

By: Senator(s) Cuevas

To: Finance

SENATE BILL NO. 2989

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$16,000,000.00 IN STATE
 2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS
 3 AT AN ECONOMIC DEVELOPMENT AND TOURISM DESTINATION FACILITY IN
 4 HANCOCK COUNTY, MISSISSIPPI, THAT FEATURES A SPACE, SCIENCE AND
 5 EDUCATION CENTER; TO REQUIRE THE COMMITMENT OF A CERTAIN AMOUNT OF
 6 PRIVATE, LOCAL OR FEDERAL FUNDS FOR SUCH PROJECT AS A CONDITION
 7 PRECEDENT TO THE ISSUANCE OF BONDS UNDER THIS ACT; AND FOR RELATED
 8 PURPOSES.

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

10 **SECTION 1.** As used in this act, the following words shall
 11 have the meanings ascribed herein unless the context clearly
 12 requires otherwise:

13 (a) "Accreted value" of any bond means, as of any date
 14 of computation, an amount equal to the sum of (i) the stated
 15 initial value of such bond, plus (ii) the interest accrued thereon
 16 from the issue date to the date of computation at the rate,
 17 compounded semiannually, that is necessary to produce the
 18 approximate yield to maturity shown for bonds of the same
 19 maturity.

20 (b) "Commission" means the State Bond Commission.

21 (c) "Project" means an economic development and tourism
 22 destination facility in Hancock County, Mississippi, that will
 23 feature a space, science and education center. The title to the
 24 project facilities is to be vested in the National Aeronautics and
 25 Space Administration.

26 (d) "State" means the State of Mississippi.

27 (e) "Authority" means the Mississippi Development
 28 Authority.

29 **SECTION 2.** (1) The authority may use the proceeds from
30 general obligation bonds issued under this act for the project as
31 it considers necessary to further the project.

32 **SECTION 3.** (1) (a) A special fund, to be designated as the
33 "Infinity Space, Science and Education Center Fund," is created
34 within the State Treasury. The fund shall be maintained by the
35 State Treasurer as a separate and special fund, separate and apart
36 from the General Fund of the state. Unexpended amounts remaining
37 in the fund at the end of a fiscal year shall not lapse into the
38 State General Fund, and any interest earned or investment earnings
39 on amounts in the fund shall be deposited into such fund.

40 (b) Monies deposited into the fund shall be disbursed,
41 in the discretion of the authority, to pay the costs incurred for
42 the construction, furnishing and equipping the project.

43 (2) Amounts deposited into such special fund shall be
44 disbursed to pay the costs of the project. If any monies in the
45 special fund are not used within four (4) years after the date the
46 proceeds of the bonds authorized under this act are deposited into
47 such fund, then the authority shall provide an accounting of such
48 unused monies to the commission. Promptly after the commission
49 has certified, by resolution duly adopted, that the project shall
50 have been completed, abandoned, or cannot be completed in a timely
51 fashion, any amounts remaining in such special fund shall be
52 applied to pay debt service on the bonds issued under this act, in
53 accordance with the proceedings authorizing the issuance of such
54 bonds and as directed by the commission. Before monies in the
55 special fund may be used for the project, the authority shall
56 require that the National Aeronautics and Space Administration
57 enter into binding commitments regarding at least the following:

58 (a) That a certain minimum number of jobs will be
59 created over a certain period of time as determined by the
60 authority (which jobs must be held by persons eligible for

61 employment in the United States under applicable state and federal
62 law); and

63 (b) That if any such commitments are not satisfied, an
64 amount equal to all or a portion of the funds provided by the
65 state under this act as determined by the authority shall be
66 repaid.

67 **SECTION 4.** (1) The commission, at one time, or from time to
68 time, may declare by resolution the necessity for issuance of
69 general obligation bonds of the State of Mississippi to provide
70 funds for all costs incurred or to be incurred for the purposes
71 described in Section 3 of this act. No bonds shall be issued
72 under this act until the authority is provided proof that the
73 funds from private, local or federal sources have been irrevocably
74 dedicated to the project in the amount of not less than Sixteen
75 Million Dollars (\$16,000,000.00). Upon the adoption of a
76 resolution by the authority, declaring that funds have been
77 irrevocably dedicated in the required amount and declaring the
78 necessity for the issuance of any part or all of the general
79 obligation bonds authorized by this section, the authority shall
80 deliver a certified copy of its resolution or resolutions to the
81 commission. Upon receipt of such resolution, the commission, in
82 its discretion, may act as the issuing agent, prescribe the form
83 of the bonds, advertise for and accept bids, issue and sell the
84 bonds so authorized to be sold and do any and all other things
85 necessary and advisable in connection with the issuance and sale
86 of such bonds. The total amount of bonds issued under this act
87 shall not exceed Sixteen Million Dollars (\$16,000,000.00);
88 however, not more than Eight Million Dollars (\$8,000,000.00) may
89 be issued in any one (1) fiscal year. No bonds shall be issued
90 under this act after July 1, 2009.

91 (2) Any investment earnings on amounts deposited into the
92 special fund created in Section 3 of this act shall be used to pay

93 debt service on bonds issued under this act, in accordance with
94 the proceedings authorizing issuance of such bonds.

95 **SECTION 5.** The principal of and interest on the bonds
96 authorized under this act shall be payable in the manner provided
97 in this section. Such bonds shall bear such date or dates, be in
98 such denomination or denominations, bear interest at such rate or
99 rates (not to exceed the limits set forth in Section 75-17-101,
100 Mississippi Code of 1972), be payable at such place or places
101 within or without the State of Mississippi, shall mature
102 absolutely at such time or times not to exceed twenty (20) years
103 from date of issue, be redeemable before maturity at such time or
104 times and upon such terms, with or without premium, shall bear
105 such registration privileges, and shall be substantially in such
106 form, all as shall be determined by resolution of the commission.

107 **SECTION 6.** The bonds authorized by this act shall be signed
108 by the chairman of the commission, or by his facsimile signature,
109 and the official seal of the commission shall be affixed thereto,
110 attested by the secretary of the commission. The interest
111 coupons, if any, to be attached to such bonds may be executed by
112 the facsimile signatures of such officers. Whenever any such
113 bonds shall have been signed by the officials designated to sign
114 the bonds who were in office at the time of such signing but who
115 may have ceased to be such officers before the sale and delivery
116 of such bonds, or who may not have been in office on the date such
117 bonds may bear, the signatures of such officers upon such bonds
118 and coupons shall nevertheless be valid and sufficient for all
119 purposes and have the same effect as if the person so officially
120 signing such bonds had remained in office until their delivery to
121 the purchaser, or had been in office on the date such bonds may
122 bear. However, notwithstanding anything herein to the contrary,
123 such bonds may be issued as provided in the Registered Bond Act of
124 the State of Mississippi.

125 **SECTION 7.** All bonds and interest coupons issued under the
126 provisions of this act have all the qualities and incidents of
127 negotiable instruments under the provisions of the Uniform
128 Commercial Code, and in exercising the powers granted by this act,
129 the commission shall not be required to and need not comply with
130 the provisions of the Uniform Commercial Code.

131 **SECTION 8.** The commission shall act as the issuing agent for
132 the bonds authorized under this act, prescribe the form of the
133 bonds, advertise for and accept bids, issue and sell the bonds so
134 authorized to be sold, pay all fees and costs incurred in such
135 issuance and sale, and do any and all other things necessary and
136 advisable in connection with the issuance and sale of such bonds.
137 The commission is authorized and empowered to pay the costs that
138 are incident to the sale, issuance and delivery of the bonds
139 authorized under this act from the proceeds derived from the sale
140 of such bonds. The commission shall sell such bonds on sealed
141 bids at public sale, and for such price as it may determine to be
142 for the best interest of the State of Mississippi, but no such
143 sale shall be made at a price less than par plus accrued interest
144 to the date of delivery of the bonds to the purchaser. All
145 interest accruing on such bonds so issued shall be payable
146 semiannually or annually; however, the first interest payment may
147 be for any period of not more than one (1) year.

148 Notice of the sale of any such bonds shall be published at
149 least one time, not less than ten (10) days before the date of
150 sale, and shall be so published in one or more newspapers
151 published or having a general circulation in the City of Jackson,
152 Mississippi, and in one or more other newspapers or financial
153 journals with a national circulation, to be selected by the
154 commission.

155 The commission, when issuing any bonds under the authority of
156 this act, may provide that bonds, at the option of the State of
157 Mississippi, may be called in for payment and redemption at the

158 call price named therein and accrued interest on such date or
159 dates named therein.

160 **SECTION 9.** The bonds issued under the provisions of this act
161 are general obligations of the State of Mississippi, and for the
162 payment thereof the full faith and credit of the State of
163 Mississippi is irrevocably pledged. If the funds appropriated by
164 the Legislature for such purposes are insufficient to pay the
165 principal of and the interest on such bonds as they become due,
166 then the deficiency shall be paid by the State Treasurer from any
167 funds in the State Treasury not otherwise appropriated. All such
168 bonds shall contain recitals on their faces substantially covering
169 the provisions of this section.

170 **SECTION 10.** Upon the issuance and sale of bonds under the
171 provisions of this act, the commission shall transfer the proceeds
172 of any such sale or sales to the special fund created in Section 3
173 of this act. The proceeds of such bonds shall be disbursed solely
174 upon the order of the authority under such restrictions, if any,
175 as may be contained in the resolution providing for the issuance
176 of the bonds.

177 **SECTION 11.** The bonds authorized under this act may be
178 issued without any other proceedings or the happening of any other
179 conditions or things other than those proceedings, conditions and
180 things which are specified or required by this act. Any
181 resolution providing for the issuance of bonds under the
182 provisions of this act shall become effective immediately upon its
183 adoption by the commission, and any such resolution may be adopted
184 at any regular or special meeting of the commission by a majority
185 of its members.

186 **SECTION 12.** The bonds authorized under the authority of this
187 act may be validated in the Chancery Court of the First Judicial
188 District of Hinds County, Mississippi, in the manner and with the
189 force and effect provided by Chapter 13, Title 31, Mississippi
190 Code of 1972, for the validation of county, municipal, school

191 district and other bonds. The notice to taxpayers required by
192 such statutes shall be published in a newspaper published or
193 having a general circulation in the City of Jackson, Mississippi.

194 **SECTION 13.** Any holder of bonds issued under the provisions
195 of this act or of any of the interest coupons pertaining thereto
196 may, either at law or in equity, by suit, action, mandamus or
197 other proceeding, protect and enforce any and all rights granted
198 under this act, or under such resolution, and may enforce and
199 compel performance of all duties required by this act to be
200 performed, in order to provide for the payment of bonds and
201 interest thereon.

202 **SECTION 14.** All bonds issued under the provisions of this
203 act shall be legal investments for trustees and other fiduciaries,
204 and for savings banks, trust companies and insurance companies
205 organized under the laws of the State of Mississippi, and such
206 bonds shall be legal securities which may be deposited with and
207 shall be received by all public officers and bodies of this state
208 and all municipalities and political subdivisions for the purpose
209 of securing the deposit of public funds.

210 **SECTION 15.** Bonds issued under the provisions of this act
211 and income therefrom shall be exempt from all taxation in the
212 State of Mississippi.

213 **SECTION 16.** The proceeds of the bonds issued under this act
214 shall be used solely for the purposes provided in this act,
215 including the costs incident to the issuance and sale of such
216 bonds.

217 **SECTION 17.** The State Treasurer is authorized, without
218 further process of law, to certify to the Department of Finance
219 and Administration the necessity for warrants, and the Department
220 of Finance and Administration is authorized and directed to issue
221 such warrants, in such amounts as may be necessary to pay when due
222 the principal of, premium, if any, and interest on, or the
223 accreted value of, all bonds issued under this act; and the State

224 Treasurer shall forward the necessary amount to the designated
225 place or places of payment of such bonds in ample time to
226 discharge such bonds, or the interest thereon, on the due dates
227 thereof.

228 **SECTION 18.** This act shall be deemed to be full and complete
229 authority for the exercise of the powers herein granted, but this
230 act shall not be deemed to repeal or to be in derogation of any
231 existing law of this state.

232 **SECTION 19.** This act shall take effect and be in force from
233 and after its passage.