

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1743

1 AN ACT TO AMEND SECTION 10, CHAPTER 567, LAWS OF 2013, TO  
 2 INCREASE BY \$10,000,000.00 THE AMOUNT OF BONDS AUTHORIZED TO BE  
 3 ISSUED FOR THE HINDS COUNTY DEVELOPMENT PROJECT LOAN FUND AND  
 4 AUTHORIZE MONEY IN THE FUND TO BE UTILIZED AS A LOAN TO HINDS  
 5 COUNTY, MISSISSIPPI, TO ASSIST IN FUNDING THE CONSTRUCTION OF A  
 6 PARKING GARAGE ASSOCIATED WITH A CERTAIN HOTEL CONSTRUCTION  
 7 PROJECT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 10, Chapter 567, Laws of 2013, is amended  
 10 as follows:

11 Section 10. (1) As used in this act:

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

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

19 (c) "County" means Hinds County, Mississippi.

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



21           (2)   (a)   (i)   There is created in the State Treasury a  
22 special fund to be known as the "Hinds County Development Project  
23 Loan Fund." The fund shall be maintained by the State Treasurer  
24 as a special fund, separate and apart from the State General Fund.  
25 Unexpended amounts remaining in the special fund at the end of a  
26 fiscal year shall not lapse into the State General Fund, and any  
27 interest earned or investment earnings on amounts in the special  
28 fund shall be deposited to the credit of the special fund. Monies  
29 in the special fund may not be used or expended for any purpose  
30 except as provided in this subsection.

31                               (ii) Money deposited into the special fund shall  
32 be disbursed, in the discretion of the Mississippi Development  
33 Authority, to provide loans to the county to be utilized by the  
34 county to assist in the construction of a hotel in the county with  
35 at least two hundred (200) guest rooms, an associated parking  
36 garage and related improvements.

37           (b) The county may apply to the Mississippi Development  
38 Authority for a loan under this section. The proceeds of the loan  
39 shall be utilized by the county for the purposes provided for in  
40 paragraph (a)(ii) of this subsection.

41           (c)   (i) The Mississippi Development Authority may  
42 require county participation or funding from other sources.

43                               (ii) The rate of interest on loans made under this  
44 section shall be at the true interest cost on the most recent



45 issue of twenty-year state general obligation bonds occurring  
46 prior to the date such loan is made.

47 (d) If the county receives a loan under this section,  
48 the county shall pledge for repayment of the loan any part of the  
49 homestead exemption annual tax loss reimbursement to which it may  
50 be entitled under Section 27-33-77, and any revenue generated for  
51 the county by a project funded by a loan made pursuant to this  
52 act. The loan agreement shall provide for (i) monthly payments,  
53 (ii) semiannual payments, or (iii) other periodic payments, as set  
54 forth in the loan agreement. The loan agreement shall provide for  
55 the repayment of all funds received within not more than twenty  
56 (20) years from the date of issuance.

57 (e) Loan payments of the county shall be deposited into  
58 the bond sinking fund created in subsection (4) of this section.

59 (f) If the loan payments of the county appear to be in  
60 arrears, the State Auditor, upon request of the Mississippi  
61 Development Authority, shall audit the receipts and expenditures  
62 of the county, and if he finds that the county is in arrears in  
63 such payments, he shall immediately notify the Executive Director  
64 of the Department of Finance and Administration who shall withhold  
65 all future payments to the county of homestead exemption  
66 reimbursements under Section 27-33-77 until such time as the  
67 county is again current in its loan payments as certified by the  
68 Mississippi Development Authority.



69 (g) Evidences of indebtedness which are issued pursuant  
70 to this act shall not be deemed indebtedness of the county within  
71 the meaning specified in Section 19-9-5.

72 (3) In administering the provisions of this act, the  
73 Mississippi Development Authority shall have the following powers  
74 and duties:

75 (a) To supervise the use of all funds made available  
76 under this act;

77 (b) To review and certify that the funds that are made  
78 available under this act are utilized as authorized under this  
79 act;

80 (c) To requisition money in the Hinds County  
81 Development Project Loan Fund and distribute it in accordance with  
82 the provisions of this act;

83 (d) To maintain an accurate record of all funds made  
84 available to the county under this act; and

85 (e) To adopt and promulgate such rules and regulations  
86 as may be necessary or desirable for the purpose of implementing  
87 the provisions of this act.

88 (4) (a) For the purposes of providing for the payment of  
89 the principal of and interest on bonds issued under this section,  
90 there is created in the State Treasury a special fund to be known  
91 as the "Hinds County Development Project Loan Fund Bond Sinking  
92 Fund." The bond sinking fund shall consist of monies deposited  
93 into the fund by the county for repayment of loans issued under



94 this act, and such other amounts as may be paid into the bond  
95 sinking fund by appropriation or other authorization by the  
96 Legislature. Unexpended amounts remaining in the bond sinking  
97 fund at the end of a fiscal year shall not lapse into the State  
98 General Fund, and any interest earned or investment earnings on  
99 amounts in the bond sinking fund shall be deposited into the bond  
100 sinking fund.

101 (b) At any time when the funds required to pay the  
102 principal of and interest on the bonds issued under this act are  
103 more than the amounts available in the bond sinking fund, the  
104 Legislature shall appropriate the balance of the amount necessary  
105 to pay the principal of and interest on the bonds issued under  
106 this act from the State General Fund.

107 (c) The total amount of all payments deposited into the  
108 bond sinking fund until the maturity date of the bonds authorized  
109 under this act shall be in an amount sufficient to retire the  
110 bonds.

111 (5) (a) The Mississippi Development Authority, at one time,  
112 or from time to time, may declare by resolution the necessity for  
113 issuance of general obligation bonds of the State of Mississippi  
114 to provide funds for all costs incurred or to be incurred for the  
115 purposes described in subsection (2) of this section. Upon the  
116 adoption of a resolution by the Mississippi Development Authority  
117 declaring the necessity for the issuance of any part or all of the  
118 bonds authorized by this section, the Mississippi Development



119 Authority shall deliver a certified copy of its resolution or  
120 resolutions to the commission. Upon receipt of the resolution,  
121 the commission, in its discretion, may act as the issuing agent,  
122 prescribe the form of the bonds, determine the appropriate method  
123 for sale of the bonds, advertise for and accept bids or negotiate  
124 the sale of the bonds, issue and sell the bonds so authorized to  
125 be sold, and do any and all other things necessary and advisable  
126 in connection with the issuance and sale of the bonds. The total  
127 amount of bonds issued under this act shall not exceed \* \* \*  
128 Thirty Million Dollars (\$30,000,000.00); however, not more than  
129 Three Million Five Hundred Thousand Dollars (\$3,500,000.00) of  
130 such bonds may be issued during any fiscal year.

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

135 (6) The principal of and interest on the bonds authorized  
136 under this section shall be payable in the manner provided in this  
137 subsection. The 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 determined by resolution of the commission.

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

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



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

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

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

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





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

197 (10) The bonds issued under the provisions of this section  
198 are general obligations of the State of Mississippi, and for the  
199 payment thereof, the full faith and credit of the State of  
200 Mississippi is irrevocably pledged. The principal of and the  
201 interest on the bonds shall be payable primarily from the bond  
202 sinking fund created in subsection (4) of this section in the  
203 manner provided in that subsection. If the funds available in the  
204 bond sinking fund and any funds appropriated by the Legislature  
205 for those purposes are insufficient to pay the principal of and  
206 the interest on the bonds as they become due, then the amount of  
207 the deficiency shall be paid by the State Treasurer from any funds  
208 in the State Treasury not otherwise appropriated. All those bonds  
209 shall contain recitals on their faces substantially covering the  
210 provisions of this section.

211 (11) Upon the issuance and sale of bonds under the  
212 provisions of this section, the commission shall transfer the  
213 proceeds of any such sale or sales to the special fund created in  
214 subsection (2) of this section. The proceeds of the bonds shall  
215 be disbursed solely upon the order of the Mississippi Development  
216 Authority under such restrictions, if any, as may be contained in  
217 the resolution providing for the issuance of the bonds.



218           (12) The bonds authorized under this section may be issued  
219 without any other proceedings or the happening of any other  
220 conditions or things other than those proceedings, conditions and  
221 things that are specified or required by this section. Any  
222 resolution providing for the issuance of bonds under the  
223 provisions of this section shall become effective immediately upon  
224 its adoption by the commission, and any such resolution may be  
225 adopted at any regular or special meeting of the commission by a  
226 majority of its members.

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

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



243 (15) All bonds issued under the provisions of this section  
244 shall be legal investments for trustees and other fiduciaries, and  
245 for savings banks, trust companies and insurance companies  
246 organized under the laws of the State of Mississippi, and the  
247 bonds shall be legal securities that may be deposited with and  
248 shall be received by all public officers and bodies of this state  
249 and all municipalities and political subdivisions for the purpose  
250 of securing the deposit of public funds.

251 (16) Bonds issued under the provisions of this section and  
252 income from the bonds shall be exempt from all taxation in the  
253 State of Mississippi.

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

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



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

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

