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Chapter No. 535
13/HR12/R1058SG
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HOUSE BILL NO. 1685

Originated in House  Clerk

HOUSE BILL NO. 1685

AN ACT TO CREATE THE "MISSISSIPPI ALTERNATIVE FUEL SCHOOL BUS AND MUNICIPAL MOTOR VEHICLE REVOLVING LOAN FUND" AS A SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL USE MONIES IN THE SPECIAL FUND FOR THE PURPOSE OF ESTABLISHING A REVOLVING LOAN PROGRAM TO ASSIST PUBLIC SCHOOL DISTRICTS AND MUNICIPALITIES IN PAYING COSTS INCURRED FOR THE PURCHASE OF ALTERNATIVE FUEL SCHOOL BUSES AND MOTOR VEHICLES, THE CONVERSION OF SCHOOL BUSES AND MOTOR VEHICLES TO UTILIZE ALTERNATIVE FUELS AND FOR ALTERNATIVE FUEL SYSTEM EQUIPMENT AND FACILITIES; TO AUTHORIZE THE ISSUANCE OF \$2,750,000.00 OF STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE MISSISSIPPI ALTERNATIVE FUEL SCHOOL BUS AND MUNICIPAL MOTOR VEHICLE REVOLVING LOAN FUND; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) As used in this subsection:

(a) "Alternative fuel" means compressed natural gas and liquefied natural gas, as defined in Section 27-59-3, and propane fuel when used as a fuel in a motor vehicle or motor vehicles on the highways of the state.

(b) "Alternative fuel school bus" means a school bus propelled by alternative fuel either as a dedicated alternative fuel vehicle, as a bi-fuel vehicle using alternative fuel as one

of its fuels, or as a dual-fuel vehicle using alternative fuel as one of its fuels.

(c) "Conversion kit" means the fuel system equipment necessary in order to retrofit a motor vehicle propelled by gasoline, diesel or other fuel so that the motor vehicle may be converted or modified into an alternative fuel motor vehicle.

(d) "Cost of qualified alternative fuel motor vehicle fuel property" means any of the following:

(i) The actual cost per school bus paid by the school district for the purchase and installation of qualified alternative fuel motor vehicle fuel property described in paragraph (1)(i) of this subsection.

(ii) The incremental cost per school bus paid by the school district upon the purchase of an OEM alternative fuel school bus for the qualified alternative fuel motor vehicle fuel property (including installation) described in paragraph (1)(ii) of this subsection.

(iii) The cost of the qualified alternative fuel motor vehicle fuel property described in paragraph (1)(iii) of this subsection and its installation.

(iv) The cost of the qualified alternative fuel motor vehicle fuel property described in paragraph (1)(iv) of this subsection and its construction and installation. The cost directly related to a refueling station shall not include costs

associated with exploration and development activities necessary for severing natural resources from the soil or ground.

(e) "Fuel system equipment" means tanks, pumps, hoses, injectors, electronic controls and related supplies, materials, parts and components for the storage of alternative fuel as fuel for an alternative fuel school bus, the delivery of alternative fuel to the engine of an alternative fuel school bus, and the exhaust from an alternative fuel school bus of gases from combustion of alternative fuel used to propel an alternative fuel school bus, excluding equipment necessary for operation of a school bus on gasoline, diesel or any fuel other than alternative fuel.

(f) "Incremental cost" means:

(i) The stated MSRP of the fuel system equipment and its installation for an OEM alternative fuel school bus; or

(ii) If no separate MSRP is stated, the difference between the MSRP of the OEM alternative fuel school bus and the MSRP of the same make and model of school bus manufactured without the fuel system equipment but otherwise identically equipped.

When an OEM alternative fuel school bus is sold for less (or more) than its MSRP, the amount determined in subparagraph (i) or (ii) of this paragraph (f) shall be proportionately reduced (or increased) by the same percentage as the discount (or premium) on the MSRP, as applicable.

(g) "School district" means a public school district.

(h) "OEM alternative fuel motor vehicle" means an alternative fuel school bus manufactured by the original vehicle manufacturer (or its contractor) with the fuel system equipment installed as original equipment by the manufacturer (or its contractor) at the factory or at another installation site approved by the manufacturer (or its contractor).

(i) "Motor vehicle" shall have the meaning ascribed to such term in Section 27-59-3.

(j) "MSRP" means manufacturer's suggested retail price.

(k) "Original purchase" means the purchase directly from a dealer at retail of a new OEM alternative fuel school bus which has never been titled.

(l) "Qualified alternative fuel motor vehicle fuel property" means any of the following:

(i) A conversion kit which has not previously been used to retrofit any motor vehicle and is installed and results in a reduction in emissions.

(ii) The fuel system equipment on an OEM alternative fuel school bus which results in a reduction in emissions.

(iii) A refueling system installed at a governmental entity location for the nonpublic refueling with alternative fuel of the governmental entity's alternative fuel school buses.

(iv) A refueling station located in the state and operated by a school district for refueling of alternative fuel motor vehicles owned by the school district.

(v) Upgrades to a refueling system included in subparagraphs (iii) and (iv) of this paragraph (1).

(vi) Portable or mobile refueling systems.

(m) "Reduction in emissions" means a reduction in atmospheric emissions from fuel consumption by an alternative fuel motor vehicle as demonstrated by certification of the fuel system equipment by the federal Environmental Protection Agency or the Mississippi Department of Environmental Quality or any other test or standard recognized by the Mississippi Department of Environmental Quality.

(n) "Refueling system" means compressors (whether used separately or in combination with cascade tanks), process piping, hoses, dispensing units at the point where alternative fuel is delivered as a fuel, meters and other parts and equipment and installation supplies and materials therefor that constitute a refueling system capable of dispensing alternative fuel into fuel tanks of alternative fuel motor vehicles for use as a fuel.

(o) "Refueling station" means property constituting a facility operated for dispensing alternative fuel into fuel tanks of alternative fuel motor vehicles, which shall include:

(i) A refueling system; and

(ii) A building or other structural components constructed or installed as part of and directly related to such refueling system.

(p) "Retrofit" means the installation of a conversion kit in a school bus designed to operate on gasoline, diesel or other fuel in order to convert or modify the bus vehicle into an alternative fuel school bus.

(q) "School bus" means a vehicle owned by a school district that is primarily used by the school district to transport students.

(2) As used in this subsection:

(a) "Alternative fuel" means compressed natural gas and liquefied natural gas, as defined in Section 27-59-3, and propane fuel when used as a fuel in a motor vehicle or motor vehicles on the highways of the state.

(b) "Conversion kit" means the fuel system equipment necessary in order to retrofit a motor vehicle propelled by gasoline, diesel or other fuel so that the motor vehicle may be converted or modified into an alternative fuel motor vehicle.

(c) "Cost of qualified alternative fuel motor vehicle fuel property" means any of the following:

(i) The actual cost per vehicle paid by the municipality for the purchase and installation of qualified alternative fuel motor vehicle fuel property described in paragraph (1)(i) of this subsection.

(ii) The incremental cost per vehicle paid by the municipality upon the purchase of an OEM alternative fuel motor vehicle for the qualified alternative fuel motor vehicle fuel property (including installation) described in paragraph (1)(ii) of this subsection.

(iii) The cost of the qualified alternative fuel motor vehicle fuel property described in paragraph (1)(iii) of this subsection and its installation.

(iv) The cost of the qualified alternative fuel motor vehicle fuel property described in paragraph (1)(iv) of this subsection and its construction and installation. The cost directly related to a refueling station shall not include costs associated with exploration and development activities necessary for severing natural resources from the soil or ground.

(d) "Fuel system equipment" means tanks, pumps, hoses, injectors, electronic controls and related supplies, materials, parts and components for the storage of alternative fuel as fuel for an alternative fuel motor vehicle, the delivery of alternative fuel to the engine of an alternative fuel motor vehicle, and the exhaust from an alternative fuel motor vehicle of gases from combustion of alternative fuel used to propel an alternative fuel motor vehicle, excluding equipment necessary for operation of a motor vehicle on gasoline, diesel or any fuel other than alternative fuel.

(e) "Incremental cost" means:

(i) The stated MSRP of the fuel system equipment and its installation for an OEM alternative fuel motor vehicle; or

(ii) If no separate MSRP is stated, the difference between the MSRP of the OEM alternative fuel motor vehicle and the MSRP of the same make and model of motor vehicle manufactured without the fuel system equipment but otherwise identically equipped.

When an OEM alternative fuel motor vehicle is sold for less (or more) than its MSRP, the amount determined in subparagraph (i) or (ii) of this paragraph (e) shall be proportionately reduced (or increased) by the same percentage as the discount (or premium) on the MSRP, as applicable.

(f) "Municipality" means an incorporated city, town or village in the State of Mississippi.

(g) "OEM alternative fuel motor vehicle" means an alternative fuel motor vehicle manufactured by the original vehicle manufacturer (or its contractor) with the fuel system equipment installed as original equipment by the manufacturer (or its contractor) at the factory or at another installation site approved by the manufacturer (or its contractor).

(h) "Motor vehicle" shall have the meaning ascribed to such term in Section 27-59-3.

(i) "MSRP" means manufacturer's suggested retail price.

(j) "Alternative fuel motor vehicle" means a motor vehicle propelled by alternative fuel either as a dedicated

alternative fuel vehicle, as a bi-fuel vehicle using alternative fuel as one of its fuels, or as a dual fuel vehicle using alternative fuel as one of its fuels.

(k) "Original purchase" means the purchase directly from a dealer at retail of a new OEM alternative fuel motor vehicle which has never been titled.

(l) "Qualified alternative fuel motor vehicle fuel property" means any of the following:

(i) A conversion kit which has not previously been used to retrofit any motor vehicle and is installed and results in a reduction in emissions.

(ii) The fuel system equipment on an OEM alternative fuel motor vehicle which results in a reduction in emissions.

(iii) A refueling system installed at a municipality location for the nonpublic refueling with alternative fuel of the municipality's alternative fuel motor vehicles.

(iv) A refueling station located in the state and operated by a municipality for refueling of alternative fuel motor vehicles owned by the municipality.

(v) Upgrades to a refueling system included in subparagraphs (iii) and (iv) of this paragraph (l).

(vi) Portable or mobile refueling systems.

(m) "Reduction in emissions" means a reduction in atmospheric emissions from fuel consumption by an alternative fuel

motor vehicle as demonstrated by certification of the fuel system equipment by the federal Environmental Protection Agency or the Mississippi Department of Environmental Quality or any other test or standard recognized by the Mississippi Department of Environmental Quality.

(n) "Refueling system" means compressors (whether used separately or in combination with cascade tanks), process piping, hoses, dispensing units at the point where alternative fuel is delivered as a fuel, meters and other parts and equipment and installation supplies and materials therefor that constitute a refueling system capable of dispensing alternative fuel into fuel tanks of alternative fuel motor vehicles for use as a fuel.

(o) "Refueling station" means property constituting a facility operated for dispensing alternative fuel into fuel tanks of alternative fuel motor vehicles, which shall include:

(i) A refueling system; and

(ii) A building or other structural components constructed or installed as part of and directly related to such refueling system.

(p) "Retrofit" means the installation of a conversion kit in a motor vehicle designed to operate on gasoline, diesel or other fuel in order to convert or modify such motor vehicle into an alternative fuel motor vehicle.

(3) (a) The Mississippi Development Authority shall establish a revolving loan program to provide loans to (i) school

districts for the purpose of assisting school districts with paying the cost of qualified alternative fuel motor vehicle fuel property and (ii) municipalities for the purpose of assisting municipalities with paying the cost of qualified alternative fuel motor vehicle fuel property. Loans made under this section shall bear no interest.

(b) A school district or municipality desiring a loan under this section must submit an application to the Mississippi Development Authority. The application shall include:

(i) A description of the purpose for which the loan is requested;

(ii) The amount of the loan requested; and

(iii) Any other information required by the Mississippi Development Authority.

(c) Repayments of loans made under this section shall be deposited to the credit of the Mississippi Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Loan Fund.

(4) (a) There is created in the State Treasury a special fund to be designated as the "Mississippi Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Loan Fund," which shall consist of funds appropriated or otherwise made available by the Legislature in any manner and funds from any other source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or

interest earned on amounts in the fund shall be deposited to the credit of the fund. Monies in the fund shall be used by the Mississippi Development Authority for the purposes described in this section.

(b) Monies in the fund which are derived from the proceeds of general obligation bonds may be used to reimburse reasonable actual and necessary costs incurred by the Mississippi Development Authority in providing loans under this section through the use of general obligation bonds. Monies authorized for a particular loan may not be used to reimburse administrative costs for unrelated loans. Reimbursements made under this subsection shall satisfy any applicable federal tax law requirements.

(4) The Mississippi Development Authority shall have all powers necessary to implement and administer the program established under this section, and the Mississippi Development Authority shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this section.

SECTION 2. (1) As used in this section, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

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

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

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

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

(2) (a) The Mississippi Development Authority, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for the loan program authorized in Section 1 of this act. Upon the adoption of a resolution by the Mississippi Development Authority, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the Mississippi Development Authority shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00). No bonds authorized under this section shall be issued after July 1, 2017.

(b) The proceeds of bonds issued pursuant to this section shall be deposited into the Mississippi Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Loan Fund created pursuant to Section 1 of this act. Any investment earnings on bonds issued pursuant to this section shall be used to pay debt service on bonds issued under this section, in accordance with the proceedings authorizing issuance of such bonds.

(3) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. 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 twenty-five (25) 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 resolution of the commission.

(4) The bonds authorized by this section shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by

the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

(5) 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 commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

(6) The commission shall act as issuing agent for the bonds authorized under this section, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other

things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under this section from the proceeds derived from the sale of such bonds. The commission may sell such bonds on sealed bids at public sale or may negotiate the sale of the bonds for such price as it may determine to be for the best interest of the State of Mississippi. All interest accruing on such bonds so issued shall be payable semiannually or annually.

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

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

(7) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. If the funds appropriated by the Legislature are insufficient to pay the principal of and the

interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(8) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the Mississippi Alternative Fuel School Bus and Municipal Motor Vehicle Revolving Loan Fund created in Section 1 of this act. The proceeds of such bonds shall be disbursed solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

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

(10) The bonds authorized under the authority of this section may be validated in the Chancery Court of the First Judicial District of Hinds County, Mississippi, in the manner and

with the force and effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The notice to taxpayers required by such statutes shall be published in a newspaper published or having a general circulation in the City of Jackson, Mississippi.

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

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

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

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

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

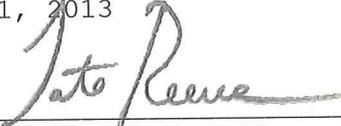
(16) This section shall be deemed to be full and complete authority for the exercise of the powers therein granted, but this section shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 3. This act shall take effect and be in force from and after July 1, 2013.

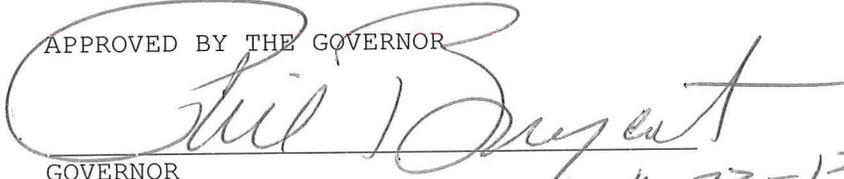
PASSED BY THE HOUSE OF REPRESENTATIVES
April 1, 2013


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 31, 2013


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR
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