

By: Senator(s) Fillingane, Butler (38th),
Simmons (12th), Butler (36th)

To: Finance

SENATE BILL NO. 2975
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS TO PROVIDE FUNDS TO THE NORTH CENTRAL MS REGIONAL RAIL
3 AUTHORITY FOR THE PURPOSE OF ACQUIRING THE RAIL LINE THAT EXTENDS
4 FROM SOUTHAVEN, MISSISSIPPI, TO A POINT NEAR CANTON, MISSISSIPPI;
5 TO PROVIDE THAT IF THE RAIL AUTHORITY ACQUIRES THE RAIL LINE, IT
6 MAY ENTER INTO ANY AGREEMENT WITH A RAILROAD OR OTHER ENTITY
7 PROVIDING THAT THE RAILROAD OR OTHER ENTITY WILL LEASE THE RAIL
8 LINE FROM THE AUTHORITY FOR COMMERCIAL PURPOSES; TO PROVIDE THAT
9 THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE PAID PRIMARILY
10 FROM CERTAIN LEASE PAYMENTS DEPOSITED INTO A BOND SINKING FUND; TO
11 AMEND SECTION 57-1-16, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
12 MISSISSIPPI DEVELOPMENT AUTHORITY TO MAKE GRANTS TO LOCAL UNITS OF
13 GOVERNMENT TO ASSIST THE LOCAL UNIT OF GOVERNMENT IN PURCHASING
14 REAL PROPERTY FOR THE BENEFIT OF CERTAIN EXISTING INDUSTRIES; TO
15 AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT
16 OF \$20,000,000.00 FOR THE ACE FUND; TO LIMIT THE AMOUNT OF BONDS
17 THAT MAY BE ISSUED IN ANY ONE FISCAL YEAR; TO AMEND SECTION
18 27-25-505, MISSISSIPPI CODE OF 1972, TO REVISE THE MANNER IN WHICH
19 OIL SEVERANCE TAXES ARE DISTRIBUTED TO THE STATE AND THE COUNTY IN
20 WHICH THE OIL WAS PRODUCED; AND FOR RELATED PURPOSES.

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

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

25 (a) "Accreted value" of any bond means, as of any date
26 of computation, an amount equal to the sum of (i) the stated
27 initial value of such bond, plus (ii) the interest accrued thereon



28 from the issue date to the date of computation at the rate,
29 compounded semiannually, that is necessary to produce the
30 approximate yield to maturity shown for bonds of the same
31 maturity.

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

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

34 (2) (a) (i) A special fund, to be designated as the "2014
35 North Central MS Regional Rail Authority Loan Fund" is created
36 within the State Treasury. The fund shall be maintained by the
37 State Treasurer as a separate and special fund, separate and apart
38 from the General Fund of the state. Unexpended amounts remaining
39 in the fund at the end of a fiscal year shall not lapse into the
40 State General Fund, and any interest earned or investment earnings
41 on amounts in the fund shall be deposited into such fund.

42 (ii) Monies deposited into the fund shall be
43 disbursed, in the discretion of the Department of Finance and
44 Administration, to the North Central MS Regional Rail Authority
45 for the acquisition of the rail line that extends from Southaven,
46 Mississippi, to a point near Canton, Mississippi, as determined
47 necessary by the Mississippi Development Authority.

48 (b) Amounts deposited into such special fund shall be
49 disbursed to pay the costs of the projects described in paragraph
50 (a) of this subsection. Promptly after the commission has
51 certified, by resolution duly adopted, that the projects described
52 in paragraph (a) of this subsection shall have been completed,



53 abandoned, or cannot be completed in a timely fashion, any amounts
54 remaining in such special fund shall be applied to pay debt
55 service on the bonds issued under this section, in accordance with
56 the proceedings authorizing the issuance of such bonds and as
57 directed by the commission.

58 (3) (a) For the purposes of providing for the payment of
59 the principal of and interest on bonds issued under this section,
60 there is created in the State Treasury a special fund to be known
61 as the "2014 North Central MS Regional Rail Authority Loan Bond
62 Sinking Fund." The bond sinking fund shall consist of monies
63 deposited into the fund from lease payments as provided in
64 paragraph (b) of this subsection and such other amounts as may be
65 paid into the bond sinking fund by appropriation or other
66 authorization by the Legislature. Monies in the bond sinking fund
67 shall be used to pay the debt service requirements of the bonds
68 issued under this section. Unexpended amounts remaining in the
69 bond sinking fund at the end of a fiscal year shall not lapse into
70 the State General Fund, and any interest earned or investment
71 earnings on amounts in the bond sinking fund shall be deposited
72 into the bond sinking fund.

73 (b) If the North Central MS Regional Rail Authority
74 acquires the rail line, it may enter into any binding agreement
75 with a railroad or other entity providing that the railroad or
76 other entity shall lease the rail line from the North Central MS
77 Regional Rail Authority for commercial purposes. The North



78 Central MS Regional Rail Authority may enter into any lease of the
79 rail line to a railroad or other entity for commercial purposes,
80 and the payments from any such lease shall be deposited into the
81 special bond sinking fund created in paragraph (a) of this
82 subsection. The lease payments paid by the railroad or other
83 entity over a lease term shall be in an amount at least sufficient
84 to retire the general obligation bonds issued under this section
85 within fifteen (15) years of the commencement of the initial lease
86 of the rail line by the North Central MS Regional Rail Authority.
87 If the amount deposited in the sinking fund is insufficient to pay
88 the annual debt service on the bonds issued under this section,
89 the North Central MS Rail Authority shall sell the rail line for
90 not less than its market value and the proceeds of the sale shall
91 be applied to pay the debt service on the bonds issued under this
92 section, in accordance with the proceedings authorizing the
93 issuance of such bonds and as directed by the commission.

94 (4) (a) The commission, at one time, or from time to time,
95 may declare by resolution the necessity for issuance of general
96 obligation bonds of the State of Mississippi to provide funds for
97 all costs incurred or to be incurred for the purposes described in
98 subsection (2) of this section. Upon the adoption of a resolution
99 by the Department of Finance and Administration, declaring the
100 necessity for the issuance of any part or all of the general
101 obligation bonds authorized by this subsection, the department
102 shall deliver a certified copy of its resolution or resolutions to



103 the commission. Upon receipt of such resolution, the commission,
104 in its discretion, may act as issuing agent, prescribe the form of
105 the bonds, determine the appropriate method for sale of the bonds,
106 advertise for and accept bids or negotiate the sale of the bonds,
107 issue and sell the bonds so authorized to be sold, and do any and
108 all other things necessary and advisable in connection with the
109 issuance and sale of such bonds. The total amount of bonds issued
110 under this section shall not exceed Thirty Million Dollars
111 (\$30,000,000.00). No bonds shall be issued under this section
112 after July 1, 2018.

113 (b) Any investment earnings on amounts deposited into
114 the special fund created in subsection (2) of this section shall
115 be used to pay debt service on bonds issued under this section, in
116 accordance with the proceedings authorizing issuance of such
117 bonds.

118 (5) The principal of and interest on the bonds authorized
119 under this section shall be payable in the manner provided in this
120 subsection. Such bonds shall bear such date or dates, be in such
121 denomination or denominations, bear interest at such rate or rates
122 (not to exceed the limits set forth in Section 75-17-101,
123 Mississippi Code of 1972), be payable at such place or places
124 within or without the State of Mississippi, shall mature
125 absolutely at such time or times not to exceed twenty (20) years
126 from date of issue, be redeemable before maturity at such time or
127 times and upon such terms, with or without premium, shall bear



128 such registration privileges, and shall be substantially in such
129 form, all as shall be determined by resolution of the commission.

130 (6) The bonds authorized by this section shall be signed by
131 the chairman of the commission, or by his facsimile signature, and
132 the official seal of the commission shall be affixed thereto,
133 attested by the secretary of the commission. The interest
134 coupons, if any, to be attached to such bonds may be executed by
135 the facsimile signatures of such officers. Whenever any such
136 bonds shall have been signed by the officials designated to sign
137 the bonds who were in office at the time of such signing but who
138 may have ceased to be such officers before the sale and delivery
139 of such bonds, or who may not have been in office on the date such
140 bonds may bear, the signatures of such officers upon such bonds
141 and coupons shall nevertheless be valid and sufficient for all
142 purposes and have the same effect as if the person so officially
143 signing such bonds had remained in office until their delivery to
144 the purchaser, or had been in office on the date such bonds may
145 bear. However, notwithstanding anything herein to the contrary,
146 such bonds may be issued as provided in the Registered Bond Act of
147 the State of Mississippi.

148 (7) All bonds and interest coupons issued under the
149 provisions of this section have all the qualities and incidents of
150 negotiable instruments under the provisions of the Uniform
151 Commercial Code, and in exercising the powers granted by this



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

154 (8) The commission shall act as issuing agent for the bonds
155 authorized under this section, prescribe the form of the bonds,
156 determine the appropriate method for sale of the bonds, advertise
157 for and accept bids or negotiate the sale of the bonds, issue and
158 sell the bonds so authorized to be sold, pay all fees and costs
159 incurred in such issuance and sale, and do any and all other
160 things necessary and advisable in connection with the issuance and
161 sale of such bonds. The commission is authorized and empowered to
162 pay the costs that are incident to the sale, issuance and delivery
163 of the bonds authorized under this section from the proceeds
164 derived from the sale of such bonds. The commission may sell such
165 bonds on sealed bids at public sale or may negotiate the sale of
166 the bonds for such price as it may determine to be for the best
167 interest of the State of Mississippi. All interest accruing on
168 such bonds so issued shall be payable semiannually or annually.

169 If such bonds are sold by sealed bids at public sale, notice
170 of the sale shall be published at least one time, not less than
171 ten (10) days before the date of sale, and shall be so published
172 in one or more newspapers published or having a general
173 circulation in the City of Jackson, Mississippi, selected by the
174 commission.

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



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

180 (9) The bonds issued under the provisions of this section
181 are general obligations of the State of Mississippi, and for the
182 payment thereof the full faith and credit of the State of
183 Mississippi is irrevocably pledged. The principal of and the
184 interest on the bonds shall be payable primarily from the bond
185 sinking fund created in subsection (3) of this section. If the
186 funds available in the bond sinking fund and any funds
187 appropriated by the Legislature are insufficient to pay the
188 principal of and the interest on such bonds as they become due,
189 then the deficiency shall be paid by the State Treasurer from any
190 funds in the State Treasury not otherwise appropriated. All such
191 bonds shall contain recitals on their faces substantially covering
192 the provisions of this subsection.

193 (10) Upon the issuance and sale of bonds under the
194 provisions of this section, the commission shall transfer the
195 proceeds of any such sale or sales to the special fund created in
196 subsection (2) of this section. The proceeds of such bonds shall
197 be disbursed solely upon the order of the Department of Finance
198 and Administration under such restrictions, if any, as may be
199 contained in the resolution providing for the issuance of the
200 bonds.



201 (11) The bonds authorized under this section may be issued
202 without any other proceedings or the happening of any other
203 conditions or things other than those proceedings, conditions and
204 things which are specified or required by this section. Any
205 resolution providing for the issuance of bonds under the
206 provisions of this section shall become effective immediately upon
207 its adoption by the commission, and any such resolution may be
208 adopted at any regular or special meeting of the commission by a
209 majority of its members.

210 (12) The bonds authorized under the authority of this
211 section may be validated in the Chancery Court of the First
212 Judicial District of Hinds County, Mississippi, in the manner and
213 with the force and effect provided by Chapter 13, Title 31,
214 Mississippi Code of 1972, for the validation of county, municipal,
215 school district and other bonds. The notice to taxpayers required
216 by such statutes shall be published in a newspaper published or
217 having a general circulation in the City of Jackson, Mississippi.

218 (13) Any holder of bonds issued under the provisions of this
219 section or of any of the interest coupons pertaining thereto may,
220 either at law or in equity, by suit, action, mandamus or other
221 proceeding, protect and enforce any and all rights granted under
222 this section, or under such resolution, and may enforce and compel
223 performance of all duties required by this section to be
224 performed, in order to provide for the payment of bonds and
225 interest thereon.



226 (14) All bonds issued under the provisions of this section
227 shall be legal investments for trustees and other fiduciaries, and
228 for savings banks, trust companies and insurance companies
229 organized under the laws of the State of Mississippi, and such
230 bonds shall be legal securities which may be deposited with and
231 shall be received by all public officers and bodies of this state
232 and all municipalities and political subdivisions for the purpose
233 of securing the deposit of public funds.

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

237 (16) The proceeds of the bonds issued under this section
238 shall be used solely for the purposes herein provided, including
239 the costs incident to the issuance and sale of such bonds.

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



251 (18) This section shall be deemed to be full and complete
252 authority for the exercise of the powers herein granted, but this
253 section shall not be deemed to repeal or to be in derogation of
254 any existing law of this state.

255 **SECTION 2.** Section 57-1-16, Mississippi Code of 1972, is
256 amended as follows:

257 57-1-16. (1) As used in this section:

258 (a) "Extraordinary economic development opportunity"
259 means a new or expanded business or industry which maintains a
260 strong financial condition and minimal credit risk and creates
261 substantial employment, particularly in areas of high
262 unemployment.

263 (b) "Local economic development entities" means state
264 institutions of higher learning or public or private nonprofit
265 local economic development entities including, but not limited to,
266 chambers of commerce, local authorities, commissions or other
267 entities created by local and private legislation or districts
268 created pursuant to Section 19-5-99.

269 (c) "MDA" means the Mississippi Development Authority.

270 (2) (a) There is hereby created in the State Treasury a
271 special fund to be designated as the ACE Fund, which shall consist
272 of money from any public or private source designated for deposit
273 into such fund. Unexpended amounts remaining in the fund at the
274 end of a fiscal year shall not lapse into the State General Fund,
275 and any interest earned on amounts in the fund shall be deposited



276 to the credit of the fund. The purpose of the fund shall be to
277 assist in maximizing extraordinary economic development
278 opportunities related to any new or expanded business or industry
279 or to assist a local unit of government as authorized in
280 subsection (5) of this section. Such funds may be used to make
281 grants to local economic development entities to assist any new or
282 expanding business or industry that meets the criteria provided in
283 this section when such assistance aids the consummation of a
284 project within the State of Mississippi, or to make grants to a
285 local unit of government as authorized in subsection (5) of this
286 section.

287 (b) Monies in the fund which are derived from the
288 proceeds of general obligation bonds may be used to reimburse
289 reasonable actual and necessary costs incurred by the MDA in
290 providing assistance under this section through the use of general
291 obligation bonds. An accounting of actual costs incurred for
292 which reimbursement is sought shall be maintained for each grant
293 by the MDA. Reimbursement of reasonable actual and necessary
294 costs for a grant shall not exceed three percent (3%) of the
295 proceeds of bonds issued for such grant. Monies authorized for a
296 particular grant may not be used to reimburse administrative costs
297 for unrelated grants. Reimbursements made under this subsection
298 shall satisfy any applicable federal tax law requirements.

299 (3) The MDA shall establish a grant program to make grants
300 from the ACE Fund created under this section. Local economic



301 development entities may apply to the MDA for a grant under this
302 section in the manner provided for in subsection (4) of this
303 section. Local units of government may apply to the MDA for a
304 grant under this section in the manner provided in subsection (5)
305 of this section.

306 (4) (a) Any business or industry desiring assistance from a
307 local economic development entity under this section shall submit
308 an application to the local economic development entity which
309 shall include, at a minimum:

310 (i) Evidence that the business or industry meets
311 the definition of an extraordinary economic development
312 opportunity;

313 (ii) A demonstration that the business or industry
314 is at an economic disadvantage by locating the new or expanded
315 project in the county;

316 (iii) A description, including the cost, of the
317 requested assistance;

318 (iv) A description of the purpose for which the
319 assistance is requested;

320 (v) A two-year business plan;

321 (vi) Financial statements or tax returns for the
322 three (3) years immediately prior to the application;

323 (vii) Credit reports on all persons or entities
324 with a twenty percent (20%) or greater interest in the business or
325 industry; and



326 (viii) Any other information required by the MDA.

327 (b) The MDA shall require that binding commitments be
328 entered into requiring that:

329 (i) The minimum requirements of this section and
330 such other requirements as the MDA considers proper shall be met;
331 and

332 (ii) If such requirements are not met, all or a
333 portion of the funds provided by this section as determined by the
334 MDA shall be repaid.

335 (c) Upon receipt of the application from a business or
336 industry, the local economic development entity may apply to the
337 MDA for assistance under this section. Such application must
338 contain evidence that the business or industry meets the
339 definition of an extraordinary economic development opportunity, a
340 demonstration that the business or industry is at an economic
341 disadvantage by locating the new or expanded project in the
342 county, a description, including the cost, of the requested
343 assistance, and a statement of what efforts have been made or are
344 being made by the business or industry for securing or qualifying
345 for other local, state, federal or private funds for the project.

346 (d) The MDA shall have sole discretion in the awarding
347 of ACE funds, provided that the business or industry and the local
348 economic development entity have met the statutory requirements of
349 this section. However, in making grants under this section, the
350 MDA shall attempt to provide for an equitable distribution of such



351 grants among each of the congressional districts of this state in
352 order to promote economic development across the entire state.

353 (5) (a) The MDA may make grants to local units of
354 government to assist the local unit of government in purchasing
355 real property for the benefit of an existing industry that commits
356 to maintain a minimum of one thousand three hundred (1,300) jobs
357 for a minimum of ten (10) years after the date the grant is made.

358 (b) Any local unit of government seeking a grant
359 authorized under this subsection shall apply to MDA. The
360 application shall contain such information as the MDA may require.

361 (c) The MDA shall require that binding commitments be
362 entered into requiring that:

363 (i) The minimum requirements of this subsection
364 and such other requirements as the MDA considers proper shall be
365 met; and

366 (ii) If such requirements are not met, all or a
367 portion of the funds provided by this section as determined by the
368 MDA shall be repaid.

369 (* * *6) The MDA shall promulgate rules and regulations, in
370 accordance with the Mississippi Administrative Procedures Law, for
371 the implementation of this section. However, before the
372 implementation of any such rules and regulations, they shall be
373 submitted to a committee consisting of five (5) members of the
374 Senate Finance Committee and five (5) members of the House of



375 Representatives Ways and Means Committee, appointed by the
376 respective committee chairmen.

377 **SECTION 3.** (1) As used in this section, the following words
378 shall have the meanings ascribed herein unless the context clearly
379 requires otherwise:

380 (a) "Accreted value" of any bonds means, as of any date
381 of computation, an amount equal to the sum of (i) the stated
382 initial value of such bond, plus (ii) the interest accrued thereon
383 from the issue date to the date of computation at the rate,
384 compounded semiannually, that is necessary to produce the
385 approximate yield to maturity shown for bonds of the same
386 maturity.

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

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

389 (2) (a) The Mississippi Development Authority, at one time,
390 or from time to time, may declare by resolution the necessity for
391 issuance of general obligation bonds of the State of Mississippi
392 to provide funds for the program authorized in Section 57-1-16.
393 Upon the adoption of a resolution by the Mississippi Development
394 Authority declaring the necessity for the issuance of any part or
395 all of the general obligation bonds authorized by this subsection,
396 the Mississippi Development Authority shall deliver a certified
397 copy of its resolution or resolutions to the commission. Upon
398 receipt of such resolution, the commission, in its discretion, may
399 act as the issuing agent, prescribe the form of the bonds,



400 determine the appropriate method for sale of the bonds, advertise
401 for and accept bids or negotiate the sale of the bonds, issue and
402 sell the bonds so authorized to be sold, and do any and all other
403 things necessary and advisable in connection with the issuance and
404 sale of such bonds. The total amount of bonds issued under this
405 section shall not exceed Twenty Million Dollars (\$20,000,000.00);
406 however, not more than Eight Million Dollars (\$8,000,000.00) may
407 be issued in fiscal year 2015, not more than Six Million Dollars
408 (\$6,000,000.00) may be issued in fiscal year 2016, and not more
409 than Six Million Dollars (\$6,000,000.00) may be issued in fiscal
410 year 2017. No bonds authorized under this section shall be issued
411 after July 1, 2018.

412 (b) The proceeds of bonds issued pursuant to this
413 section shall be deposited into the ACE Fund created pursuant to
414 Section 57-1-16. Any investment earnings on bonds issued pursuant
415 to this section shall be used to pay debt service on bonds issued
416 under this section, in accordance with the proceedings authorizing
417 issuance of such bonds.

418 (3) The principal of and interest on the bonds authorized
419 under this section shall be payable in the manner provided in this
420 subsection. Such bonds shall bear such date or dates, be in such
421 denomination or denominations, bear interest at such rate or rates
422 (not to exceed the limits set forth in Section 75-17-101,
423 Mississippi Code of 1972), be payable at such place or places
424 within or without the State of Mississippi, shall mature



425 absolutely at such time or times not to exceed twenty-five (25)
426 years from date of issue, be redeemable before maturity at such
427 time or times and upon such terms, with or without premium, shall
428 bear such registration privileges, and shall be substantially in
429 such form, all as shall be determined by resolution of the
430 commission.

431 (4) The bonds authorized by this section shall be signed by
432 the chairman of the commission, or by his facsimile signature, and
433 the official seal of the commission shall be affixed thereto,
434 attested by the secretary of the commission. The interest
435 coupons, if any, to be attached to such bonds may be executed by
436 the facsimile signatures of such officers. Whenever any such
437 bonds shall have been signed by the officials designated to sign
438 the bonds who were in office at the time of such signing but who
439 may have ceased to be such officers before the sale and delivery
440 of such bonds, or who may not have been in office on the date such
441 bonds may bear, the signatures of such officers upon such bonds
442 and coupons shall nevertheless be valid and sufficient for all
443 purposes and have the same effect as if the person so officially
444 signing such bonds had remained in office until their delivery to
445 the purchaser, or had been in office on the date such bonds may
446 bear. However, notwithstanding anything herein to the contrary,
447 such bonds may be issued as provided in the Registered Bond Act of
448 the State of Mississippi.



449 (5) All bonds and interest coupons issued under the
450 provisions of this section have all the qualities and incidents of
451 negotiable instruments under the provisions of the Uniform
452 Commercial Code, and in exercising the powers granted by this
453 section, the commission shall not be required to and need not
454 comply with the provisions of the Uniform Commercial Code.

455 (6) The commission shall act as the issuing agent for the
456 bonds authorized under this section, prescribe the form of the
457 bonds, determine the appropriate method for sale of the bonds,
458 advertise for and accept bids or negotiate the sale of the bonds,
459 issue and sell the bonds so authorized to be sold, pay all fees
460 and costs incurred in such issuance and sale, and do any and all
461 other things necessary and advisable in connection with the
462 issuance and sale of such bonds. The commission is authorized and
463 empowered to pay the costs that are incident to the sale, issuance
464 and delivery of the bonds authorized under this section from the
465 proceeds derived from the sale of such bonds. The commission
466 shall sell such bonds on sealed bids at public sale or may
467 negotiate the sale of the bonds for such price as it may determine
468 to be for the best interest of the State of Mississippi. All
469 interest accruing on such bonds so issued shall be payable
470 semiannually or annually.

471 If the bonds are to be sold on sealed bids at public sale,
472 notice of the sale of any such bonds shall be published at least
473 one time, not less than ten (10) days before the date of sale, and



474 shall be so published in one or more newspapers published or
475 having a general circulation in the City of Jackson, Mississippi,
476 selected by the commission.

477 The commission, when issuing any bonds under the authority of
478 this section, may provide that bonds, at the option of the State
479 of Mississippi, may be called in for payment and redemption at the
480 call price named therein and accrued interest on such date or
481 dates named therein.

482 (7) The bonds issued under the provisions of this section
483 are general obligations of the State of Mississippi, and for the
484 payment thereof the full faith and credit of the State of
485 Mississippi is irrevocably pledged. If the funds appropriated by
486 the Legislature are insufficient to pay the principal of and the
487 interest on such bonds as they become due, then the deficiency
488 shall be paid by the State Treasurer from any funds in the State
489 Treasury not otherwise appropriated. All such bonds shall contain
490 recitals on their faces substantially covering the provisions of
491 this subsection.

492 (8) Upon the issuance and sale of bonds under the provisions
493 of this section, the commission shall transfer the proceeds of any
494 such sale or sales to the ACE Fund created in Section 57-1-16.
495 The proceeds of such bonds shall be disbursed solely upon the
496 order of the Mississippi Development Authority under such
497 restrictions, if any, as may be contained in the resolution
498 providing for the issuance of the bonds.



499 (9) The bonds authorized under this section may be issued
500 without any other proceedings or the happening of any other
501 conditions or things other than those proceedings, conditions and
502 things which are specified or required by this section. Any
503 resolution providing for the issuance of bonds under the
504 provisions of this section shall become effective immediately upon
505 its adoption by the commission, and any such resolution may be
506 adopted at any regular or special meeting of the commission by a
507 majority of its members.

508 (10) The bonds authorized under the authority of this
509 section may be validated in the Chancery Court of the First
510 Judicial District of Hinds County, Mississippi, in the manner and
511 with the force and effect provided by Chapter 13, Title 31,
512 Mississippi Code of 1972, for the validation of county, municipal,
513 school district and other bonds. The notice to taxpayers required
514 by such statutes shall be published in a newspaper published or
515 having a general circulation in the City of Jackson, Mississippi.

516 (11) Any holder of bonds issued under the provisions of this
517 section or of any of the interest coupons pertaining thereto may,
518 either at law or in equity, by suit, action, mandamus or other
519 proceeding, protect and enforce any and all rights granted under
520 this section, or under such resolution, and may enforce and compel
521 performance of all duties required by this section to be
522 performed, in order to provide for the payment of bonds and
523 interest thereon.



524 (12) All bonds issued under the provisions of this section
525 shall be legal investments for trustees and other fiduciaries, and
526 for savings banks, trust companies and insurance companies
527 organized under the laws of the State of Mississippi, and such
528 bonds shall be legal securities which may be deposited with and
529 shall be received by all public officers and bodies of this state
530 and all municipalities and political subdivisions for the purpose
531 of securing the deposit of public funds.

532 (13) Bonds issued under the provisions of this section and
533 income therefrom shall be exempt from all taxation in the State of
534 Mississippi.

535 (14) The proceeds of the bonds issued under this section
536 shall be used solely for the purposes therein provided, including
537 the costs incident to the issuance and sale of such bonds.

538 (15) The State Treasurer is authorized, without further
539 process of law, to certify to the Department of Finance and
540 Administration the necessity for warrants, and the Department of
541 Finance and Administration is authorized and directed to issue
542 such warrants, in such amounts as may be necessary to pay when due
543 the principal of, premium, if any, and interest on, or the
544 accreted value of, all bonds issued under this section; and the
545 State Treasurer shall forward the necessary amount to the
546 designated place or places of payment of such bonds in ample time
547 to discharge such bonds, or the interest thereon, on the due dates
548 thereof.



549 (16) This section shall be deemed to be full and complete
550 authority for the exercise of the powers therein granted, but this
551 section shall not be deemed to repeal or to be in derogation of
552 any existing law of this state.

553 **SECTION 4.** Section 27-25-505, Mississippi Code of 1972, is
554 amended as follows:

555 **[With regard to any county which is exempt from the**
556 **provisions of Section 19-2-3, this section shall read as follows:]**

557 27-25-505. (1) All taxes levied in this article and
558 collected by the Department of Revenue shall be paid into the
559 State Treasury on the same day collected.

560 (2) Except as otherwise provided in this section, the
561 commissioner shall apportion all the tax collections made pursuant
562 to this article to the state and to the county in which the oil
563 was produced, in accordance with the following schedule and so
564 certify such apportionment to the State Treasurer at the end of
565 each month:

566 On the first Six Hundred Thousand Dollars (\$600,000.00) or
567 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
568 the state and thirty-three and one-third percent (33-1/3%) to the
569 county.

570 * * * Above and exceeding Six Hundred Thousand Dollars
571 (\$600,000.00), or any part thereof, ninety percent (90%) to the
572 state and ten percent (10%) to the county through June 30, 1989;
573 eighty-five percent (85%) to the state and fifteen percent (15%)



574 to the county from July 1, 1989, through June 30, 1990; * * *
575 eighty percent (80%) to the state and twenty percent (20%) to the
576 county from July 1, 1990, through June 30, 2015; seventy-nine
577 percent (79%) to the state and twenty-one percent (21%) to the
578 county from July 1, 2015, through June 30, 2016; seventy-eight
579 percent (78%) to the state and twenty-two percent (22%) to the
580 county from July 1, 2016, through June 30, 2017; seventy-seven
581 percent (77%) to the state and twenty-three percent (23%) to the
582 county from July 1, 2017, through June 30, 2018; seventy-six
583 percent (76%) to the state and twenty-four percent (24%) to the
584 county from July 1, 2018, through June 30, 2019; and seventy-four
585 percent (74%) to the state and twenty-six percent (26%) to the
586 county for each fiscal year thereafter.

587 * * *

588 (3) The state's share of all oil severance taxes collected
589 pursuant to this article shall be deposited as provided for in
590 Section 27-25-506.

591 (4) The commissioner shall apportion all the tax collections
592 made pursuant to Section 27-25-503(1)(c) to the county in which
593 the oil was produced.

594 (5) The State Treasurer shall remit the county's share of
595 taxes collected pursuant to this article on or before the
596 twentieth day of the month next succeeding the month in which the
597 collections were made, for division among the municipalities and
598 taxing districts of the county. He shall accompany his remittance



599 with a report to the county receiving the funds prepared by the
600 commissioner showing from whom the tax was collected. Upon
601 receipt of the funds, the board of supervisors of the county shall
602 allocate the funds to the municipalities and to the various
603 maintenance and bond and interest funds of the county, school
604 districts, supervisors districts and road districts, as provided
605 in this subsection.

606 (6) Except as provided in subsection (8) of this section,
607 when there are any oil producing properties within the corporate
608 limits of any municipality, then the municipality shall
609 participate in the division of the tax returned to the county in
610 which the municipality is located, in the proportion which the tax
611 on production of oil from any properties located within the
612 municipal corporate limits bears to the tax on the total
613 production of oil in the county. In no event, however, shall the
614 amount allocated to municipalities exceed one-third (1/3) of the
615 tax produced in the municipality and returned to the county. Any
616 amount received by any municipality as a result of the allocation
617 provided for in this subsection shall be used only for such
618 purposes as are authorized by law.

619 (7) Except as provided in subsection (8) of this section,
620 the balance remaining of any amount of tax returned to the county
621 after the allocation to municipalities shall be divided among the
622 various maintenance and bond interest funds of the county, school
623 districts, supervisors districts and road districts, in the



624 discretion of the board of supervisors, and the board shall make
625 the division in consideration of the needs of the various taxing
626 districts. The funds so allocated shall be used only for purposes
627 as are authorized by law.

628 (8) Any amount above and exceeding Six Hundred Thousand
629 Dollars (\$600,000.00) that is remitted to the county that is more
630 than twenty percent (20%) of the taxes above and exceeding Six
631 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
632 in the county, shall be utilized by the county for infrastructure
633 repairs.

634 **[With regard to any county which is required to operate on a**
635 **countywide system of road administration as described in Section**
636 **19-2-3, this section shall read as follows:]**

637 27-25-505. (1) All taxes levied in this article and
638 collected by the Department of Revenue shall be paid into the
639 State Treasury on the same day collected.

640 (2) Except as otherwise provided in this section, the
641 commissioner shall apportion all the tax collections made pursuant
642 to this article to the state and to the county in which the oil
643 was produced, in accordance with the following schedule and so
644 certify such apportionment to the State Treasurer at the end of
645 each month:

646 On the first Six Hundred Thousand Dollars (\$600,000.00) or
647 any part thereof, sixty-six and two-thirds percent (66-2/3%) to



648 the state and thirty-three and one-third percent (33-1/3%) to the
649 county.

650 * * * Above and exceeding Six Hundred Thousand Dollars
651 (\$600,000.00), or any part thereof, ninety percent (90%) to the
652 state and ten percent (10%) to the county through June 30, 1989;
653 eighty-five percent (85%) to the state and fifteen percent (15%)
654 to the county from July 1, 1989, through June 30, 1990; * * *
655 eighty percent (80%) to the state and twenty percent (20%) to the
656 county from July 1, 1990, through June 30, 2015; seventy-nine
657 percent (79%) to the state and twenty-one percent (21%) to the
658 county from July 1, 2015, through June 30, 2016; seventy-eight
659 percent (78%) to the state and twenty-two percent (22%) to the
660 county from July 1, 2016, through June 30, 2017; seventy-seven
661 percent (77%) to the state and twenty-three percent (23%) to the
662 county from July 1, 2017, through June 30, 2018; seventy-six
663 percent (76%) to the state and twenty-four percent (24%) to the
664 county from July 1, 2018, through June 30, 2019; and seventy-four
665 percent (74%) to the state and twenty-six percent (26%) to the
666 county for each fiscal year thereafter.

667 * * *

668 (3) The state's share of all oil severance taxes collected
669 pursuant to this article shall be deposited as provided for in
670 Section 27-25-506.



671 (4) The commissioner shall apportion all the tax collections
672 made pursuant to the tax levied in Section 27-25-503(1)(c) to the
673 county in which the oil was produced.

674 (5) The State Treasurer shall remit the county's share of
675 the taxes collected pursuant to this article on or before the
676 twentieth day of the month next succeeding the month in which the
677 collections were made, for division among the municipalities and
678 taxing districts of the county. He shall accompany his remittance
679 with a report to the county receiving the funds prepared by the
680 commissioner showing from whom the tax was collected. Upon
681 receipt of the funds, the board of supervisors of the county shall
682 allocate the funds to the municipalities and to the various
683 maintenance and bond and interest funds of the county and school
684 districts, as provided in this subsection.

685 (6) Except as provided in subsection (8) of this section,
686 when there are any oil producing properties within the corporate
687 limits of any municipality, then the municipality shall
688 participate in the division of the tax returned to the county in
689 which the municipality is located, in the proportion which the tax
690 on production of oil from any properties located within the
691 municipal corporate limits bears to the tax on the total
692 production of oil in the county. In no event, however, shall the
693 amount allocated to municipalities exceed one-third (1/3) of the
694 tax produced in the municipality and returned to the county. Any
695 amount received by any municipality as a result of the allocation



696 provided in this subsection shall be used only for such purposes
697 as are authorized by law.

698 (7) Except as provided in subsection (8) of this section,
699 the balance remaining of any amount of tax returned to the county
700 after the allocation to municipalities shall be divided among the
701 various maintenance and bond interest funds of the county and
702 school districts, in the discretion of the board of supervisors,
703 and the board shall make the division in consideration of the
704 needs of the various taxing districts. The funds so allocated
705 shall be used only for purposes as are authorized by law.

706 (8) Any amount above and exceeding Six Hundred Thousand
707 Dollars (\$600,000.00) that is remitted to the county that is more
708 than twenty percent (20%) of the taxes above and exceeding Six
709 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
710 in the county, shall be utilized by the county for infrastructure
711 repairs.

712 **SECTION 5.** This act shall take effect and be in force from
713 and after July 1, 2014.

