

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



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

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

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

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

62 Section 3. Prior to the issuance of any bonds under the  
63 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



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

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



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

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

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

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



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

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

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





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

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

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



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

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

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

314 Section 13. The issuing authority and board of trustees  
315 shall have the same authority, powers, rights, privileges and  
316 immunities with respect to establishing, erecting, building,  
317 constructing, remodeling, adding to, acquiring, equipping,  
318 furnishing and operating and maintaining any hospital facilities  
319 under this act as if such hospital facilities were originally  
320 established and organized under the provisions of Sections  
321 41-13-15 through 41-13-51, Mississippi Code of 1972, except to the  
322 extent any provisions of such sections are in conflict with the  
323 provisions of this act; without limiting the generality of the  
324 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.

