

By: Representatives McCoy, Morris, Smith
(39th)

To: Ways and Means

HOUSE BILL NO. 837

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE MATURITY DATE FOR BOND ANTICIPATORY NOTES
3 ISSUED UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT MAY NOT
4 EXCEED THREE YEARS FOLLOWING THE DATE OF ISSUANCE; AND FOR RELATED
5 PURPOSES.

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

7 **SECTION 1.** Section 57-75-15, Mississippi Code of 1972, is
8 amended as follows:

9 57-75-15. (1) Upon notification to the authority by the
10 enterprise that the state has been finally selected as the site
11 for the project, the State Bond Commission shall have the power
12 and is hereby authorized and directed, upon receipt of a
13 declaration from the authority as hereinafter provided, to borrow
14 money and issue general obligation bonds of the state in one or
15 more series for the purposes herein set out. Upon such
16 notification, the authority may thereafter, from time to time,
17 declare the necessity for the issuance of general obligation bonds
18 as authorized by this section and forward such declaration to the
19 State Bond Commission, provided that before such notification, the
20 authority may enter into agreements with the United States
21 government, private companies and others that will commit the
22 authority to direct the State Bond Commission to issue bonds for
23 eligible undertakings set out in subsection (4) of this section,
24 conditioned on the siting of the project in the state.

25 (2) Upon receipt of any such declaration from the authority,
26 the State Bond Commission shall verify that the state has been
27 selected as the site of the project and shall act as the issuing



28 agent for the series of bonds directed to be issued in such
29 declaration pursuant to authority granted in this section.

30 (3) (a) Bonds issued under the authority of this section
31 for projects as defined in Section 57-75-5(f)(i) shall not exceed
32 an aggregate principal amount in the sum of Sixty-seven Million
33 Three Hundred Fifty Thousand Dollars (\$67,350,000.00).

34 (b) Bonds issued under the authority of this section
35 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
36 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
37 for projects related to any single military installation exceed
38 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
39 (\$16,667,000.00). If any proceeds of bonds issued for projects
40 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
41 used for the development of a water and sewer service system by
42 the City of Meridian, Mississippi, to serve the NAAS and if the
43 City of Meridian annexes any of the territory served by the water
44 and sewer service system, the city shall repay the State of
45 Mississippi the amount of all bond proceeds expended on any
46 portion of the water and sewer service system project; and if
47 there are any monetary proceeds derived from the disposition of
48 any improvements located on real property in Kemper County
49 purchased pursuant to this act for projects related to the NAAS
50 and if there are any monetary proceeds derived from the
51 disposition of any timber located on real property in Kemper
52 County purchased pursuant to this act for projects related to the
53 NAAS, all of such proceeds (both from the disposition of
54 improvements and the disposition of timber) commencing July 1,
55 1996, through June 30, 2010, shall be paid to the Board of
56 Education of Kemper County, Mississippi, for expenditure by such
57 board of education to benefit the public schools of Kemper County.
58 No bonds shall be issued under this paragraph (b) until the State
59 Bond Commission by resolution adopts a finding that the issuance
60 of such bonds will improve, expand or otherwise enhance the



61 military installation, its support areas or military operations,
62 or will provide employment opportunities to replace those lost by
63 closure or reductions in operations at the military installation.
64 From and after July 1, 1997, bonds shall not be issued for any
65 projects, as defined in Section 57-75-5(f)(ii), which are not
66 commenced before July 1, 1997. The proceeds of any bonds issued
67 for projects commenced before July 1, 1997, shall be used for the
68 purposes for which the bonds were issued until completion of the
69 projects.

70 (c) Bonds issued under the authority of this section
71 for projects as defined in Section 57-75-5(f)(iii) shall not
72 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
73 issued under this paragraph after December 31, 1996.

74 (d) Bonds issued under the authority of this section
75 for projects defined in Section 57-75-5(f)(iv) shall not exceed
76 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
77 additional amount of bonds in an amount not to exceed Twelve
78 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
79 issued under the authority of this section for the purpose of
80 defraying costs associated with the construction of surface water
81 transmission lines for a project defined in Section 57-75-5(f)(iv)
82 or for any facility related to the project. No bonds shall be
83 issued under this paragraph after June 30, 2005.

84 (e) Bonds issued under the authority of this section
85 for the project defined in Section 57-75-5(f)(v) shall not exceed
86 Twenty Million Three Hundred Seventy Thousand Dollars
87 (\$20,370,000.00). No bonds shall be issued under this paragraph
88 (e) until the State Bond Commission by resolution adopts a finding
89 that the project has secured wire harness contracts or contracts
90 to manufacture thin film polymer lithium-ion rechargeable
91 batteries, or any combination of such contracts, in the aggregate
92 amount of Twenty Million Dollars (\$20,000,000.00), either from the



93 United States government or the private sector. No bonds shall be
94 issued under this paragraph after June 30, 2001.

95 (f) Bonds issued under the authority of this section
96 for projects defined in Section 57-75-5(f)(vii) shall not exceed
97 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
98 issued after June 30, 2001.

99 (g) Bonds issued under the authority of this section
100 for projects defined in Section 57-75-5(f)(viii) shall not exceed
101 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
102 under this paragraph after June 30, 2006.

103 (h) Bonds issued under the authority of this section
104 for projects defined in Section 57-75-5(f)(ix) shall not exceed
105 Thirty-one Million Five Hundred Thousand Dollars (\$31,500,000.00).
106 No bonds shall be issued under this paragraph after December 31,
107 2005.

108 (4) (a) The proceeds from the sale of the bonds issued
109 under this section may be applied for the purposes of: (i)
110 defraying all or any designated portion of the costs incurred with
111 respect to acquisition, planning, design, construction,
112 installation, rehabilitation, improvement, relocation and with
113 respect to state-owned property, operation and maintenance of the
114 project and any facility related to the project located within the
115 project area, including costs of design and engineering, all costs
116 incurred to provide land, easements and rights-of-way, relocation
117 costs with respect to the project and with respect to any facility
118 related to the project located within the project area, and costs
119 associated with mitigation of environmental impacts and
120 environmental impact studies; (ii) defraying the cost of providing
121 for the recruitment, screening, selection, training or retraining
122 of employees, candidates for employment or replacement employees
123 of the project and any related activity; (iii) reimbursing the
124 Mississippi Development Authority for expenses it incurred in
125 regard to projects defined in Section 57-75-5(f)(iv) prior to



126 November 6, 2000. The Mississippi Development Authority shall
127 submit an itemized list of expenses it incurred in regard to such
128 projects to the Chairmen of the Finance and Appropriations
129 Committees of the Senate and the Chairmen of the Ways and Means
130 and Appropriations Committees of the House of Representatives;
131 (iv) providing grants to enterprises operating projects defined in
132 Section 57-75-5(f)(iv)1; (v) paying any warranty made by the
133 authority regarding site work for a project defined in Section
134 57-75-5(f)(iv)1; (vi) defraying the cost of marketing and
135 promotion of a project as defined in Section 57-75-5(f)(iv)1. The
136 authority shall submit an itemized list of costs incurred for
137 marketing and promotion of such project to the Chairmen of the
138 Finance and Appropriations Committees of the Senate and the
139 Chairmen of the Ways and Means and Appropriations Committees of
140 the House of Representatives; (vii) providing for the payment of
141 interest on the bonds; (viii) providing debt service reserves;
142 (ix) paying underwriters' discount, original issue discount,
143 accountants' fees, engineers' fees, attorneys' fees, rating agency
144 fees and other fees and expenses in connection with the issuance
145 of the bonds; and (x) for purposes authorized in paragraphs (b)
146 and (c) of this subsection (4). Such bonds shall be issued from
147 time to time and in such principal amounts as shall be designated
148 by the authority, not to exceed in aggregate principal amounts the
149 amount authorized in subsection (3) of this section. Proceeds
150 from the sale of the bonds issued under this section may be
151 invested, subject to federal limitations, pending their use, in
152 such securities as may be specified in the resolution authorizing
153 the issuance of the bonds or the trust indenture securing them,
154 and the earning on such investment applied as provided in such
155 resolution or trust indenture.

156 (b) The proceeds of bonds issued after June 21, 2002,
157 under this section for projects described in Section
158 57-75-5(f)(iv) may be used to reimburse reasonable, actual and



159 necessary costs incurred by the Mississippi Development Authority
160 in providing assistance related to a project for which funding is
161 provided from the use of proceeds of such bonds. The Mississippi
162 Development Authority shall maintain an accounting of actual costs
163 incurred for each project for which reimbursements are sought.
164 Reimbursements under this paragraph (b) shall not exceed Three
165 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
166 Reimbursements under this paragraph (b) shall satisfy any
167 applicable federal tax law requirements.

168 (c) The proceeds of bonds issued after June 21, 2002,
169 under this section for projects described in Section
170 57-75-5(f)(iv) may be used to reimburse reasonable, actual and
171 necessary costs incurred by the Department of Audit in providing
172 services related to a project for which funding is provided from
173 the use of proceeds of such bonds. The Department of Audit shall
174 maintain an accounting of actual costs incurred for each project
175 for which reimbursements are sought. The Department of Audit may
176 escalate its budget and expend such funds in accordance with rules
177 and regulations of the Department of Finance and Administration in
178 a manner consistent with the escalation of federal funds.
179 Reimbursements under this paragraph (c) shall not exceed One
180 Hundred Thousand Dollars (\$100,000.00) in the aggregate.
181 Reimbursements under this paragraph (c) shall satisfy any
182 applicable federal tax law requirements.

183 (5) The principal of and the interest on the bonds shall be
184 payable in the manner hereinafter set forth. The bonds shall bear
185 date or dates; be in such denomination or denominations; bear
186 interest at such rate or rates; be payable at such place or places
187 within or without the state; mature absolutely at such time or
188 times; be redeemable before maturity at such time or times and
189 upon such terms, with or without premium; bear such registration
190 privileges; and be substantially in such form; all as shall be
191 determined by resolution of the State Bond Commission except that



192 such bonds shall mature or otherwise be retired in annual
193 installments beginning not more than five (5) years from the date
194 thereof and extending not more than twenty-five (25) years from
195 the date thereof. The bonds shall be signed by the Chairman of
196 the State Bond Commission, or by his facsimile signature, and the
197 official seal of the State Bond Commission shall be imprinted on
198 or affixed thereto, attested by the manual or facsimile signature
199 of the Secretary of the State Bond Commission. Whenever any such
200 bonds have been signed by the officials herein designated to sign
201 the bonds, who were in office at the time of such signing but who
202 may have ceased to be such officers before the sale and delivery
203 of such bonds, or who may not have been in office on the date such
204 bonds may bear, the signatures of such officers upon such bonds
205 shall nevertheless be valid and sufficient for all purposes and
206 have the same effect as if the person so officially signing such
207 bonds had remained in office until the delivery of the same to the
208 purchaser, or had been in office on the date such bonds may bear.

209 (6) All bonds issued under the provisions of this section
210 shall be and are hereby declared to have all the qualities and
211 incidents of negotiable instruments under the provisions of the
212 Uniform Commercial Code and in exercising the powers granted by
213 this chapter, the State Bond Commission shall not be required to
214 and need not comply with the provisions of the Uniform Commercial
215 Code.

216 (7) The State Bond Commission shall sell the bonds on sealed
217 bids at public sale, and for such price as it may determine to be
218 for the best interest of the State of Mississippi, but no such
219 sale shall be made at a price less than par plus accrued interest
220 to date of delivery of the bonds to the purchaser. The bonds
221 shall bear interest at such rate or rates not exceeding the limits
222 set forth in Section 75-17-101 as shall be fixed by the State Bond
223 Commission. All interest accruing on such bonds so issued shall
224 be payable semiannually or annually; provided that the first



225 interest payment may be for any period of not more than one (1)
226 year.

227 Notice of the sale of any bonds shall be published at least
228 one time, the first of which shall be made not less than ten (10)
229 days prior to the date of sale, and shall be so published in one
230 or more newspapers having a general circulation in the City of
231 Jackson and in one or more other newspapers or financial journals
232 with a large national circulation, to be selected by the State
233 Bond Commission.

234 The State Bond Commission, when issuing any bonds under the
235 authority of this section, may provide that the bonds, at the
236 option of the state, may be called in for payment and redemption
237 at the call price named therein and accrued interest on such date
238 or dates named therein.

239 (8) State bonds issued under the provisions of this section
240 shall be the general obligations of the state and backed by the
241 full faith and credit of the state. The Legislature shall
242 appropriate annually an amount sufficient to pay the principal of
243 and the interest on such bonds as they become due. All bonds
244 shall contain recitals on their faces substantially covering the
245 foregoing provisions of this section.

246 (9) The State Treasurer is authorized to certify to the
247 Department of Finance and Administration the necessity for
248 warrants, and the Department of Finance and Administration is
249 authorized and directed to issue such warrants payable out of any
250 funds appropriated by the Legislature under this section for such
251 purpose, in such amounts as may be necessary to pay when due the
252 principal of and interest on all bonds issued under the provisions
253 of this section. The State Treasurer shall forward the necessary
254 amount to the designated place or places of payment of such bonds
255 in ample time to discharge such bonds, or the interest thereon, on
256 the due dates thereof.



257 (10) The bonds may be issued without any other proceedings
258 or the happening of any other conditions or things other than
259 those proceedings, conditions and things which are specified or
260 required by this chapter. Any resolution providing for the
261 issuance of general obligation bonds under the provisions of this
262 section shall become effective immediately upon its adoption by
263 the State Bond Commission, and any such resolution may be adopted
264 at any regular or special meeting of the State Bond Commission by
265 a majority of its members.

266 (11) In anticipation of the issuance of bonds hereunder, the
267 State Bond Commission is authorized to negotiate and enter into
268 any purchase, loan, credit or other agreement with any bank, trust
269 company or other lending institution or to issue and sell interim
270 notes for the purpose of making any payments authorized under this
271 section. All borrowings made under this provision shall be
272 evidenced by notes of the state which shall be issued from time to
273 time, for such amounts not exceeding the amount of bonds
274 authorized herein, in such form and in such denomination and
275 subject to such terms and conditions of sale and issuance,
276 prepayment or redemption and maturity, rate or rates of interest
277 not to exceed the maximum rate authorized herein for bonds, and
278 time of payment of interest as the State Bond Commission shall
279 agree to in such agreement. Such notes shall constitute general
280 obligations of the state and shall be backed by the full faith and
281 credit of the state. Such notes may also be issued for the
282 purpose of refunding previously issued notes. No note shall
283 mature more than three (3) years following the date of its
284 issuance * * *. The State Bond Commission is authorized to
285 provide for the compensation of any purchaser of the notes by
286 payment of a fixed fee or commission and for all other costs and
287 expenses of issuance and service, including paying agent costs.
288 Such costs and expenses may be paid from the proceeds of the
289 notes.



290 (12) The bonds and interim notes authorized under the
291 authority of this section may be validated in the First Judicial
292 District of the Chancery Court of Hinds County, Mississippi, in
293 the manner and with the force and effect provided now or hereafter
294 by Chapter 13, Title 31, Mississippi Code of 1972, for the
295 validation of county, municipal, school district and other bonds.
296 The necessary papers for such validation proceedings shall be
297 transmitted to the State Bond Attorney, and the required notice
298 shall be published in a newspaper published in the City of
299 Jackson, Mississippi.

300 (13) Any bonds or interim notes issued under the provisions
301 of this chapter, a transaction relating to the sale or securing of
302 such bonds or interim notes, their transfer and the income
303 therefrom shall at all times be free from taxation by the state or
304 any local unit or political subdivision or other instrumentality
305 of the state, excepting inheritance and gift taxes.

306 (14) All bonds issued under this chapter shall be legal
307 investments for trustees, other fiduciaries, savings banks, trust
308 companies and insurance companies organized under the laws of the
309 State of Mississippi; and such bonds shall be legal securities
310 which may be deposited with and shall be received by all public
311 officers and bodies of the state and all municipalities and other
312 political subdivisions thereof for the purpose of securing the
313 deposit of public funds.

314 (15) The Attorney General of the State of Mississippi shall
315 represent the State Bond Commission in issuing, selling and
316 validating bonds herein provided for, and the Bond Commission is
317 hereby authorized and empowered to expend from the proceeds
318 derived from the sale of the bonds authorized hereunder all
319 necessary administrative, legal and other expenses incidental and
320 related to the issuance of bonds authorized under this chapter.

321 (16) There is hereby created a special fund in the State
322 Treasury to be known as the Mississippi Major Economic Impact



323 Authority Fund wherein shall be deposited the proceeds of the
324 bonds issued under this chapter and all monies received by the
325 authority to carry out the purposes of this chapter. Expenditures
326 authorized herein shall be paid by the State Treasurer upon
327 warrants drawn from the fund, and the Department of Finance and
328 Administration shall issue warrants upon requisitions signed by
329 the director of the authority.

330 (17) (a) There is hereby created the Mississippi Economic
331 Impact Authority Sinking Fund from which the principal of and
332 interest on such bonds shall be paid by appropriation. All monies
333 paid into the sinking fund not appropriated to pay accruing bonds
334 and interest shall be invested by the State Treasurer in such
335 securities as are provided by law for the investment of the
336 sinking funds of the state.

337 (b) In the event that all or any part of the bonds and
338 notes are purchased, they shall be canceled and returned to the
339 loan and transfer agent as canceled and paid bonds and notes and
340 thereafter all payments of interest thereon shall cease and the
341 canceled bonds, notes and coupons, together with any other
342 canceled bonds, notes and coupons, shall be destroyed as promptly
343 as possible after cancellation but not later than two (2) years
344 after cancellation. A certificate evidencing the destruction of
345 the canceled bonds, notes and coupons shall be provided by the
346 loan and transfer agent to the seller.

347 (c) The State Treasurer shall determine and report to
348 the Department of Finance and Administration and Legislative
349 Budget Office by September 1 of each year the amount of money
350 necessary for the payment of the principal of and interest on
351 outstanding obligations for the following fiscal year and the
352 times and amounts of the payments. It shall be the duty of the
353 Governor to include in every executive budget submitted to the
354 Legislature full information relating to the issuance of bonds and
355 notes under the provisions of this chapter and the status of the



356 sinking fund for the payment of the principal of and interest on
357 the bonds and notes.

358 **SECTION 2.** This act shall take effect and be in force from
359 and after July 1, 2003.

