such bonds shall be called and held as herein
79 provided. If no such protest be filed, then such bonds may be
80 issued without an election on the question of the issuance thereof
81 at any time within a period of two (2) years after the date
82 specified in the above-mentioned resolution; provided, however,
83 that the issuance authority, in its discretion, may nevertheless
84 call an election on such question, in which event it shall not be
85 necessary to publish the resolution declaring its intention to
86 issue bonds as herein provided.

87 Section 4. Where an election is to be called as provided in
88 Section 3 of this act, notice of such election shall be signed by
89 the clerk of the board of the issuing authority, and shall be
90 published once a week for at least three (3) consecutive weeks in
91 at least one (1) newspaper published in Alcorn County. The first
92 publications of such notice shall be made not less than twenty-one
93 (21) days prior to the date fixed for such election and the last
94 publication shall be made not more than seven (7) days prior to
95 such date.



96 Section 5. Such election shall be held, as far as is
97 practicable, in the same manner as other elections are held in the
98 issuing jurisdiction. At such election, all qualified electors of
99 the issuing jurisdiction may vote, and the ballots used at such
100 election shall have printed thereon a brief statement of the
101 amount and purpose of the proposed bond issue and the words "FOR
102 THE BOND ISSUE" AND "AGAINST THE BOND ISSUE," and the voter shall
103 vote by placing a cross (x) or check mark (✓) opposite his choice
104 on the proposition.

105 Section 6. When the results of the election on the question
106 of the issuance of such bonds shall have been canvassed by the
107 election commissioners of the issuing jurisdiction and certified
108 by them to the issuing authority, it shall be the duty of such
109 issuing authority to determine and adjudicate whether or not a
110 majority of the qualified electors who voted thereon in such
111 election voted in favor of the issuance of such bonds, and unless
112 a majority of the qualified electors who voted therein in such
113 election shall have voted in favor of the issuance of such bonds,
114 then such bonds shall not be issued. Should a majority of the
115 qualified electors who vote thereon in such election vote in favor
116 of the issuance of such bonds, then the issuing authority may
117 issue such bonds, either in whole or in part, within two (2) years
118 after the date of the election or the date of the final favorable
119 termination of any litigation affecting the issuance of such
120 bonds.

121 Section 7. All bonds issued by the issuing authority under
122 authority of this act shall be limited obligations of the issuing
123 authority, the principal of, redemption premium, if any, and
124 interest on which shall be payable solely from and shall be
125 secured by a pledge of the revenues and receipts derived from the
126 operation and ownership of any hospital facility financed with
127 proceeds of bonds, any hospital facility which is to be replaced
128 by such new hospital facility, any hospital facility which was



129 improved, bettered or extended with the proceeds of bonds, and any
130 other hospital facility owned jointly by the county and city and
131 operated by the board of trustees. Bonds and interest coupons
132 issued under authority of this act shall never constitute an
133 indebtedness of the issuing authority within the meaning of any
134 state constitution provision or statutory limitation, and shall
135 never constitute or give rise to a pecuniary liability of the
136 issuing authority, or a charge against its general credit or
137 taxing powers, and such fact shall be plainly stated on the face
138 of each such bond. All bonds issued under the authority of this
139 act and all interest coupons applicable thereto shall be construed
140 to be negotiable instruments, despite the fact that they are
141 payable solely from a specified source.

142 Section 8. Bonds may be executed and delivered by the
143 issuing authority at anytime and from time to time, may be in such
144 form and denominations and of such terms and maturities, may be in
145 fully registered form or in bearer form registrable either as to
146 principal or interest or both, may bear such conversion privileges
147 and be payable in such installments and at such time or times not
148 exceeding forty (40) years from the date thereof, may be payable
149 at such place or places, whether within or without the State of
150 Mississippi, may bear interest at such rate or rates, including
151 variable rates payable at such time or times and at such place or
152 places and evidenced in such manner, and may contain such
153 provisions not inconsistent herewith, all as shall be provided in
154 the proceedings of the issuing authority whereunder the bonds
155 shall be authorized to be issued. Bonds issued pursuant to this
156 act shall not bear a greater overall maximum interest rate to
157 maturity than the limit set forth in Section 75-17-103,
158 Mississippi Code of 1972. If deemed advisable by the issuing
159 authority, there may be retained in the proceedings under which
160 any bonds are authorized to be issued an option to redeem all or
161 any part thereof as may be specified in such proceedings, at such



price or prices and after such notice or notices and on such terms and conditions as may be set forth in such proceedings and briefly recited or referred to in the face of the bonds, but nothing herein contained shall be construed to confer on the issuing authority any right or option to redeem any bonds, except as may be provided in the proceedings under which they shall be issued. Any bonds of the issuing authority may be sold at public or private sale for such price and in such manner and from time to time as may be determined by the issuing authority to be most advantageous, and the issuing authority may pay all expenses, premiums and commissions which the issuing authority may deem necessary or advantageous in connection with the issuance thereof, but solely from the proceeds of the bonds. The issuance by the issuing authority of one or more series of bonds shall not preclude it from issuing other series of bonds, but the proceedings whereunder any subsequent bonds may be issued shall recognize and protect any prior pledge made for any prior issue or bonds.

The proceeds of bonds may be used for the purpose of: (a) constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering or extending any hospital facility; (b) the payment of interest on the bonds during construction of any hospital facility or improvements thereto and for six (6) months after the estimated date of completion; (c) the payment of the cost of feasibility studies, engineering, fiscal fees or discount, architectural and legal expenses incurred in connection with such hospital facility, and the issuance of the bonds; (d) the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payments; and (e) the payment of start-up costs and costs of operation and maintenance of any such hospital facility or



improvement thereto during construction and for a maximum of one (1) year after completion of construction.

Section 9. (1) Any bonds of the issuing authority at any time outstanding may, at anytime and from time to time, be refunded by the issuing authority by the issuance of its refunding bonds in such amount as the issuing authority by the issuance of its refunding bonds in such amount as the issuing authority may deem necessary, but not exceeding the principal amount of the obligations being refinanced; applicable redemption premiums thereon; unpaid interest on such obligations to the date of delivery or exchange of the refunding bonds; in the event the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the date of maturity or to the first redemption date, whichever shall be earlier; expenses, premiums and commissions deemed by the issuing authority to be necessary in connection with the issuance of the refunding bonds.

(2) Any such refunding may be effected, whether the obligations to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations to be refunded thereby, and regardless of whether or not the obligations to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

(3) The principal proceeds from the sale of any refunding bonds shall be applied only as follows:



(a) To the immediate payment and retirement of the obligations being refunded; or

(b) To the extent not required for the immediate payment of the obligations being refunded, then such proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded, and to pay any expenses incurred in connection with such refunding; but such proceeds may also be used to pay interest on the refunding bonds prior to the retirement of the obligations being refunded. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States government, or obligations of any agency or instrumentality of the United States government, or in certificates of deposit issued by a bank or trust company located in the State of Mississippi, if such certificates shall be secured by a pledge of any of said obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded, but which shall not have matured and which shall not be presently redeemable.

Section 10. (1) The bonds may be secured by a trust agreement by and between the issuing authority and a corporate trustee, which may be any trust company or bank incorporated under the laws of the United States or the laws of any state in the United States. Any such trust agreement may pledge or assign for the payment of the principal of, redemption premium, if any, and interest on the bonds, the revenues and receipts derived from the operation and ownership of any hospital facility financed with proceeds of bonds, any hospital facility which is replaced by such new hospital facility, any hospital facility which was improved, bettered or extended with the proceeds of bonds, and from any



other hospital facility owned by the issuing authority and operated by the board of trustees.

(2) The trust agreement may provide for the creation and maintenance of such reserve funds as the issuing authority shall determine are reasonable and proper. Any such trust agreement or any resolution providing for the issuance of bonds may contain such provisions for protecting and enforcing the rights and remedies of the holders thereof as may be reasonable and proper and not in violation of law, including the duties of the issuing authority and the board of trustees in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the hospital facility for which such bonds shall have been issued or the revenues from which are pledged as security for the bonds, and the custody, safeguarding and application of all monies. Any such trust agreement may set forth the rights and remedies of the bondholders and of the corporate trustee, and may restrict the individual right of action by bondholders as if customary in trust agreement or trust indentures securing bonds and debentures of corporations. In addition to the foregoing, any such trust agreement may contain such provisions as the issuing authority may deem reasonable and proper for the security of the bondholders and may also contain provisions governing the issuance of bonds to replace lost, stolen or mutilated bonds.

(3) Any trust agreement made in accordance with the provisions of this act may contain a provision that, in the event of a default in the payment of the principal of, redemption premium, if any, or the interest on the bonds issued in accordance with, or relating to, such agreement, or in the performance of any agreement contained in the proceedings, trust agreement or instruments relating to such bonds, such payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect the revenues and receipts



pledged to the payment of the bonds and to apply such revenues and receipts in accordance with such proceedings, trust agreement or instruments.

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Section 11. All bonds shall be executed on behalf of the issuing authority by the manual or facsimile signature of the president of the board of supervisors or the Mayor of the City of Corinth, as the case may be, and shall be countersigned by the manual or facsimile signature of the clerk of the issuing authority; provided that at least one (1) signature on each bond shall be manual. All coupons shall be executed on behalf of the issuing authority by the facsimile signatures of the officers authorized to execute the bonds. If the officers whose signatures or countersignatures appear on the bonds or interest coupons shall cease to be such officers before delivery of the bonds, such signatures or countersignatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery.

Section 12. Bonds issued under the provisions of this act shall be legal investments for commercial banks, savings and loan associations and insurance companies organized under the laws of this state.

Section 13. The issuing authority and board of trustees shall have the same authority, powers, rights, privileges and immunities with respect to establishing, erecting, building, constructing, remodeling, adding to, acquiring, equipping, furnishing and operating and maintaining any hospital facilities under this act as if such hospital facilities were originally established and organized under the provisions of Sections 41-13-15 through 41-13-51, Mississippi Code of 1972, except to the extent any provisions of such sections are in conflict with the provisions of this act; without limiting the generality of the foregoing, the issuing authority is authorized and empowered to



325 levy the ad valorem taxes as provided in Section 41-13-25,
326 Mississippi Code of 1972, for the purposes of raising funds for
327 the maintenance and operation of hospital facilities and for
328 making additions and improvements thereto.

329 Section 14. This act, without reference to any other
330 statute, shall be deemed to be full and complete authority for the
331 issuance of the aforesaid bonds, and shall be construed as an
332 additional and alternative method therefor, and none of the
333 present restrictions, requirements, conditions or limitations of
334 law applicable to the issuance or sale of bonds, notes or other
335 obligations by counties in this state shall apply to the issuance
336 and sale of bonds under this act, and no proceedings shall be
337 required for the issuance of such bonds other than those provided
338 for and required herein. All powers necessary to be exercised in
339 order to carry out the provisions of this act are hereby
340 conferred.

341 Section 15. Chapter 942, Local and Private Laws of 1979, is
342 hereby repealed.

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

