

3/10/15

3:30 pm.

Chapter No. 902
15/HR26/R1943CS

NE / CSE

HOUSE BILL NO. 1419



Originated in House _____

Clerk

HOUSE BILL NO. 1419

AN ACT TO AUTHORIZE ATTALA COUNTY, MISSISSIPPI, TO ISSUE BONDS OF THE COUNTY TO RAISE MONEY TO PROVIDE FOR CERTAIN COSTS AND OBLIGATIONS INCURRED EITHER BY THE COUNTY, ON BEHALF OF MONTFORT JONES MEMORIAL HOSPITAL, OR BY THE HOSPITAL; TO AUTHORIZE THE COUNTY TO SELL OR LEASE THE HOSPITAL; TO AUTHORIZE THE BOARD OF TRUSTEES OF THE HOSPITAL, A PUBLIC COMMUNITY HOSPITAL, TO PETITION FOR RELIEF FROM DEBTS AND FINANCIAL OBLIGATIONS OF THE HOSPITAL UNDER CHAPTER 9 OF TITLE 11, UNITED STATES CODE; AND FOR RELATED PURPOSES.

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

SECTION 1. For the purposes of this act, the following terms shall have the following meanings:

(a) "Board of Trustees" means the board appointed pursuant to Section 41-13-29, Mississippi Code of 1972, to operate the hospital.

(b) "Bonds" means bonds, notes and/or other evidences of indebtedness issued by the county pursuant to this act.

(c) "County" means Attala County, Mississippi, a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi.

(d) "Hospital" means Montfort Jones Memorial Hospital, a community hospital owned by the county, which is organized and validly existing under the Constitution and laws of the State of Mississippi.

(e) "Project" means the payment of costs incurred by the county or the hospital in connection with the sale or lease of the hospital, and/or paying obligations or defraying or paying the expenses incurred by either the county, on behalf of the hospital, or the hospital including, but not limited to, paying the current or past expenses incurred for the operation and/or financing of the hospital and paying for the costs of borrowing; and for other authorized purposes under Sections 31-25-1 et seq., Sections 31-15-1 et seq., Sections 41-13-10 et seq., and/or Sections 19-9-1 et seq., Mississippi Code of 1972.

SECTION 2. The county is hereby authorized and empowered to issue and sell the bonds for the purpose of providing funds to provide for the project. Such bonds to be secured by a pledge of the full faith, credit, and resources of the county shall not be issued in an amount which will exceed the twenty percent (20%) limitation on indebtedness imposed by Section 19-9-5, Mississippi Code of 1972. The bonds issued by the county under this act may be issued as general obligation bonds of the county payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate, or amount upon all taxable

property within the geographical limits of the county. The bonds issued under this act and the income therefrom shall be exempt from all income taxation in the state.

Before issuing any such bonds secured by a pledge of the full faith, credit, and resources of the county, the board of supervisors of the county shall adopt a resolution declaring its intention to issue the same, stating the amount and purposes thereof, and fixing the date upon which further action will be taken to provide for the issuance of such bonds. The full text of such resolution shall be published once a week for at least three (3) consecutive weeks in at least one (1) newspaper published in the county, or if none be published, in a newspaper having a general circulation therein. The first publication of such notice shall be made not less than twenty-one (21) days prior to the date fixed in such resolution, as aforesaid, and the last publication shall be made not more than seven (7) days prior to such date. If, on or prior to the date fixed in such resolution, as aforesaid, there shall be filed with the clerk of the body by which such resolution was adopted a written petition signed by twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified voters of such county, requesting that an election be called and held on the question of the issuance of such bonds, then it shall be the duty of the board of supervisors of the county to call and provide for the holding of an election on the question of the issuance of such bonds. In such case no

such bonds secured by a pledge of the full faith, credit, and resources of the county shall be issued unless authorized by the affirmative vote of a majority of the qualified voters of the county who vote on the proposition at such election. Notice of such election shall be given by publication in like manner as hereinabove provided for the publication of the initial resolution. Such election shall be conducted and the return thereof made canvassed and declared as nearly as may be in like manner as is now or may hereafter be provided by law in the case of general elections in such county.

In the discretion of the board of supervisors of the county, and after adoption of a resolution declaring its intention to issue such bonds secured by a pledge of the full faith, credit, and resources of the county, an election on the question of the issuance of such bonds may be called and held as hereinabove provided without the necessity of publishing the resolution and whether or not a protest to the issuance be filed with the clerk of the board of supervisors. In the event that the question of the issuance of such bonds secured by a pledge of the full faith, credit, and resources of the county be not authorized at such election, such question shall not again be submitted to a vote until the expiration of a period of six (6) months from and after the date of such election.

The total amount of bonds issued by the county under this act shall not exceed Five Million Dollars (\$5,000,000.00).

The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this section. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates, (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed thirty (30) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by the board of supervisors of the county by resolution.

No bond shall bear more than one (1) rate of interest; each bond shall bear interest from its date to its stated maturity date at the interest rate specified by resolution; all bonds of the same maturity shall bear the same rate of interest from date to maturity; all interest accruing on such bonds so issued shall be payable as provided by resolution of the board of supervisors of the county. The denomination, form, place, or places, of payment of such bonds shall be fixed in the resolution or order of the board of supervisors of the county.

Such bonds may be sold at public or private sale at such time or times and at such price or prices as the county shall

determine. Such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

All bonds and interest coupons issued under the provisions of this section have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by this section, the county shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

The authority for the county to issue bonds hereunder shall be in addition to any other borrowing authority which the county has under state law.

Bonds of the county issued under this act may be validated in accordance with the provision of Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.

SECTION 3. The board of supervisors of the county is authorized, in its discretion, to sell or to lease, (which lease may include a purchase option) the building, assets and real estate comprising the campus and facility known as Montfort Jones Memorial Hospital, which is county-owned property, without the necessity of complying with the requirements of Section 41-13-15, Mississippi Code of 1972. Provided, however, the board of supervisors will comply with the requirements set forth in this section as described further below.

The county shall contract with a certified public accounting firm to review the current operating condition of the hospital.

The review, which may be amended or modified from time to time, will consist of the following:

(a) A review of the community's inpatient facility needs based on current workload, historical trends and projections, based on demographic data, of future needs.

(b) A review of the competitive market for services, including other hospitals which serve the same area, the services provided and the market perception of the competitive hospitals.

(c) A review of the hospital's strengths relative to the competition and its capacity to compete in light of projected trends and competition.

(d) An analysis of the hospital's options, including service mix and pricing strategies and whether a sale or lease should be considered and the revenues that could be expected to be realized from such sale or lease.

The county contracted with a national certified public accounting firm to perform this study and the study, dated April 7, 2014, concluded that the county should consider a sale or lease of its hospital operations. Additionally, the county has contracted with a national certified public accounting firm to provide an audit for the hospital for the year ended September 30, 2014, and the period ended as of the lease or sale date. If the county chooses to sell or lease the hospital (with or without a purchase option under a lease), it shall first spread upon its minutes why such a lease or sale is in the best interests of the

persons living in the area served by the facility, and it shall make public any and all findings and recommendations made in the review. The county may then proceed with the sale or lease of the hospital for such consideration, and under such other terms and conditions, as are acceptable to the county. The term of any lease under this section shall not exceed fifty (50) years.

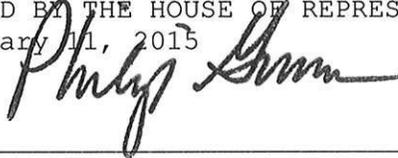
SECTION 4. The board of trustees of the hospital is authorized, in its discretion, to petition for the relief from debts and financial obligations of the hospital under Chapter 9 of Title 11, United States Code, as amended, and to take any actions that the board of trustees of the hospital determines may be necessary for such purpose.

SECTION 5. Neither this act nor anything herein contained is or shall be construed as a restriction or limitation upon any powers which the county or hospital might otherwise have under any laws of this state, and this act is cumulative to any such powers. This act does and shall be construed to provide complete additional and alternative methods for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws. No proceedings, notice or approval shall be required for the issuance of any bonds or any instrument as security therefor, except as provided in this act. No proceedings, notice or approval shall be required for the sale or lease of the hospital pursuant to this act, except as provided in this act.

SECTION 6. If any section, subsection, paragraph, sentence, clause or provision of this act shall be unconstitutional or ineffective, in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective and no other section, subdivision, paragraph, sentence, clause or provision shall on account thereof be deemed invalid or ineffective.

SECTION 7. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 11, 2015



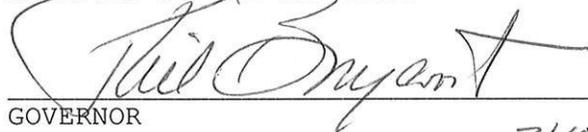
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 4, 2015



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

3/10/15
3:30pm