

By: Representatives Watson, Holland, Akins, Aldridge, Arinder, Bailey, Baker (74th), Baker (8th), Banks, Barnett, Beckett, Bentz, Blackmon, Bondurant, Bounds, Broomfield, Brown, Buck, Burnett, Calhoun, Carlton, Chism, Clark, Clarke, Cockerham, Coleman (29th), Coleman (65th), Compretta, Cummings, Davis, Dedeaux, Denny, Dickson, Eaton, Ellington, Ellis, Espy, Evans, Fillingane, Flaggs, Fleming, Franks, Fredericks, Frierson, Gadd, Gibbs, Guice, Gunn, Hamilton (109th), Hamilton (6th), Harrison, Hines, Holloway, Howell, Huddleston, Hudson, Ishee, Janus, Jennings, Johnson, Lane, Lott, Malone, Markham, Martinson, Masterson, Mayhall, Mayo, McBride, McCoy, Middleton, Miles, Mims, Moak, Montgomery, Morris, Moss, Myers, Nicholson, Norquist, Parker, Patterson, Peranich, Perkins, Read, Reed, Reeves, Reynolds, Robinson (63rd), Robinson (84th), Rogers (14th), Rogers (61st), Rotenberry, Scott, Shows, Simpson, Smith (27th), Smith (39th), Smith (59th), Snowden, Staples, Stevens, Straughter, Stringer, Sullivan, Thomas, Turner, Upshaw, Vince, Walley, Ward, Warren, Weathersby, Wells-Smith, Whittington, Woods, Young, Zuber, Formby

To: Ways and Means

HOUSE BILL NO. 1495
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO
2 PROVIDE INTEREST-FREE NONRECOURSE LOANS TO THE JACKSON
3 REDEVELOPMENT AUTHORITY; TO PROVIDE THAT THE JACKSON REDEVELOPMENT
4 AUTHORITY MUST UTILIZE THE PROCEEDS OF SUCH LOANS TO PROVIDE ONE
5 OR MORE LOANS TO THE PARTY OR PARTIES SELECTED TO REDEVELOP THE
6 KING EDWARD HOTEL PROPERTIES TO FINANCE ENVIRONMENTAL REMEDIATION,
7 ENGINEERING AND ARCHITECTURAL SERVICE, SELECTIVE DEMOLITION AND
8 OTHER COSTS NECESSARY FOR THE PRE-DEVELOPMENT OR FOR THE
9 DEMOLITION OF THE KING EDWARD HOTEL; TO PROVIDE THAT THE AGGREGATE
10 AMOUNT OF ALL LOANS SHALL NOT EXCEED \$2,000,000.00; TO PROVIDE
11 THAT AS A CONDITION OF THE LOAN THE JACKSON REDEVELOPMENT
12 AUTHORITY AND THE CITY OF JACKSON SHALL HAVE AGREED TO THE MAXIMUM
13 EXTENT ALLOWABLE UNDER FEDERAL LAW AND GRANT AGREEMENTS TO PAY TO
14 THE MISSISSIPPI DEVELOPMENT AUTHORITY PROCEEDS WHICH MAY BE
15 AWARDED TO THE CITY OF JACKSON BY THE UNITED STATES DEPARTMENT OF
16 HOUSING AND URBAN DEVELOPMENT UNDER THE BROWNSFIELD ECONOMIC
17 DEVELOPMENT INITIATIVE (BEDI) GRANT PROGRAM OR SUCH OTHER FUNDING
18 THAT MAY BE RECEIVED FROM THE UNITED STATES SPECIFICALLY FOR THE
19 KING EDWARD HOTEL REDEVELOPMENT PROJECT; TO AUTHORIZE THE ISSUANCE
20 OF \$2,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE
21 FUNDS FOR SUCH LOANS; AND FOR RELATED PURPOSES.

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

23 **SECTION 1.** (1) (a) The Mississippi Development Authority
24 (MDA) is authorized to provide one or more interest-free
25 nonrecourse loans to the Jackson Redevelopment Authority (JRA).
26 The proceeds of the loan shall be utilized by the JRA to provide
27 one or more loans to the party or parties selected to redevelop
28 the King Edward Hotel properties to finance environmental
29 remediation, engineering and architectural services, selective
30 demolition and other costs necessary for the pre-development or
31 for the demolition of the King Edward Hotel properties. The

32 aggregate amount of all loans made under this section shall not
33 exceed Two Million Dollars (\$2,000,000.00).

34 (b) The JRA must submit an application to the MDA. The
35 application must include a description of the purpose for which
36 assistance is requested, the amount of assistance requested and
37 any other information required by the MDA.

38 (c) Prior to entering into the loan with JRA, the MDA
39 shall assess the proposal for the King Edward Hotel redevelopment
40 project and the loan may be entered into only if the MDA
41 determines adequate financing for the proposal is available and
42 that the project is viable.

43 (d) As a condition of a loan to JRA under this section,
44 JRA and the City of Jackson, Mississippi, shall have agreed to the
45 maximum extent permitted by applicable federal law and regulations
46 and grant agreements, that all proceeds which may be hereafter
47 received by JRA or the City of Jackson from the United States
48 Department of Housing and Urban Development under the Brownsfield
49 Economic Development Initiative (BEDI) grant program for the King
50 Edward Hotel redevelopment, or from the United States under other
51 grants hereafter awarded and hereafter received specifically for
52 the King Edward Hotel redevelopment project, will be paid to MDA
53 until principal of such loan shall be paid in full. Such loan
54 shall be repayable solely from such proceeds. Upon receipt of
55 such proceeds or other payments from the City of Jackson or the
56 JRA, the MDA shall forward the money to the State Treasurer who
57 shall utilize the money to pay the principal of the bonds issued
58 under this section.

59 (e) The MDA shall have all powers necessary to
60 implement and administer the loan authorized under this section,
61 and the MDA shall promulgate rules and regulations, in accordance
62 with the Mississippi Administrative Procedures Law, necessary for
63 the implementation of this section.

64 (2) There is created in the State Treasury a special fund to
65 be designated as the "Jackson Redevelopment Authority Loan Fund,"
66 which shall consist of the proceeds of general obligation bonds
67 authorized to be issued by this section. Unexpended amounts
68 remaining in the fund at the end of a fiscal year shall not lapse
69 into the State General Fund, and any investment earnings or
70 interest earned on amounts in the fund shall be deposited to the
71 credit of the fund. Monies in the fund shall be used by the MDA
72 for the purposes described in this section.

73 (3) As used in subsections (3) through (18) of this section,
74 the following words shall have the meanings ascribed herein unless
75 the context clearly requires otherwise:

76 (a) "Accreted value" of any bonds means, as of any date
77 of computation, an amount equal to the sum of (i) the stated
78 initial value of such bond, plus (ii) the interest accrued thereon
79 from the issue date to the date of computation at the rate,
80 compounded semiannually, that is necessary to produce the
81 approximate yield to maturity shown for bonds of the same
82 maturity.

83 (b) "State" means the State of Mississippi.

84 (c) "Commission" means the State Bond Commission.

85 (4) (a) The Mississippi Development Authority, at one time,
86 or from time to time, may declare by resolution the necessity for
87 issuance of general obligation bonds of the State of Mississippi
88 to provide funds for the loans authorized in this section. Upon
89 the adoption of a resolution by the Mississippi Development
90 Authority, declaring the necessity for the issuance of any part or
91 all of the general obligation bonds authorized by this section,
92 the Mississippi Development Authority shall deliver a certified
93 copy of its resolution or resolutions to the commission. Upon
94 receipt of such resolution, the commission, in its discretion, may
95 act as the issuing agent, prescribe the form of the bonds,
96 advertise for and accept bids, issue and sell the bonds so

97 authorized to be sold and do any and all other things necessary
98 and advisable in connection with the issuance and sale of such
99 bonds. The total amount of bonds issued under this section shall
100 not exceed Two Million Dollars (\$2,000,000.00). No bonds shall be
101 issued under this section after July 1, 2009.

102 (b) The proceeds of bonds issued pursuant to this
103 section shall be deposited into the Jackson Redevelopment
104 Authority Loan Fund created pursuant to subsection (2) of this
105 section. Any investment earnings on bonds issued pursuant to this
106 section shall be used to pay debt service on bonds issued under
107 this section, in accordance with the proceedings authorizing
108 issuance of such bonds.

109 (5) The principal of and interest on the bonds authorized
110 under this section shall be payable in the manner provided in this
111 section. Such bonds shall bear such date or dates, be in such
112 denomination or denominations, bear interest at such rate or rates
113 (not to exceed the limits set forth in Section 75-17-101,
114 Mississippi Code of 1972), be payable at such place or places
115 within or without the State of Mississippi, shall mature
116 absolutely at such time or times not to exceed twenty-five (25)
117 years from date of issue, be redeemable before maturity at such
118 time or times and upon such terms, with or without premium, shall
119 bear such registration privileges, and shall be substantially in
120 such form, all as shall be determined by resolution of the
121 commission.

122 (6) The bonds authorized by this section shall be signed by
123 the chairman of the commission, or by his facsimile signature, and
124 the official seal of the commission shall be affixed thereto,
125 attested by the secretary of the commission. The interest
126 coupons, if any, to be attached to such bonds may be executed by
127 the facsimile signatures of such officers. Whenever any such
128 bonds shall have been signed by the officials designated to sign
129 the bonds who were in office at the time of such signing but who

130 may have ceased to be such officers before the sale and delivery
131 of such bonds, or who may not have been in office on the date such
132 bonds may bear, the signatures of such officers upon such bonds
133 and coupons shall nevertheless be valid and sufficient for all
134 purposes and have the same effect as if the person so officially
135 signing such bonds had remained in office until their delivery to
136 the purchaser, or had been in office on the date such bonds may
137 bear. However, notwithstanding anything herein to the contrary,
138 such bonds may be issued as provided in the Registered Bond Act of
139 the State of Mississippi.

140 (7) All bonds and interest coupons issued under the
141 provisions of this section have all the qualities and incidents of
142 negotiable instruments under the provisions of the Uniform
143 Commercial Code, and in exercising the powers granted by this
144 section, the commission shall not be required to and need not
145 comply with the provisions of the Uniform Commercial Code.

146 (8) The commission shall act as the issuing agent for the
147 bonds authorized under this section, prescribe the form of the
148 bonds, advertise for and accept bids, issue and sell the bonds so
149 authorized to be sold, pay all fees and costs incurred in such
150 issuance and sale, and do any and all other things necessary and
151 advisable in connection with the issuance and sale of such bonds.
152 The commission is authorized and empowered to pay the costs that
153 are incident to the sale, issuance and delivery of the bonds
154 authorized under this section from the proceeds derived from the
155 sale of such bonds. The commission shall sell such bonds on
156 sealed bids at public sale, and for such price as it may determine
157 to be for the best interest of the State of Mississippi, but no
158 such sale shall be made at a price less than par plus accrued
159 interest to the date of delivery of the bonds to the purchaser.
160 All interest accruing on such bonds so issued shall be payable
161 semiannually or annually; however, the first interest payment may
162 be for any period of not more than one (1) year.

163 Notice of the sale of any such bonds shall be published at
164 least one (1) time, not less than ten (10) days before the date of
165 sale, and shall be so published in one or more newspapers
166 published or having a general circulation in the City of Jackson,
167 Mississippi, and in one or more other newspapers or financial
168 journals with a national circulation, to be selected by the
169 commission.

170 The commission, when issuing any bonds under the authority of
171 this section, may provide that bonds, at the option of the State
172 of Mississippi, may be called in for payment and redemption at the
173 call price named therein and accrued interest on such date or
174 dates named therein.

175 (9) The bonds issued under the provisions of this section
176 are general obligations of the State of Mississippi, and for the
177 payment thereof the full faith and credit of the State of
178 Mississippi is irrevocably pledged. If the funds appropriated by
179 the Legislature are insufficient to pay the principal of and the
180 interest on such bonds as they become due, then the deficiency
181 shall be paid by the State Treasurer from any funds in the State
182 Treasury not otherwise appropriated. All such bonds shall contain
183 recitals on their faces substantially covering the provisions of
184 this section.

185 (10) Upon the issuance and sale of bonds under the
186 provisions of this section, the commission shall transfer the
187 proceeds of any such sale or sales to the Jackson Redevelopment
188 Authority Loan Fund created in subsection (2) of this section.
189 The proceeds of such bonds shall be disbursed solely upon the
190 order of the Mississippi Development Authority under such
191 restrictions, if any, as may be contained in the resolution
192 providing for the issuance of the bonds.

193 (11) The bonds authorized under this section may be issued
194 without any other proceedings or the happening of any other
195 conditions or things other than those proceedings, conditions and

196 things which are specified or required by this section. Any
197 resolution providing for the issuance of bonds under the
198 provisions of this section shall become effective immediately upon
199 its adoption by the commission, and any such resolution may be
200 adopted at any regular or special meeting of the commission by a
201 majority of its members.

202 (12) The bonds authorized under the authority of this
203 section may be validated in the Chancery Court of the First
204 Judicial District of Hinds County, Mississippi, in the manner and
205 with the force and effect provided by Chapter 13, Title 31,
206 Mississippi Code of 1972, for the validation of county, municipal,
207 school district and other bonds. The notice to taxpayers required
208 by such statutes shall be published in a newspaper published or
209 having a general circulation in the City of Jackson, Mississippi.

210 (13) Any holder of bonds issued under the provisions of this
211 section or of any of the interest coupons pertaining thereto may,
212 either at law or in equity, by suit, action, mandamus or other
213 proceeding, protect and enforce any and all rights granted under
214 this section, or under such resolution, and may enforce and compel
215 performance of all duties required by this section to be
216 performed, in order to provide for the payment of bonds and
217 interest thereon.

218 (14) All bonds issued under the provisions of this section
219 shall be legal investments for trustees and other fiduciaries, and
220 for savings banks, trust companies and insurance companies
221 organized under the laws of the State of Mississippi, and such
222 bonds shall be legal securities which may be deposited with and
223 shall be received by all public officers and bodies of this state
224 and all municipalities and political subdivisions for the purpose
225 of securing the deposit of public funds.

226 (15) Bonds issued under the provisions of this section and
227 income therefrom shall be exempt from all taxation in the State of
228 Mississippi.

229 (16) The proceeds of the bonds issued under this section
230 shall be used solely for the purposes therein provided, including
231 the costs incident to the issuance and sale of such bonds.

232 (17) The State Treasurer is authorized, without further
233 process of law, to certify to the Department of Finance and
234 Administration the necessity for warrants, and the Department of
235 Finance and Administration is authorized and directed to issue
236 such warrants, in such amounts as may be necessary to pay when due
237 the principal of, premium, if any, and interest on, or the
238 accreted value of, all bonds issued under this section; and the
239 State Treasurer shall forward the necessary amount to the
240 designated place or places of payment of such bonds in ample time
241 to discharge such bonds, or the interest thereon, on the due dates
242 thereof.

243 (18) This section shall be deemed to be full and complete
244 authority for the exercise of the powers therein granted, but this
245 section shall not be deemed to repeal or to be in derogation of
246 any existing law of this state.

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