

By: Representatives Read, Baker, Dixon,
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To: Ways and Means

HOUSE BILL NO. 983

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$45,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS
3 AT THE STATE-OWNED SHIPYARD LOCATED IN JACKSON COUNTY,
4 MISSISSIPPI; TO PROVIDE THAT THE ISSUANCE OF SUCH BONDS SHALL BE
5 CONDITIONED ON THE LESSEE INCURRING A CERTAIN AMOUNT OF DEBT
6 AND/OR DEDICATING A CERTAIN AMOUNT OF FUNDS FOR CAPITAL
7 IMPROVEMENTS, CAPITAL INVESTMENTS OR CAPITAL UPGRADES TO SHIPYARDS
8 IN MISSISSIPPI OWNED OR LEASED BY SUCH LESSEE; AND FOR RELATED
9 PURPOSES.

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

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

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

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



22 (c) "State shipyard" means the shipyard property owned
23 by the state and located in Jackson County, Mississippi.

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

25 (e) "Authority" means the Mississippi Development
26 Authority.

27 (2) (a) (i) A special fund, to be designated as the "2019
28 State Shipyard Improvement Fund," is created within the State
29 Treasury. The fund shall be maintained by the State Treasurer as
30 a separate and special fund, separate and apart from the General
31 Fund of the state. Unexpended amounts remaining in the fund at
32 the end of a fiscal year shall not lapse into the State General
33 Fund, and any interest earned or investment earnings on amounts in
34 the fund shall be deposited into such fund.

35 (ii) Monies deposited into the fund shall be
36 disbursed, in the discretion of the authority, to pay the costs
37 incurred in making such capital improvements at the state shipyard
38 as are considered by the authority to be part of the five-year
39 plan to modernize the state shipyard and keep it competitive with
40 other shipyards.

41 (iii) Monies in the special fund may be used to
42 reimburse reasonable actual and necessary costs incurred by the
43 authority in providing assistance related to a project for which
44 funding is provided under this act. The authority shall maintain
45 an accounting of actual costs incurred for each project for which
46 reimbursements are sought. Reimbursements under this paragraph



47 shall not exceed Three Hundred Thousand Dollars (\$300,000.00) in
48 the aggregate. Reimbursements under this paragraph shall satisfy
49 any applicable federal tax law requirements.

50 (iv) Monies in the special fund may be used to
51 reimburse reasonable actual and necessary costs incurred by the
52 Department of Audit in providing services related to a project for
53 which funding is provided under this act. The Department of Audit
54 shall maintain an accounting of actual costs incurred for each
55 project for which reimbursements are sought. The Department of
56 Audit may escalate its budget and expend such funds in accordance
57 with rules and regulations of the Department of Finance and
58 Administration in a manner consistent with the escalation of
59 federal funds. Reimbursements under this paragraph shall not
60 exceed One Hundred Thousand Dollars (\$100,000.00) in the
61 aggregate. Reimbursements under this paragraph shall satisfy any
62 applicable federal tax law requirements.

63 (b) Amounts deposited into such special fund shall be
64 disbursed to pay the costs of the projects described in this
65 subsection. If any money in the special fund is not used within
66 four (4) years after the date the proceeds of the bonds authorized
67 under this act are deposited into the fund, then the authority
68 shall provide an accounting of the unused monies to the
69 commission. Promptly after the commission has certified, by
70 resolution duly adopted, that the projects described in this
71 subsection shall have been completed, abandoned, or cannot be



72 completed in a timely fashion, any amounts remaining in such
73 special fund shall be applied to pay debt service on the bonds
74 issued under this act, in accordance with the proceedings
75 authorizing the issuance of such bonds and as directed by the
76 commission. Before money in the special fund may be used for the
77 projects described in this subsection, the authority shall require
78 that the lessee of the shipyard enter into binding commitments
79 regarding at least the following:

80 (i) That the lessee shall maintain a certain
81 minimum number of jobs and/or economic impact over a certain
82 period of time as determined by the authority (any required jobs
83 must be held by persons eligible for employment in the United
84 States under applicable state and federal law); and

85 (ii) That if the lessee fails to satisfy any such
86 commitments, the lessee must repay an amount equal to all or a
87 portion of the funds provided by the state under this act as
88 determined by the authority.

89 (3) (a) The commission, at one time, or from time to time,
90 may declare by resolution the necessity for issuance of general
91 obligation bonds of the State of Mississippi to provide funds for
92 all costs incurred or to be incurred for the purposes described in
93 subsection (2) of this section. No bonds shall be issued under
94 this act until the authority is provided proof that the lessee of
95 the shipyard has incurred debt or has otherwise irrevocably
96 dedicated funds or a combination of debt and funds in the amount



97 of not less than Ninety Million Dollars (\$90,000,000.00) used by
98 the lessee in calendar year 2006 or thereafter, for capital
99 improvements, capital investments or capital upgrades at
100 facilities in Jackson County, Mississippi, owned or leased by the
101 lessee. The debt or dedication of funds or combination of debt
102 and funds required of the lessee under this section shall be in
103 addition to any debt or funds required of the lessee under Section
104 4 of Chapter 501, Laws of 2003, Section 4 of Chapter 1, Laws of
105 2004 Third Extraordinary Session, Section 4 of Chapter 475, 2006
106 Regular Session, Section 17, Chapter 472, Laws of 2015, Section
107 25, Chapter 511, Laws of 2016, Section 3, Chapter 390, Laws of
108 2017, and Section 4, Chapter 452, Laws of 2018. In addition, no
109 bonds shall be issued under this act until the authority has
110 certified that the lessee has satisfied the minimum jobs
111 requirements of Section 3(2) of Chapter 501, Laws of 2003, Section
112 3(2) of Chapter 1, Laws of 2004 Third Extraordinary Session, and
113 Section 3 of Chapter 475, 2006 Regular Session. Upon the adoption
114 of a resolution by the authority, declaring that the lessee has
115 incurred the required amount of debt and/or irrevocable dedication
116 of funds and maintained the required minimum number of jobs and/or
117 economic impact and declaring the necessity for the issuance of
118 any part or all of the general obligation bonds authorized by this
119 section, the authority shall deliver a certified copy of its
120 resolution or resolutions to the commission. Upon receipt of such
121 resolution, the commission, in its discretion, may act as the



122 issuing agent, prescribe the form of the bonds, determine the
123 appropriate method for sale of the bonds, advertise for and accept
124 bids or negotiate the sale of the bonds, issue and sell the bonds
125 so authorized to be sold, and do any and all other things
126 necessary and advisable in connection with the issuance and sale
127 of such bonds. The total amount of bonds issued under this act
128 shall not exceed Forty-five Million Dollars (\$45,000,000.00). No
129 bonds shall be issued under this section after July 1, 2023.

130 (b) Any investment earnings on amounts deposited into
131 the special fund created in subsection (2) of this section shall
132 be used to pay debt service on bonds issued under this section, in
133 accordance with the proceedings authorizing issuance of such
134 bonds.

135 (4) The principal of and interest on the bonds authorized
136 under this section shall be payable in the manner provided in this
137 subsection. Such bonds shall bear such date or dates, be in such
138 denomination or denominations, bear interest at such rate or rates
139 (not to exceed the limits set forth in Section 75-17-101,
140 Mississippi Code of 1972), be payable at such place or places
141 within or without the State of Mississippi, shall mature
142 absolutely at such time or times not to exceed twenty-five (25)
143 years from date of issue, be redeemable before maturity at such
144 time or times and upon such terms, with or without premium, shall
145 bear such registration privileges, and shall be substantially in



146 such form, all as shall be determined by resolution of the
147 commission.

148 (5) The bonds authorized by this section shall be signed by
149 the chairman of the commission, or by his facsimile signature, and
150 the official seal of the commission shall be affixed thereto,
151 attested by the secretary of the commission. The interest
152 coupons, if any, to be attached to such bonds may be executed by
153 the facsimile signatures of such officers. Whenever any such
154 bonds shall have been signed by the officials designated to sign
155 the bonds who were in office at the time of such signing but who
156 may have ceased to be such officers before the sale and delivery
157 of such bonds, or who may not have been in office on the date such
158 bonds may bear, the signatures of such officers upon such bonds
159 and coupons shall nevertheless be valid and sufficient for all
160 purposes and have the same effect as if the person so officially
161 signing such bonds had remained in office until their delivery to
162 the purchaser, or had been in office on the date such bonds may
163 bear. However, notwithstanding anything herein to the contrary,
164 such bonds may be issued as provided in the Registered Bond Act of
165 the State of Mississippi.

166 (6) All bonds and interest coupons issued under the
167 provisions of this section have all the qualities and incidents of
168 negotiable instruments under the provisions of the Uniform
169 Commercial Code, and in exercising the powers granted by this



170 section, the commission shall not be required to and need not
171 comply with the provisions of the Uniform Commercial Code.

172 (7) The commission shall act as issuing agent for the bonds
173 authorized under this section, prescribe the form of the bonds,
174 determine the appropriate method for sale of the bonds, advertise
175 for and accept bids or negotiate the sale of the bonds, issue and
176 sell the bonds so authorized to be sold, pay all fees and costs
177 incurred in such issuance and sale, and do any and all other
178 things necessary and advisable in connection with the issuance and
179 sale of such bonds. The commission is authorized and empowered to
180 pay the costs that are incident to the sale, issuance and delivery
181 of the bonds authorized under this section from the proceeds
182 derived from the sale of such bonds. The commission may sell such
183 bonds on sealed bids at public sale or may negotiate the sale of
184 the bonds for such price as it may determine to be for the best
185 interest of the State of Mississippi. All interest accruing on
186 such bonds so issued shall be payable semiannually or annually.

187 If such bonds are sold by sealed bids at public sale, notice
188 of the sale shall be published at least one time, not less than
189 ten (10) days before the date of sale, and shall be so published
190 in one or more newspapers published or having a general
191 circulation in the City of Jackson, Mississippi, selected by the
192 commission.

193 The commission, when issuing any bonds under the authority of
194 this section, may provide that bonds, at the option of the State



195 of Mississippi, may be called in for payment and redemption at the
196 call price named therein and accrued interest on such date or
197 dates named therein.

198 (8) The bonds issued under the provisions of this section
199 are general obligations of the State of Mississippi, and for the
200 payment thereof the full faith and credit of the State of
201 Mississippi are irrevocably pledged. If the funds appropriated by
202 the Legislature are insufficient to pay the principal of and the
203 interest on such bonds as they become due, then the deficiency
204 shall be paid by the State Treasurer from any funds in the State
205 Treasury not otherwise appropriated. All such bonds shall contain
206 recitals on their faces substantially covering the provisions of
207 this subsection.

208 (9) Upon the issuance and sale of bonds under the provisions
209 of this section, the commission shall transfer the proceeds of any
210 such sale or sales to the special fund created in subsection (2)
211 of this section. The proceeds of such bonds shall be disbursed
212 solely upon the order of the Department of Finance and
213 Administration under such restrictions, if any, as may be
214 contained in the resolution providing for the issuance of the
215 bonds.

216 (10) The bonds authorized under this section may be issued
217 without any other proceedings or the happening of any other
218 conditions or things other than those proceedings, conditions and
219 things which are specified or required by this section. Any



220 resolution providing for the issuance of bonds under the
221 provisions of this section shall become effective immediately upon
222 its adoption by the commission, and any such resolution may be
223 adopted at any regular or special meeting of the commission by a
224 majority of its members.

225 (11) The bonds authorized under the authority of this
226 section may be validated in the Chancery Court of the First
227 Judicial District of Hinds County, Mississippi, in the manner and
228 with the force and effect provided by Chapter 13, Title 31,
229 Mississippi Code of 1972, for the validation of county, municipal,
230 school district and other bonds. The notice to taxpayers required
231 by such statutes shall be published in a newspaper published or
232 having a general circulation in the City of Jackson, Mississippi.

233 (12) Any holder of bonds issued under the provisions of this
234 section or of any of the interest coupons pertaining thereto may,
235 either at law or in equity, by suit, action, mandamus or other
236 proceeding, protect and enforce any and all rights granted under
237 this section, or under such resolution, and may enforce and compel
238 performance of all duties required by this section to be
239 performed, in order to provide for the payment of bonds and
240 interest thereon.

241 (13) All bonds issued under the provisions of this section
242 shall be legal investments for trustees and other fiduciaries, and
243 for savings banks, trust companies and insurance companies
244 organized under the laws of the State of Mississippi, and such



245 bonds shall be legal securities which may be deposited with and
246 shall be received by all public officers and bodies of this state
247 and all municipalities and political subdivisions for the purpose
248 of securing the deposit of public funds.

249 (14) Bonds issued under the provisions of this section and
250 income therefrom shall be exempt from all taxation in the State of
251 Mississippi.

252 (15) The proceeds of the bonds issued under this section
253 shall be used solely for the purposes herein provided, including
254 the costs incident to the issuance and sale of such bonds.

255 (16) The State Treasurer is authorized, without further
256 process of law, to certify to the Department of Finance and
257 Administration the necessity for warrants, and the Department of
258 Finance and Administration is authorized and directed to issue
259 such warrants, in such amounts as may be necessary to pay when due
260 the principal of, premium, if any, and interest on, or the
261 accreted value of, all bonds issued under this section; and the
262 State Treasurer shall forward the necessary amount to the
263 designated place or places of payment of such bonds in ample time
264 to discharge such bonds, or the interest thereon, on the due dates
265 thereof.

266 (17) This section shall be deemed to be full and complete
267 authority for the exercise of the powers herein granted, but this
268 section shall not be deemed to repeal or to be in derogation of
269 any existing law of this state.



270 (18) All improvements made to the state shipyard with the
271 proceeds of bonds issued pursuant to this act shall, as state
272 owned property, be exempt from ad valorem taxation, except ad
273 valorem taxation for school district purposes.

274 **SECTION 2.** This act shall take effect and be in force from
275 and after July 1, 2019.

