

By: Representative Smith (39th)

To: Ways and Means

## HOUSE BILL NO. 1086

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE FROM \$1,500,000.00 TO \$4,500,000.00, THE AMOUNT OF  
3 GENERAL OBLIGATION BONDS AUTHORIZED TO BE ISSUED FOR CERTAIN  
4 PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; AND FOR  
5 RELATED 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 projects defined in Section 57-75-5(f)(v) and for facilities  
86 related to such projects shall not exceed Thirty-eight Million  
87 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be  
88 issued under this paragraph after December 31, 2005.

89 (f) Bonds issued under the authority of this section  
90 for projects defined in Section 57-75-5(f)(vii) shall not exceed  
91 Five Million Dollars (\$5,000,000.00). No bonds shall be issued  
92 under this paragraph after June 30, 2006.

93 (g) Bonds issued under the authority of this section  
94 for projects defined in Section 57-75-5(f)(viii) shall not exceed  
95 Four Million Five Hundred Thousand Dollars (\$4,500,000.00). No  
96 bonds shall be issued under this paragraph after June 30, 2007.

97 (h) Bonds issued under the authority of this section  
98 for projects defined in Section 57-75-5(f)(ix) shall not exceed  
99 Five Million Dollars (\$5,000,000.00). No bonds shall be issued  
100 under this paragraph after June 30, 2007.

101 (i) Bonds issued under the authority of this section  
102 for projects defined in Section 57-75-5(f)(x) shall not exceed  
103 Five Million Dollars (\$5,000,000.00). No bonds shall be issued  
104 under this paragraph after June 30, 2007.

105 (4) (a) The proceeds from the sale of the bonds issued  
106 under this section may be applied for the following purposes:

107 (i) Defraying all or any designated portion of the  
108 costs incurred with respect to acquisition, planning, design,  
109 construction, installation, rehabilitation, improvement,  
110 relocation and with respect to state-owned property, operation and  
111 maintenance of the project and any facility related to the project  
112 located within the project area, including costs of design and  
113 engineering, all costs incurred to provide land, easements and  
114 rights-of-way, relocation costs with respect to the project and  
115 with respect to any facility related to the project located within  
116 the project area, and costs associated with mitigation of  
117 environmental impacts and environmental impact studies;

118 (ii) Defraying the cost of providing for the  
119 recruitment, screening, selection, training or retraining of  
120 employees, candidates for employment or replacement employees of  
121 the project and any related activity;

122 (iii) Reimbursing the Mississippi Development  
123 Authority for expenses it incurred in regard to projects defined  
124 in Section 57-75-5(f)(iv) prior to November 6, 2000. The  
125 Mississippi Development Authority shall submit an itemized list of

126 expenses it incurred in regard to such projects to the Chairmen of  
127 the Finance and Appropriations Committees of the Senate and the  
128 Chairmen of the Ways and Means and Appropriations Committees of  
129 the House of Representatives;

130 (iv) Providing grants to enterprises operating  
131 projects defined in Section 57-75-5(f)(iv)1;

132 (v) Paying any warranty made by the authority  
133 regarding site work for a project defined in Section  
134 57-75-5(f)(iv)1;

135 (vi) Defraying the cost of marketing and promotion  
136 of a project as defined in Section 57-75-5(f)(iv)1. The authority  
137 shall submit an itemized list of costs incurred for marketing and  
138 promotion of such project to the Chairmen of the Finance and  
139 Appropriations Committees of the Senate and the Chairmen of the  
140 Ways and Means and Appropriations Committees of the House of  
141 Representatives;

142 (vii) Providing for the payment of interest on the  
143 bonds;

144 (viii) Providing debt service reserves;

145 (ix) Paying underwriters' discount, original issue  
146 discount, accountants' fees, engineers' fees, attorneys' fees,  
147 rating agency fees and other fees and expenses in connection with  
148 the issuance of the bonds;

149 (x) For purposes authorized in paragraphs (b) and  
150 (c) of this subsection (4); and

151 (xi) Providing grants to enterprises operating  
152 projects defined in Section 57-75-5(f)(v), or, in connection with  
153 a facility related to such a project, for any purposes deemed by  
154 the authority in its sole discretion to be necessary and  
155 appropriate.

156 Such bonds shall be issued from time to time and in such  
157 principal amounts as shall be designated by the authority, not to  
158 exceed in aggregate principal amounts the amount authorized in

159 subsection (3) of this section. Proceeds from the sale of the  
160 bonds issued under this section may be invested, subject to  
161 federal limitations, pending their use, in such securities as may  
162 be specified in the resolution authorizing the issuance of the  
163 bonds or the trust indenture securing them, and the earning on  
164 such investment applied as provided in such resolution or trust  
165 indenture.

166 (b) \* \* \* The proceeds of bonds issued after June 21,  
167 2002, under this section for projects described in Section  
168 57-75-5(f)(iv) may be used to reimburse reasonable actual and  
169 necessary costs incurred by the Mississippi Development Authority  
170 in providing assistance related to a project for which funding is  
171 provided from the use of proceeds of such bonds. The Mississippi  
172 Development Authority shall maintain an accounting of actual costs  
173 incurred for each project for which reimbursements are sought.  
174 Reimbursements under this paragraph (b) shall not exceed Three  
175 Hundred Thousand Dollars (\$300,000.00) in the aggregate.  
176 Reimbursements under this paragraph (b) shall satisfy any  
177 applicable federal tax law requirements.

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

191 Reimbursements under this paragraph (c) shall satisfy any  
192 applicable federal tax law requirements.

193 (d) The proceeds of bonds issued under this section for  
194 projects described in Section 57-75-5(f)(ix) may be used to  
195 reimburse reasonable actual and necessary costs incurred by the  
196 Mississippi Development Authority in providing assistance related  
197 to a project for which funding is provided from the use of  
198 proceeds of such bonds. The Mississippi Development Authority  
199 shall maintain an accounting of actual costs incurred for each  
200 project for which reimbursements are sought. Reimbursements under  
201 this paragraph shall not exceed Twenty-five Thousand Dollars  
202 (\$25,000.00) in the aggregate.

203 (e) The proceeds of bonds issued under this section for  
204 projects described in Section 57-75-5(f)(ix) may be used to  
205 reimburse reasonable actual and necessary costs incurred by the  
206 Department of Audit in providing services related to a project for  
207 which funding is provided from the use of proceeds of such bonds.  
208 The Department of Audit shall maintain an accounting of actual  
209 costs incurred for each project for which reimbursements are  
210 sought. The Department of Audit may escalate its budget and  
211 expend such funds in accordance with rules and regulations of the  
212 Department of Finance and Administration in a manner consistent  
213 with the escalation of federal funds. Reimbursements under this  
214 paragraph shall not exceed Twenty-five Thousand Dollars  
215 (\$25,000.00) in the aggregate. Reimbursements under this  
216 paragraph shall satisfy any applicable federal tax law  
217 requirements.

218 (f) The proceeds of bonds issued under this section for  
219 projects described in Section 57-75-5(f)(x) may be used to  
220 reimburse reasonable actual and necessary costs incurred by the  
221 Mississippi Development Authority in providing assistance related  
222 to a project for which funding is provided from the use of  
223 proceeds of such bonds. The Mississippi Development Authority

224 shall maintain an accounting of actual costs incurred for each  
225 project for which reimbursements are sought. Reimbursements under  
226 this paragraph shall not exceed Twenty-five Thousand Dollars  
227 (\$25,000.00) in the aggregate.

228 (g) The proceeds of bonds issued under this section for  
229 projects described in Section 57-75-5(f)(x) may be used to  
230 reimburse reasonable actual and necessary costs incurred by the  
231 Department of Audit in providing services related to a project for  
232 which funding is provided from the use of proceeds of such bonds.  
233 The Department of Audit shall maintain an accounting of actual  
234 costs incurred for each project for which reimbursements are  
235 sought. The Department of Audit may escalate its budget and  
236 expend such funds in accordance with rules and regulations of the  
237 Department of Finance and Administration in a manner consistent  
238 with the escalation of federal funds. Reimbursements under this  
239 paragraph shall not exceed Twenty-five Thousand Dollars  
240 (\$25,000.00) in the aggregate. Reimbursements under this  
241 paragraph shall satisfy any applicable federal tax law  
242 requirements.

243 (5) The principal of and the interest on the bonds shall be  
244 payable in the manner hereinafter set forth. The bonds shall bear  
245 date or dates; be in such denomination or denominations; bear  
246 interest at such rate or rates; be payable at such place or places  
247 within or without the state; mature absolutely at such time or  
248 times; be redeemable before maturity at such time or times and  
249 upon such terms, with or without premium; bear such registration  
250 privileges; and be substantially in such form; all as shall be  
251 determined by resolution of the State Bond Commission except that  
252 such bonds shall mature or otherwise be retired in annual  
253 installments beginning not more than five (5) years from the date  
254 thereof and extending not more than twenty-five (25) years from  
255 the date thereof. The bonds shall be signed by the Chairman of  
256 the State Bond Commission, or by his facsimile signature, and the



257 official seal of the State Bond Commission shall be imprinted on  
258 or affixed thereto, attested by the manual or facsimile signature  
259 of the Secretary of the State Bond Commission. Whenever any such  
260 bonds have been signed by the officials herein designated to sign  
261 the bonds, who were in office at the time of such signing but who  
262 may have ceased to be such officers before the sale and delivery  
263 of such bonds, or who may not have been in office on the date such  
264 bonds may bear, the signatures of such officers upon such bonds  
265 shall nevertheless be valid and sufficient for all purposes and  
266 have the same effect as if the person so officially signing such  
267 bonds had remained in office until the delivery of the same to the  
268 purchaser, or had been in office on the date such bonds may bear.

269 (6) All bonds issued under the provisions of this section  
270 shall be and are hereby declared to have all the qualities and  
271 incidents of negotiable instruments under the provisions of the  
272 Uniform Commercial Code and in exercising the powers granted by  
273 this chapter, the State Bond Commission shall not be required to  
274 and need not comply with the provisions of the Uniform Commercial  
275 Code.

276 (7) The State Bond Commission shall sell the bonds on sealed  
277 bids at public sale, and for such price as it may determine to be  
278 for the best interest of the State of Mississippi, but no such  
279 sale shall be made at a price less than par plus accrued interest  
280 to date of delivery of the bonds to the purchaser. The bonds  
281 shall bear interest at such rate or rates not exceeding the limits  
282 set forth in Section 75-17-101 as shall be fixed by the State Bond  
283 Commission. All interest accruing on such bonds so issued shall  
284 be payable semiannually or annually; provided that the first  
285 interest payment may be for any period of not more than one (1)  
286 year.

287 Notice of the sale of any bonds shall be published at least  
288 one time, the first of which shall be made not less than ten (10)  
289 days prior to the date of sale, and shall be so published in one

290 or more newspapers having a general circulation in the City of  
291 Jackson and in one or more other newspapers or financial journals  
292 with a large national circulation, to be selected by the State  
293 Bond Commission.

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

299 (8) State bonds issued under the provisions of this section  
300 shall be the general obligations of the state and backed by the  
301 full faith and credit of the state. The Legislature shall  
302 appropriate annually an amount sufficient to pay the principal of  
303 and the interest on such bonds as they become due. All bonds  
304 shall contain recitals on their faces substantially covering the  
305 foregoing provisions of this section.

306 (9) The State Treasurer is authorized to certify to the  
307 Department of Finance and Administration the necessity for  
308 warrants, and the Department of Finance and Administration is  
309 authorized and directed to issue such warrants payable out of any  
310 funds appropriated by the Legislature under this section for such  
311 purpose, in such amounts as may be necessary to pay when due the  
312 principal of and interest on all bonds issued under the provisions  
313 of this section. The State Treasurer shall forward the necessary  
314 amount to the designated place or places of payment of such bonds  
315 in ample time to discharge such bonds, or the interest thereon, on  
316 the due dates thereof.

317 (10) The bonds may be issued without any other proceedings  
318 or the happening of any other conditions or things other than  
319 those proceedings, conditions and things which are specified or  
320 required by this chapter. Any resolution providing for the  
321 issuance of general obligation bonds under the provisions of this  
322 section shall become effective immediately upon its adoption by

323 the State Bond Commission, and any such resolution may be adopted  
324 at any regular or special meeting of the State Bond Commission by  
325 a majority of its members.

326 (11) In anticipation of the issuance of bonds hereunder, the  
327 State Bond Commission is authorized to negotiate and enter into  
328 any purchase, loan, credit or other agreement with any bank, trust  
329 company or other lending institution or to issue and sell interim  
330 notes for the purpose of making any payments authorized under this  
331 section. All borrowings made under this provision shall be  
332 evidenced by notes of the state which shall be issued from time to  
333 time, for such amounts not exceeding the amount of bonds  
334 authorized herein, in such form and in such denomination and  
335 subject to such terms and conditions of sale and issuance,  
336 prepayment or redemption and maturity, rate or rates of interest  
337 not to exceed the maximum rate authorized herein for bonds, and  
338 time of payment of interest as the State Bond Commission shall  
339 agree to in such agreement. Such notes shall constitute general  
340 obligations of the state and shall be backed by the full faith and  
341 credit of the state. Such notes may also be issued for the  
342 purpose of refunding previously issued notes. No note shall  
343 mature more than three (3) years following the date of its  
344 issuance. The State Bond Commission is authorized to provide for  
345 the compensation of any purchaser of the notes by payment of a  
346 fixed fee or commission and for all other costs and expenses of  
347 issuance and service, including paying agent costs. Such costs  
348 and expenses may be paid from the proceeds of the notes.

349 (12) The bonds and interim notes authorized under the  
350 authority of this section may be validated in the First Judicial  
351 District of the Chancery Court of Hinds County, Mississippi, in  
352 the manner and with the force and effect provided now or hereafter  
353 by Chapter 13, Title 31, Mississippi Code of 1972, for the  
354 validation of county, municipal, school district and other bonds.  
355 The necessary papers for such validation proceedings shall be

356 transmitted to the State Bond Attorney, and the required notice  
357 shall be published in a newspaper published in the City of  
358 Jackson, Mississippi.

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

365 (14) All bonds issued under this chapter shall be legal  
366 investments for trustees, other fiduciaries, savings banks, trust  
367 companies and insurance companies organized under the laws of the  
368 State of Mississippi; and such bonds shall be legal securities  
369 which may be deposited with and shall be received by all public  
370 officers and bodies of the state and all municipalities and other  
371 political subdivisions thereof for the purpose of securing the  
372 deposit of public funds.

373 (15) The Attorney General of the State of Mississippi shall  
374 represent the State Bond Commission in issuing, selling and  
375 validating bonds herein provided for, and the Bond Commission is  
376 hereby authorized and empowered to expend from the proceeds  
377 derived from the sale of the bonds authorized hereunder all  
378 necessary administrative, legal and other expenses incidental and  
379 related to the issuance of bonds authorized under this chapter.

380 (16) There is hereby created a special fund in the State  
381 Treasury to be known as the Mississippi Major Economic Impact  
382 Authority Fund wherein shall be deposited the proceeds of the  
383 bonds issued under this chapter and all monies received by the  
384 authority to carry out the purposes of this chapter. Expenditures  
385 authorized herein shall be paid by the State Treasurer upon  
386 warrants drawn from the fund, and the Department of Finance and  
387 Administration shall issue warrants upon requisitions signed by  
388 the director of the authority.

389           (17) (a) There is hereby created the Mississippi Economic  
390 Impact Authority Sinking Fund from which the principal of and  
391 interest on such bonds shall be paid by appropriation. All monies  
392 paid into the sinking fund not appropriated to pay accruing bonds  
393 and interest shall be invested by the State Treasurer in such  
394 securities as are provided by law for the investment of the  
395 sinking funds of the state.

396           (b) In the event that all or any part of the bonds and  
397 notes are purchased, they shall be canceled and returned to the  
398 loan and transfer agent as canceled and paid bonds and notes and  
399 thereafter all payments of interest thereon shall cease and the  
400 canceled bonds, notes and coupons, together with any other  
401 canceled bonds, notes and coupons, shall be destroyed as promptly  
402 as possible after cancellation but not later than two (2) years  
403 after cancellation. A certificate evidencing the destruction of  
404 the canceled bonds, notes and coupons shall be provided by the  
405 loan and transfer agent to the seller.

406           (c) The State Treasurer shall determine and report to  
407 the Department of Finance and Administration and Legislative  
408 Budget Office by September 1 of each year the amount of money  
409 necessary for the payment of the principal of and interest on  
410 outstanding obligations for the following fiscal year and the  
411 times and amounts of the payments. It shall be the duty of the  
412 Governor to include in every executive budget submitted to the  
413 Legislature full information relating to the issuance of bonds and  
414 notes under the provisions of this chapter and the status of the  
415 sinking fund for the payment of the principal of and interest on  
416 the bonds and notes.

417           (18) (a) Upon receipt of a declaration by the authority  
418 that it has determined that the state is a potential site for a  
419 project, the State Bond Commission is authorized and directed to  
420 authorize the State Treasurer to borrow money from any special  
421 fund in the State Treasury not otherwise appropriated to be

422 utilized by the authority for the purposes provided for in this  
423 subsection.

424           (b) The proceeds of the money borrowed under this  
425 subsection may be utilized by the authority for the purpose of  
426 defraying all or a portion of the costs incurred by the authority  
427 with respect to acquisition options and planning, design and  
428 environmental impact studies with respect to a project defined in  
429 Section 57-75-5(f)(xi). The authority may escalate its budget and  
430 expend the proceeds of the money borrowed under this subsection in  
431 accordance with rules and regulations of the Department of Finance  
432 and Administration in a manner consistent with the escalation of  
433 federal funds.

434           (c) The authority shall request an appropriation or  
435 additional authority to issue general obligation bonds to repay  
436 the borrowed funds and establish a date for the repayment of the  
437 funds so borrowed.

438           (d) Borrowings made under the provisions of this  
439 subsection shall not exceed Five Hundred Thousand Dollars  
440 (\$500,000.00) at any one time.

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