

# OFFICIAL STATEMENT

ONE NEW ISSUE/BOOK-ENTRY ONLY

See "RATINGS" herein

*In the opinion of Butler Snow LLP, Ridgeland, Mississippi ("Bond Counsel"), under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2019A Bonds (as defined herein) is excludable from gross income for federal tax purposes pursuant to Section 103 of the Code (as defined herein), and such interest is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019A Bonds is exempt from income taxation in the State (as defined herein). For a more complete description, see "TAX MATTERS" herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL attached hereto.*

## **\$268,775,000** **STATE OF MISSISSIPPI** **GAMING TAX REVENUE BONDS, SERIES 2019A**

**Dated: Date of Delivery**

**Due: October 15, as shown on the inside front cover**

Interest on the \$268,775,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2019A (the "Series 2019A Bonds") will be payable on April 15 and October 15 of each year, commencing April 15, 2019. The State Bond Commission (the "Commission") of the State of Mississippi (the "State") has designated the Office of the State Treasurer to serve as paying agent, transfer agent and registrar of the Series 2019A Bonds (in such capacity, the "Paying and Transfer Agent"). The Series 2019A Bonds will be issued as fully registered bonds in the denomination of \$5,000, or any integral multiple thereof, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2019A Bonds. See "DESCRIPTION OF THE SERIES 2019A BONDS - Book-Entry-Only System" and "APPENDIX E," herein.

The Series 2019A Bonds will be issued pursuant to House Bill No. 1, 2018 First Extraordinary Session of the Mississippi Legislature, Senate Bill No. 2002, 2018 First Extraordinary Session of the Mississippi Legislature, and Senate Bill 1630, 2015 Regular Session of the Mississippi Legislature (together, the "Act") and a resolution of the Commission adopted on November 2, 2018 (the "2019A Bond Resolution").

The Series 2019A Bonds are limited obligations of the State and payable from the Dedicated Gaming Tax Revenue (as described herein). The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers. See "DESCRIPTION OF THE SERIES 2019A BONDS - Security and Source of Payment for Series 2019A Bonds," herein.

There is no debt service reserve fund or similar fund being funded in connection with the payment of debt service on the Series 2019A Bonds.

**The Series 2019A Bonds are being issued on parity with the State's \$200,000,000 Gaming Tax Revenue Bonds, Series 2015E, dated October 22, 2015 and any Additional Bonds (as more particularly described herein).**

The proceeds of the Series 2019A Bonds will be used to pay the costs incident to the sale, issuance and delivery of the Series 2019A Bonds, and to provide funding for (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars (\$250,000,000) and (b) the State's 2018 Transportation and Infrastructure Improvements Fund in the amount of Fifty Million Dollars (\$50,000,000)(the "Projects," as more particularly described herein.) See "DESCRIPTIONS OF THE PROJECTS" herein.

The Series 2019A Bonds will be subject to optional redemption prior to their respective maturities. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions of Series 2019A Bonds" herein.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. PROSPECTIVE INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Series 2019A Bonds are offered subject to the final approving opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Underwriters (described below) by their counsel, Watkins & Eager PLLC, Jackson, Mississippi. Certain legal matters with respect to the State will be passed upon by the State Attorney General, Jim Hood, Esq. Hilltop Securities, Inc., Dallas, Texas, is serving as Financial Advisor to the State in connection with the sale and issuance of the Series 2019A Bonds. It is expected that delivery of the Series 2019A Bonds in definitive form will be made on or about January 31, 2019.

**Wells Fargo Securities**

**Raymond James**

**Stephens**

The date of this Official Statement is January 10, 2019.

**\$268,775,000**  
**STATE OF MISSISSIPPI**  
**GAMING TAX REVENUE BONDS, SERIES 2019A**

**MATURITY SCHEDULE**

<b>Maturity (October 15)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2019	\$ 7,135,000	5.000%	1.810%	605638AW5
2020	6,955,000	5.000	1.880	605638AX3
2021	7,290,000	5.000	1.930	605638AY1
2022	7,645,000	5.000	2.060	605638AZ8
2023	8,020,000	5.000	2.160	605638BA2
2024	8,405,000	5.000	2.290	605638BB0
2025	8,815,000	5.000	2.440	605638BC8
2026	9,245,000	5.000	2.550	605638BD6
2027	9,695,000	5.000	2.650	605638BE4
2028	10,165,000	5.000	2.750	605638BF1
2029*	10,660,000	5.000	2.870	605638BG9
2030*	11,175,000	5.000	3.000	605638BH7
2031*	11,725,000	5.000	3.080	605638BJ3
2032*	12,295,000	5.000	3.170	605638BK0
2033*	12,890,000	5.000	3.220	605638BL8
2034*	13,515,000	5.000	3.270	605638BM6
2035*	14,170,000	5.000	3.330	605638BN4
2036*	31,395,000	5.000	3.380	605638BP9
2037*	32,965,000	5.000	3.430	605638BQ7
2038*	34,615,000	4.000	3.870	605638BR5

\* Priced to the par call date of October 15, 2028.

<sup>1</sup> The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2019A Bonds only, and the State and the Underwriters do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2019A Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2019A Bonds.

# STATE OF MISSISSIPPI

## STATE BOND COMMISSION

PHIL BRYANT — *Governor, Ex officio Chairman*  
JIM HOOD — *Attorney General, Ex officio Secretary*  
LYNN FITCH — *State Treasurer, Ex officio Member*

## DEPARTMENT OF FINANCE AND ADMINISTRATION

LAURA JACKSON — *Executive Director*  
BRIAN PUGH — *Deputy Executive Director*  
STEVEN MCDEVITT — *Director, Bond Advisory Division*

## OFFICE OF THE ATTORNEY GENERAL

ROMAINE RICHARDS — *Special Assistant Attorney General*

## OFFICE OF THE STATE TREASURER

JESSE GRAHAM — *Deputy Treasurer*

## BOND COUNSEL

BUTLER SNOW LLP  
*Ridgeland, Mississippi*

## UNDERWRITERS' COUNSEL

Watkins & Eager PLLC  
*Jackson, Mississippi*

## FINANCIAL ADVISOR

HILLTOP SECURITIES, INC.  
*Dallas, Texas*

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NO DEALER, BROKER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED BY THE STATE, THE STATE BOND COMMISSION OF THE STATE OR THE UNDERWRITERS SHOWN ON THE COVER HEREOF TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN IN CONNECTION WITH THE OFFERING OF THE SERIES 2019A BONDS AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SERIES 2019A BONDS NOR SHALL THERE BE ANY SALE OF THE SERIES 2019A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE STATE AND OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE. THE INFORMATION SET FORTH HEREIN CONCERNING DTC HAS BEEN FURNISHED BY DTC AND NO REPRESENTATION IS MADE BY THE STATE OR THE UNDERWRITERS AS TO THE ACCURACY OR COMPLETENESS THEREOF. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE STATE SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS IN THE STATE INCLUDING THE STATE GAMING INDUSTRY, THE INCLUSION IN THIS OFFICIAL STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE STATE THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.

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INFORMATION HEREIN HAS BEEN OBTAINED FROM THE STATE, DTC, THE MISSISSIPPI GAMING COMMISSION AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITERS.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE SERIES 2019A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR

LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

UPON ISSUANCE, THE SERIES 2019A BONDS WILL NOT BE REGISTERED BY THE STATE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR THE SERIES 2019A BONDS OFFERED FOR SALE BY THIS OFFICIAL STATEMENT.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2019A BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY FROM SUCH WEBSITE.

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## TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
DESCRIPTION OF THE SERIES 2019A BONDS .....	1
General .....	1
Security and Source of Payment for Series 2019A Bonds .....	1
Redemption Provisions of Series 2019A Bonds .....	6
Selection of Series 2019A Bonds to be Redeemed .....	6
Notice of Redemption .....	6
Defeasance .....	7
Registration .....	7
Book-Entry-Only System .....	8
THE 2019A BOND RESOLUTION .....	8
Funds Under the 2019A Bond Resolution .....	8
Additional Bonds .....	9
Tax Covenants of the State .....	10
Remedies of Bondholders .....	11
PROJECTED DEBT SERVICE COVERAGE .....	11
DESCRIPTION OF THE PROJECTS .....	14
SOURCES AND USES OF FUNDS .....	14
GAMING IN MISSISSIPPI .....	14
Legislative History .....	14
Mississippi Gaming Commission .....	16
Current Operations .....	16
Gaming Taxes and Rates .....	18
Sports Betting .....	21
RISKS TO OWNERS OF SERIES 2019A BONDS .....	21
General .....	21
Competition from Other States, Native American Casinos and Other Forms of Gaming .....	21
Sports Betting .....	24
Reductions in Discretionary Consumer Spending as a Result of an Economic Downturn .....	24
Inclement Weather and Other Casualty Events .....	24
Mississippi Lottery .....	25
Potential Changes in Legislation .....	25
Tax Covenants .....	26
Ratings .....	26
Remedies; Litigation; Bankruptcy .....	26
Limitation on Enforceability of Security Interest .....	26
RATINGS .....	27
CONTINUING DISCLOSURE .....	27
LITIGATION .....	28
UNDERWRITING .....	28
VALIDATION .....	29
APPROVAL OF LEGAL PROCEEDINGS .....	29
FINANCIAL ADVISOR .....	29
TAX MATTERS .....	29
Series 2019A Bonds .....	29

Series 2019A Premium Bonds .....	30
Backup Withholding.....	30
Changes in Federal and State Tax Law .....	30
MISCELLANEOUS .....	30
APPENDIX A	
Excerpts from State's 2017 Audited Financial Statements .....	A-1
APPENDIX B	
Form of Continuing Disclosure Certificate .....	B-1
APPENDIX C	
Form of Opinion of Attorney General.....	C-1
APPENDIX D	
Form of Opinion of Bond Counsel.....	D-1
APPENDIX E	
Book-Entry-Only System .....	E-1
APPENDIX F	
Information Concerning the State.....	F-1

**OFFICIAL STATEMENT SUMMARY**  
**\$268,775,000**  
**STATE OF MISSISSIPPI**  
**GAMING TAX REVENUE BONDS, SERIES 2019A**

**THE OFFERING**

<b>The</b> .....	<b>Issuer</b>	State of Mississippi (the "State").
<b>Issue</b> .....	<b>and</b>	<b>Date</b>
		\$268,775,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2019A (the "Series 2019A Bonds"), dated their date of delivery.
<b>Authority</b> .....		The Series 2019A Bonds will be issued pursuant to the provisions of House Bill No. 1, 2018 First Extraordinary Session of the Mississippi Legislature, Senate Bill No. 2002 2018 First Extraordinary Session of the Mississippi Legislature, and Senate Bill 1630 2015 Regular Session of the Mississippi Legislature (together, the "Act") and the 2019A Resolution (as defined herein).
<b>Purpose</b> .....		The Series 2019A Bonds are being issued for the purpose of paying the costs incident to the sale, issuance and delivery of the Series 2019A Bonds and to provide funding for (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars (\$250,000,000) and (b) the State's 2018 Transportation and infrastructure Improvements Fund in the amount of Fifty Million Dollars (\$50,000,000).
<b>Amounts and</b> <b>Maturities</b> .....		The Series 2019A Bonds will mature on October 15 in the years and amounts as shown on the inside front cover.
<b>Interest Payment</b> <b>Dates</b> .....		Interest on the Series 2019A Bonds will be payable on April 15 and October 15 of each year, commencing April 15, 2019.
<b>Redemption</b> <b>Provisions</b> .....		The Series 2019A Bonds are subject to optional redemption prior to their respective maturities (see "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions of Series 2019A Bonds," herein).
<b>Security for</b> <b>Payment</b> .....		Pursuant to the Act, the Series 2019A Bonds shall be limited obligations of the State payable from the Dedicated Gaming Tax Revenue (as described herein). The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers. See "DESCRIPTION OF THE SERIES 2019A BONDS - Security and Source of Payment for Series 2019A Bonds," herein. There is no debt service reserve fund or similar fund being funded in connection with the payment of debt service on the Series 2019A Bonds.
<b>Parity</b> <b>Bonds</b> .....		The Series 2019A Bonds are being issued on parity with the State's \$200,000,000 Gaming Tax Revenue Bonds, Series 2015E, dated October 22, 2015 and any Additional Bonds (as more particularly described herein).
<b>Tax</b> <b>Matters</b> .....		In the opinion of Bond Counsel (as defined herein), assuming continuing compliance with certain covenants by the State, under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2019A Bonds is excludable from gross income for federal tax purposes. Interest on the Series 2019A Bonds is not a specific preference item for purposes of the federal alternative minimum taxes. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019A Bonds is exempt from all income taxation in the State. For a more complete description of such opinion and certain other tax consequences incident to the ownership of the Series 2019A Bonds, see "TAX MATTERS" herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL attached hereto.

The above information is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, including the Appendices.

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## OFFICIAL STATEMENT

**\$268,775,000**  
**STATE OF MISSISSIPPI**  
**GAMING TAX REVENUE BONDS, SERIES 2019A**

### INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover and the Appendices herein, is to set forth certain information concerning the State of Mississippi (the "State" or "Mississippi") and the State's \$268,775,000 Gaming Tax Revenue Bonds, Series 2019A (the "Series 2019A Bonds").

### DESCRIPTION OF THE SERIES 2019A BONDS

#### General

The Series 2019A Bonds will be issued pursuant to House Bill No. 1, 2018 First Extraordinary Session of the Mississippi Legislature, Senate Bill No. 2002, 2018 First Extraordinary Session of the Mississippi Legislature and Senate Bill 1630, 2015 Regular Session of the Mississippi Legislature (together, the "Act") and a resolution of the State Bond Commission of the State (the "Commission") adopted on November 2, 2018 (the "2019A Bond Resolution"). The Series 2019A Bonds will be dated the date of delivery, and will be issued as fully registered bonds in the denominations of \$5,000 or any integral multiples thereof, bearing interest at the rates per annum set forth on the inside front cover, payable on April 15 and October 15 of each year, commencing on April 15, 2019, and computed on the basis of a 360-day year consisting of twelve, 30-day months. The State Treasurer of the State has been designated by the Commission to serve as paying agent, transfer agent and registrar of the Series 2019A Bonds (in such capacity, the "Paying and Transfer Agent"). The Series 2019A Bonds will be limited obligations of the State and payable from the Dedicated Gaming Tax Revenue (as described herein). The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers. The Series 2019A Bonds shall not be considered when computing any limitation of indebtedness of the State.

The Series 2019A Bonds initially will be held in a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Series 2019A Bonds held in book-entry form shall be payable as described herein under the heading "DESCRIPTION OF THE SERIES 2019A BONDS - Book-Entry-Only System" and "APPENDIX E - BOOK-ENTRY ONLY SYSTEM", herein."

The principal of and interest on the Series 2019A Bonds will be payable by the Paying and Transfer Agent to DTC, which will in turn remit such principal and interest to its Direct Participants (as defined herein) and Indirect Participants (as defined herein), which will in turn remit such principal and interest to the Beneficial Owners (as defined herein) of the Series 2019A Bonds. If the date for payment is not a business day, then the payment shall be made on the next succeeding business day with the same force and effect as if made on the payment date.

The Series 2019A Bonds will mature on October 15 in the years and in the amounts set forth on the inside cover page hereto.

#### Security and Source of Payment for Series 2019A Bonds

The Series 2019A Bonds are limited obligations of the State and payable solely from all or a portion of the Dedicated Gaming Tax Revenue (as described herein). The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers. There is no debt service reserve fund or similar fund being funded in connection with the payment of debt service on the Series 2019A Bonds.

*Series 2015E Bonds and Additional Bonds*

The Series 2019A Bonds are being issued on parity with the State's \$200,000,000 Gaming Tax Revenue Bonds, Series 2015E, dated October 22, 2015, currently outstanding in the principal amount of \$184,645,000 (the "Series 2015E Bonds") and any Additional Bonds (as described herein). The Series 2015E Bonds were issued pursuant to a resolution of the Commission adopted on September 1, 2015, as amended by a resolution of the Commission adopted on November 2, 2018 (the "2015E Bond Resolution") and are also limited obligations of the State and payable from a portion of the Dedicated Gaming Tax Revenue and a debt service reserve funded solely for the Series 2015E Bonds and shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers. Any Additional Bonds will also be limited obligations of the State and payable from a portion of the Dedicated Gaming Tax Revenue and shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers.

Definitions. The following terms shall have the following meanings when used herein:

**"Dedicated Gaming Tax Revenue"** shall mean the first \$3,000,000 of the State Gaming Tax Revenue paid and collected monthly in accordance with Section 75-76-129, Mississippi Code (1972), as amended.

**"Gross Gaming Tax Revenue"** shall mean all taxes, fees, interest, penalties, damages, fines or other monies collected monthly by the Mississippi Department of Revenue (the "MDOR") in accordance with Section 75-76-177(c), Mississippi Code (1972), as amended, in connection with all gaming operations in the State.

**"Local Government Gaming Tax Revenue"** shall mean monthly fees and taxes of gaming licensees and license fees based on the number of gaming machines and tables owed to and to be paid directly to municipalities and counties in which gaming licensees are located in the State, in accordance with Section 75-76-195, Mississippi Code (1972), as amended, in an amount not to exceed 4% of the monthly gross gaming income of each such licensee. Although these local government gaming taxes are collected by the MDOR from Gross Gaming Tax Revenue, the MDOR merely acts in the capacity of a collection agent for the local governments and no portion of such taxes is available for payment of debt service on the Series 2015E Bonds, the Series 2019A Bonds or any Additional Bonds.

**"State Gaming Tax Revenue"** shall mean the Gross Gaming Tax Revenue less the Local Government Gaming Tax Revenue.

General. Section 75-76-129, Mississippi Code (1972), as amended by the Act, provides that on or before the last day of each month, the Gross Gaming Tax Revenue collected by the MDOR during that month are to be deposited in the State's general fund with the exception of, and following the payment of, (a) the Local Government Gaming Tax Revenue, and (b) the Dedicated Gaming Tax Revenue.

Beginning in 1998, the Dedicated Gaming Tax Revenue was used first to pay the State's \$125,000,000 General Obligation Bonds (Mississippi Gaming Counties Highway Improvements Project, Series A), dated July 1, 1998 (the "Series 1998 Bonds"), and then from 2002 to December 31, 2015, to pay the State's \$77,340,000 General Obligation Refunding Bonds, Series 2002D, dated September 1, 2002 (the "Series 2002D Bonds"), which were issued to refund the outstanding Series 1998 Bonds. The Series 2002D Bonds have been paid in full. The Dedicated Gaming Tax Revenue constitutes a diversion on the last day of each month of the first dollars collected of the State Gaming Tax Revenue. After December 31, 2015, the Dedicated Gaming Tax Revenue was used as follows, as provided by Senate Bill 1630 2015 Regular Session of the Mississippi Legislature, as amended

(1) In calendar year 2016, \$2,375,000 of the \$3,000,000 was allocated monthly for the payment of debt service on the Series 2015E Bonds;

(2) In calendar year 2017, \$2,500,000 of the \$3,000,000 was allocated monthly for the payment of debt service on the Series 2015E Bonds; and

(3) In calendar year 2018 and thereafter, the entire \$3,000,000 is being and will be allocated monthly for the payment of debt service on the Series 2015E Bonds and the Series 2019A Bonds.

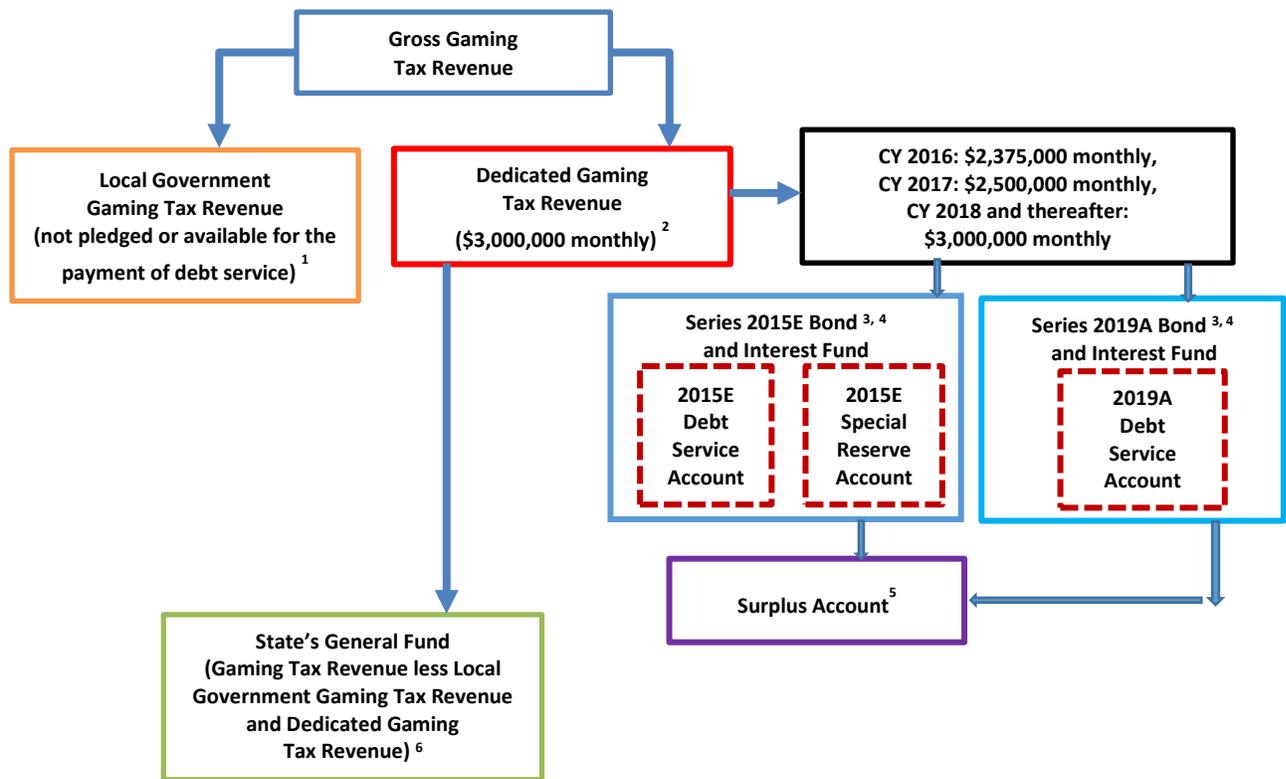
Pursuant to the Act, the 2015E Bond Resolution and the 2019A Bond Resolution, on or before the last day of each month and prior to disbursement of any State Gaming Tax Revenue to the State's general fund, the

Dedicated Gaming Tax Revenue collected by the MDOR is deposited in two (2) special bond sinking funds the Series 2015E Bond and Interest Fund and the Series 2019A Bond and Interest Fund (together, the "Bond and Interest Funds"). The Series 2015E Bond and Interest Fund consists of three separate and distinct accounts: the Series 2015E Debt Service Account, the Series 2015E Special Reserve Account and the Surplus Account. The 2019A Bond and Interest Sinking Fund consists of a Debt Service Account (the "2019A Debt Service Account"). No amounts from the State Gaming Tax Revenue are deposited to the State's general fund until the amount deposited monthly reaches \$3,000,000 in calendar year 2018 and thereafter. The Bond and Interest Funds shall contain the Dedicated Gaming Tax Revenue deposited therein and such other amounts as may be paid into such funds by appropriation or other authorization of the Mississippi Legislature. See "THE 2019A BOND RESOLUTION - Funds Under the 2019A Bond Resolution" for a description of the application of the moneys deposited to the Series 2019A Bond and Interest Fund.

There is no expiration provision regarding the collection or amount of the State Gaming Tax Revenue or the Dedicated Gaming Tax Revenue in either the Act or Section 75-76-129, Mississippi Code (1972), as amended.

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Pursuant to the Act, the 2015E Bond Resolution and the 2019A Resolution, each monthly deposit of Dedicated Gaming Tax Revenue is to flow through the accounts of the Bond and Interest Funds as reflected in the following chart. See "THE 2019A BOND RESOLUTION - Series 2019A Bond and Interest Fund" herein.



<sup>1</sup> The local government gaming tax revenue is collected on behalf of the local governments by the MDOR and is remitted to the local governments.

<sup>2</sup> **No appropriation of these funds is required by Mississippi Legislature.** In calendar year 2016, \$625,000 of the \$3 million collected monthly was distributed to other State projects, as provided in the Act. In calendar year 2017, \$500,000 of the \$3 million collected monthly was distributed to other State projects, as provided in the Act.

<sup>3</sup> The first state gaming tax dollars collected are deposited in two special bond sinking funds: 1) Series 2015E Bond and Interest Fund and 2) Series 2019A Bond and Interest Fund

- Series 2015E Bond and Interest Fund consists of 3 separate accounts: Debt Service, Special Reserve, and Surplus account
- Series 2019A Bond and Interest Fund consists of a Debt Service Account
- Any excess is then deposited into the Surplus Fund

<sup>4</sup> The 2015E Debt Service Account and the 2019A Debt Service Account are funded prior to funding any deficiency in the 2015E Special Reserve Account.

<sup>5</sup> As provided in the 2015E Bond Resolution, as amended, amounts deposited to the Surplus Account may be used to cure any deficiency in the 2015E Debt Service Account, 2015E Special Reserve Account, 2019A Debt Service Account, and debt service for any Additional Bonds, or may be transferred to the Gaming Counties State Assisted Infrastructure Fund, all at the discretion of the State Treasurer.

<sup>6</sup> Until July 1, 2028, revenue collected pursuant to the fee imposed by Section 75-76-177(1)(c), Mississippi Code (1972), as a result of wagers on sporting events shall be deposited into the State Highway Fund to be used solely for the repair and maintenance of highways and bridges in the State and will not be deposited to the State's General Fund. See "GAMING IN MISSISSIPPI – Sports Betting" herein.

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*Historical Annual Collection of State Gaming Tax Revenue*

<b>FISCAL YEAR (June 30)</b>	<b>DEDICATED GAMING TAX REVENUE<sup>1,2,3</sup></b>	<b>GENERAL FUND TRANSFERS</b>	<b>TOTAL STATE GAMING TAX REVENUE<sup>1,6</sup></b>
2018	\$36,000,000.00	\$129,880,182.09 <sup>5</sup>	\$165,880,182.09
2017	36,000,000.00	132,947,891.00	168,947,891.00
2016	36,000,000.00	133,846,926.09	169,846,926.09
2015	36,000,000.00	131,274,836.30	167,274,836.00
2014	36,000,000.00	127,776,693.58	163,776,693.58
2013	36,000,000.00	139,630,194.00	175,630,194.00
2012	36,000,000.00	151,833,877.77	187,833,877.77
2011	36,000,000.00	146,967,935.64	182,967,935.64
2010	36,000,000.00	155,199,293.01	191,199,293.01
2009	36,000,000.00	172,382,818.67	208,382,818.67
2008	36,000,000.00	194,040,324.04	230,040,324.04
2007	36,000,000.00	185,846,915.56	221,846,915.56
2006	36,000,000.00	145,710,583.22	181,710,583.22
2005	54,593,491.69	168,542,499.24	223,135,990.93
2004	54,199,655.37	167,323,270.92	221,522,926.29
2003	53,780,372.09	166,145,175.05	219,925,547.14
2002	53,297,532.32	164,721,939.11	218,019,471.43
2001	52,139,019.79	161,495,232.59	213,634,252.38
2000	51,118,736.54	158,354,244.92	209,472,981.46
1999	45,730,705.54	141,763,436.90	187,494,142.44
1998	40,566,421.86	126,872,535.94	167,438,957.80
1997	38,258,926.75	119,540,774.08	157,799,700.83
1996	34,223,742.88	110,415,641.53	144,639,384.41
1995		128,776,225.01	128,776,225.01
1994		95,033,771.20	95,033,771.20
1993		33,315,922.30	33,315,922.30
(July 1992- June 1993) <sup>4</sup>			

SOURCE: Mississippi Department of Revenue at [www.dor.ms.gov](http://www.dor.ms.gov).

<sup>1</sup> The amount of Gross Gaming Tax Revenue allocated as Dedicated Gaming Tax Revenue and general fund transfers is collectively referred to herein as the State Gaming Tax Revenue.

<sup>2</sup> Dedicated to debt service on the Series 2002D Bonds until December 31, 2015. Thereafter, all or a portion of such amount was dedicated to debt service on the Series 2015E Bonds.

<sup>3</sup> Until Fiscal Year 2006, Section 75-76-129, Mississippi Code (1972), provided that the greater of \$3,000,000 or 25% of the State Gaming Tax Revenue should be set aside monthly. Of the monthly amounts collected, \$3,000,000 was to be deposited to the bond sinking fund created under Section 65-39-3, Mississippi Code (1972), and the remaining amounts collected were to be deposited to the Gaming Counties Infrastructure Fund to be used for infrastructure projects in the counties and municipalities in which casinos are located. Section 75-76-129, Mississippi Code (1972), was amended effective July 1, 2005 to limit the amount diverted from the State's general fund to the \$3,000,000 to be deposited to such bond sinking fund.

<sup>4</sup> The first casino in Mississippi opened in August 1992.

<sup>5</sup> Due to the conversion of the Mississippi Department of Revenue computer system in Fiscal Year 2016, an audit performed resulted in a manual transfer of \$984,209.39 in Fiscal Year 2017 to the State's General Fund that has not been previously reflected in the historical data.

<sup>6</sup> Of this amount, approximately \$1,500,000 came from annual fees paid by gaming licenses based on the number of games each licensee operated. See "Gaming Taxes and Rates - Annual Gaming Fees based on Number of Games", herein.

On March 23, 2018, the State's Joint Legislative Budget Committee approved an estimate for Fiscal Year 2019 of State Gaming Tax Revenue of \$167,500,000. This estimate is based upon the consensus of five independently derived projections from the Department of Revenue, the Legislative Budget Office, the Office of the State Treasurer, the Department of Finance and Administration and the University Research Center.

In the 2019A Resolution, the Commission has covenanted and agreed that it shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the collection and deposit of the State Gaming Tax Revenue or any part thereof, or priority thereof, would be lost or impaired to the extent that such action or inaction would cause the Debt Service Coverage Ratio to be less than 300% for the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bonds as applied to State Gaming Tax Revenue for the preceding Fiscal Year, whether by change in law or supplemental resolution or other agreement, document or instrument.

Currently, the Mississippi Legislature has established a maximum of \$500,000,000 in bonded indebtedness that can be secured by the Dedicated Gaming Tax Revenue. See "THE 2019A BOND RESOLUTION - Additional Bonds", herein, for information concerning the Debt Service Coverage Ratio (as described herein).

**Debt Service Reserve Fund. THERE IS NO DEBT SERVICE RESERVE FUND OR SIMILAR FUND BEING FUNDED IN CONNECTION WITH THE PAYMENT OF DEBT SERVICE ON THE SERIES 2019A BONDS. THERE WAS A DEBT SERVICE RESERVE FUND FUNDED IN CONNECTION WITH THE SERIES 2015E BONDS.**

#### **Redemption Provisions of Series 2019A Bonds**

**Optional Redemption.** The Series 2019A Bonds will be subject to optional redemption prior to their respective maturities on or after October 15, 2028, either in whole on any date, or in part on any interest payment date (as selected by the State among maturities and by lot within each maturity), at the principal amount thereof, together with the interest accrued thereon to the date fixed for redemption and without premium.

#### **Selection of Series 2019A Bonds to be Redeemed**

**Held in Book-Entry Only System.** If less than all of the Series 2019A Bonds shall be called for redemption, the State shall notify DTC that the redemption shall be by lot in whole multiples of \$5,000. While DTC is the registered owner of the Series 2019A Bonds, partial redemptions (including sinking fund payments, if any) of the Series 2019A Bonds of a particular maturity will be determined in accordance with DTC's procedures as in effect at the time of any such partial redemption.

**Not Held in Book-Entry Only System.** If less than all of the Series 2019A Bonds subject to redemption are called for redemption, the Paying and Transfer Agent shall select the Series 2019A Bonds to be redeemed from the outstanding Series 2019A Bonds subject to redemption and not previously called for redemption, by lot in any manner deemed reasonable by the Paying and Transfer Agent, provided that the unredeemed portion of the principal amount of any Series 2019A Bond shall be not less than \$5,000.

#### **Notice of Redemption**

Notice of the call for any redemption (which may be a conditional notice), identifying the Series 2019A Bonds (or any portions thereof in authorized denominations) to be redeemed, will be given by the State at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the Underwriters (as defined herein) and the registered owner of each Series 2019A Bond to be redeemed at the address shown on the records of the Paying and Transfer Agent. Failure to mail such notice to any particular owner of Series 2019A Bonds, or any defect in the notice mailed to any such owner of Series 2019A Bonds, will not affect the validity of any proceeding for the redemption of any other Series 2019A Bonds. So long as DTC or its nominee is the registered owner of the Series 2019A Bonds, notice of the call for any redemption will be given to DTC, and not directly to the Beneficial Owners. See the caption, "DESCRIPTION OF THE SERIES 2019A BONDS - Book-Entry-Only System" and "APPENDIX E - BOOK-ENTRY-ONLY SYSTEM," herein.

#### **Defeasance**

Under the 2019A Bond Resolution, all Series 2019A Bonds for the payment of which sufficient monies or, to the extent permitted by the laws of the State, (a) direct obligations of, or obligations the payment of the

principal of and interest on which are unconditionally guaranteed by, the United States of America or any of its agencies ("Government Obligations"), or (b) certificates of deposit fully secured by Government Obligations, or (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, or (d) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, all to the extent provided in the 2019A Bond Resolution, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the 2019A Bond Resolution and shall no longer be deemed to be outstanding thereunder, and the registered owners shall have no rights in respect thereof except to receive payment of the principal of, premium, if any, and interest on such Series 2019A Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the 2019A Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and premium, if any, when due on such Series 2019A Bonds. For the purpose of the 2019A Bond Resolution, Defeasance Securities shall mean and include only (a) such Defeasance Securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (b) Defeasance Securities which, if subject to redemption shall, nevertheless, in all events, regardless of when redeemed, provide sufficient and timely funds for payment of the principal of and interest on the Series 2019A Bonds to be paid thereby.

## **Registration**

*Series 2019A Bonds Subject to the Book-Entry-Only System.* For so long as DTC acts as securities depository for the Series 2019A Bonds, the registration and transfer of ownership interests in Series 2019A Bonds shall be accomplished by book entries made by DTC and the Direct Participants and, where appropriate, the Indirect Participants, as described herein under the heading "DESCRIPTION OF THE SERIES 2019A BONDS-Book-Entry-Only System."

*Series 2019A Bonds Not Subject to Book-Entry-Only System.* Should the Series 2019A Bonds no longer be held in book-entry form, each Series 2019A Bond shall be thereafter evidenced by a bond certificate in fully registered form and transferable only upon the registration records of the State maintained by the Paying and Transfer Agent, by the registered owner thereof or by such registered owner's attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Paying and Transfer Agent, duly executed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any Series 2019A Bond, the State shall issue, in the name of the transferee, a new Series 2019A Bond or Series 2019A Bonds of the same interest rate and maturity of like tenor and effect in any authorized denomination equal to the unpaid principal amount of the surrendered Series 2019A Bond.

Series 2019A Bonds, upon surrender thereof at the Office of the State Treasurer with a written instrument of transfer satisfactory to the Paying and Transfer Agent duly executed by the registered owner or such registered owner's duly authorized attorney, may be exchanged for a principal amount of Series 2019A Bonds of the same interest rate and maturity and of like tenor and effect in any authorized denomination equal to the unpaid principal amount of the surrendered Series 2019A Bonds. The Paying and Transfer Agent will not be required to register the transfer of or exchange any Series 2019A Bond after the mailing of notice calling such Series 2019A Bond for redemption has been given as provided in the 2019A Bond Resolution, nor during the period of 15 days next preceding the giving of such notice of redemption.

## **Book-Entry-Only System**

The State has determined that it will be beneficial to have the Series 2019A Bonds held by a central depository system and to have transfers of the Series 2019A Bonds handled by a book-entry system on the records of DTC. Unless and until the book-entry-only system has been discontinued, the Series 2019A Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2019A Bonds. The Series 2019A Bonds will be issued as fully

registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Series 2019A Bond will be issued for each maturity of the Series 2019A Bonds, and will be deposited with DTC. See "APPENDIX E - BOOK-ENTRY-ONLY SYSTEM", for a detailed discussion of the book-entry-only system and DTC, herein.

In the event the book-entry-only system is discontinued, principal and interest on the Series 2019A Bonds will be payable by check or draft of the Paying and Transfer Agent as described under the heading "DESCRIPTION OF THE SERIES 2019A BONDS - Registration," herein.

### **THE 2019A BOND RESOLUTION**

The Series 2019A Bonds will be issued pursuant to the terms and provisions of the 2019A Bond Resolution. Capitalized terms used in this Official Statement and not defined herein shall have the meaning ascribed thereto in the 2019A Bond Resolution.

#### **Funds Under the 2019A Bond Resolution**

*Emergency Road and Bridge Repair Fund.* Pursuant to the Act, up to \$250,000,000 of the proceeds received pursuant to the issuance of the Series 2019A Bonds, which may include any premium paid in connection with the sale of the Series 2019A Bonds, shall be deposited with the State Treasury in the Emergency Road and Bridge Repair Fund (the "Emergency Road and Bridge Repair Fund") established under the Act and applied for the purposes described below. Pending application for such purposes, such monies shall be invested in the manner provided by law and any and all investment earnings thereon shall remain deposited to the credit of such fund.

The money in the Emergency Road and Bridge Repair Fund shall be utilized by the Mississippi Department of Transportation, with the non-binding advice of the Emergency Road and Bridge Repair Fund Advisory Board (the "Board"), to provide funding for emergency repairs to roads, streets and highways in the State and emergency bridge repairs on public roads, streets and highways in the State as determined by unanimous vote of the Mississippi Transportation Commission which is required to establish rules and regulations necessary for the expenditure of such monies. The Board consists of ten members from various governmental and business sectors of the State.

*2018 Transportation and Infrastructure Improvements Fund.* Pursuant to the Act, up to \$50,000,000 of the proceeds received pursuant to the issuance of the Series 2019A Bonds, which may include any premium paid in connection with the sale of the Series 2019A Bonds, shall be deposited with the State Treasury in the 2018 Transportation and Infrastructure Improvements Fund (the "2018 Transportation and Infrastructure Improvements Fund") established under the Act and applied for the purposes described below. Pending application, such monies shall be invested in the manner provided by law and any investments earnings thereon shall remain deposited to the credit of such fund.

The money in the 2018 Transportation and Infrastructure Improvements Fund shall be disbursed in the discretion of the State's Department of Finance and Administration in the form of grants (a) to the Mississippi Department of Transportation and the Mississippi Highway Commission to assist in the payment of various county and city road projects (b) to various local and state governmental entities and agencies for infrastructure improvements, (c) to provide assistance to various private entities including water districts and non-profits.

*Series 2019A Cost of Issuance Fund.* The remaining proceeds of the Series 2019A Bonds, which may include any premium paid in connection with the sale of the Series 2019A Bonds, shall be deposited with the State Treasury to the Series 2019A Cost of Issuance Fund (the "2019A Cost of Issuance Fund") established under the 2019A Bond Resolution. There shall be paid from the Series 2019A Cost of Issuance Fund the costs of the sale and issuance of the Series 2019A Bonds. Amounts on deposit in the Series 2019A Cost of Issuance Fund not used within 60 days of the closing on the Series 2019A Bonds to pay the costs the sale and issuance of the Series 2019A Bonds shall be transferred to the Series 2019A Debt Service Account and used to pay debt service on the Series 2019A Bonds.

*Series 2019A Bond and Interest Fund.* The 2019A Bond Resolution establishes the Series 2019A Bond and Interest Fund, which fund will be used to pay the principal of and interest on the Series 2019A Bonds.

(a) There shall be deposited into the 2019A Debt Service Account as and when received (1) the accrued interest, if any, received upon delivery of the Series 2019A Bonds, (2) any income received from

investment of monies in the Series 2019A Bond and Interest Fund, (3) on or before the last day of each month, that portion of the Dedicated Gaming Tax Revenue deposited by MDOR into the Series 2019A Bond and Interest Fund pursuant to Section 75-76-129, Mississippi Code (1972), as amended, which shall be sufficient to (A) accumulate in equal installments, taking into account amounts deposited in the 2019A Debt Service Account, the interest coming due on the Series 2019A Bonds on the next interest payment date such that the amount in the 2019A Debt Service Account with respect to interest on the Series 2019A Bonds will be fully funded on the fifth day of the month next prior to the interest payment date in the amount necessary to pay such interest coming due, and (B) accumulate in equal installments, taking into account amounts deposited in the 2019A Debt Service Account, principal of the Series 2019A Bonds coming due on the next principal payment date and amounts to come due prior to the next month such that the amount in the 2019A Debt Service Account with respect to principal on the Series 2019A Bonds will be fully funded on the fifth day of the month next prior to the principal payment date, (4) amounts transferred from the Surplus Account as authorized by the 2015E Bond Resolution, and (5) any other funds as may be paid into the Series 2019A Bond and Interest Fund by appropriation or other authorization by the State Legislature; provided, however, that the Series 2019A Bond and Interest Fund shall at all times be in compliance with the Code.

(b) Amounts on deposit in the 2019A Debt Service Account shall be drawn by the State Treasury, commencing April 15, 2019 without further instruction, and used to pay principal of and interest on the Series 2019A Bonds on each interest payment date thereof, or on any other dates on which debt service on the Series 2019A Bonds is to be paid, as provided in the Act. In the event that the Dedicated Gaming Tax Revenue is insufficient to pay debt service on the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bonds as and when due, such Dedicated Gaming Tax Revenue shall be distributed pro rata to pay debt service on the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bonds.

(c) Any remaining Dedicated Gaming Tax Revenue not needed to fund the 2019A Debt Service Account, the 2015E Debt Service Account or the 2015E Special Reserve Account shall be deposited in the Surplus Account and used as provided in the 2015 Bond Resolution.

(d) Unexpended amounts remaining in the Series 2019A Bond and Interest Fund at the end of each Fiscal Year shall not lapse into the State's general fund but shall remain in the Series 2019A Bond and Interest Fund and the applicable account thereof until used as provided in the 2019A Bond Resolution.

(e) Any interest earned or investment earnings on amounts in the Series 2019A Bond and Interest Fund and any account thereof shall be deposited to the credit of the Series 2019A Bond and Interest Fund as provided in paragraph (a) above.

As required by the 2019A Bond resolution, the State Treasurer upon delivery of the Series 2019A Bonds is required to transfer from the Surplus Account to the 2019A Bond and Interest Fund an amount necessary which together with the Dedicated Gaming Tax Revenue will be sufficient to pay the debt service on the Series 2019A Bonds due in 2019. This is estimated to be approximately \$16,400,000. This transfer is being made to comply with the Mississippi Legislature's intent to fund \$300,000,000 in Projects. See "Description of Projects".

### **Additional Bonds**

Additional Bonds, to the extent authorized by the Mississippi Legislature, may be issued by the Commission under and secured by a supplemental resolution for the purpose of providing funds for the refunding or refinancing of all or any portion of the Series 2015E Bonds, the Series 2019A Bonds or any Additional Bonds ("Refunding Bonds"), or other capital expenditures of the State as authorized by the Commission ("New Money Bonds"), upon compliance with the following provisions:

(a) With regard only to any (1) New Money Bonds and (2) Refunding Bonds only if the issuance of such Refunding Bonds results in an increase of the total principal and interest payable on the Bonds being refunded, on the date of the issuance of such New Money Bonds or such Refunding Bonds, as the case may be, the Debt Service Coverage Ratio (taking into account the Long-Term Debt to be incurred) is not less than 300% as applied to State Gaming Tax Revenue for the preceding Fiscal Year and the Commission certifies in writing that the amount of the Dedicated Gaming Tax Revenue, taking into account the Long-Term Debt to be incurred, will be sufficient to provide funds for debt service payments on the outstanding Series 2015E Bonds, the Series 2019A Bonds and any such Additional Bonds;

(b) There shall have been filed with the Commission an opinion of Bond Counsel confirming the exclusion from gross income for federal income tax purposes of the interest on the Series 2015E Bonds or the Series 2019A Bonds then outstanding and any Additional Bonds so issued, if applicable; and

(c) The issuance of the Additional Bonds is permitted under State law.

(d) All Additional Bonds shall be issued on parity or subordinate as to the Series 2015E Bonds and the 2019A Bonds and any other debt incurred pursuant to the Act.

Except as may be provided in any supplemental resolution, all Additional Bonds shall be issued on a parity as to the Series 2015E Bonds, the Series 2019A Bonds secured by the Dedicated Gaming Tax Revenue. Currently, the Mississippi Legislature has established a maximum of \$500,000,000 in bonded indebtedness that can be secured by the Dedicated Gaming Tax Revenue. With the issuance of the Series 2019A Bonds, there will be \$453,420,000 of bonds secured by the Dedicated Gaming Tax Revenue.

The State may issue Refunding Bonds for the purpose of refunding or refinancing Long-Term Debt, including the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bonds.

Any Series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying and transfer agents, shall have such maturities and redemption provisions and may or may not include funding of a debt service reserve fund, all as may be provided in a supplemental resolution authorizing the issuance of such Series of Additional Bonds.

The capitalized terms used above shall have the following meanings:

(a) "Debt Service Coverage Ratio" shall mean the ratio (expressed as a percentage) of State Gaming Tax Revenue collected for such Fiscal Year in question to Maximum Annual Debt Service as of the date of computation.

(b) "Fiscal Year" shall mean the fiscal year of the State, as established from time to time by requisite applicable State law.

(c) "Long-Term Debt" shall mean collectively the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bond that matures more than one year after the date of the original creation or assumption of such Additional Bonds (or that is renewable or extendable to a maturity of more than one year at the option of the State).

(d) "Maximum Annual Debt Service" shall mean the maximum aggregate amount of principal and interest payable during the then current or any subsequent Fiscal Year on Long-Term Debt; provided, that for purposes of determining Maximum Annual Debt Service, the principal amount of Long-Term Debt required to be redeemed in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of its stated maturity

### **Tax Covenants of the State**

In the 2019A Bond Resolution, the State covenants to comply with each requirement of the Code (as defined herein) necessary to maintain the exclusion of interest on the Series 2019A Bonds from gross income for federal income tax purposes, and in furtherance thereof, to comply with a certificate of the State Treasurer to be executed and delivered concurrently with the issuance of the Series 2019A Bonds, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Series 2019A Bonds from gross income for federal income tax purposes. The State shall not use or permit the use of any of the proceeds of the Series 2019A Bonds, or any other funds of the State, directly or indirectly, to acquire any securities, obligations or other investment property which would cause any Series 2019A Bond to be an "arbitrage bond" as defined in Section 148 of the Code, and shall not take or permit to be taken any other action or actions which would cause any Series 2019A Bond to be an "arbitrage bond" as defined in Section 148 of the Code. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2019A Bonds from gross income for federal income tax purposes under the Code, the 2019A

Bond Resolution provides that these covenants shall survive the payment of the Series 2019A Bonds and the interest thereon, including any payment or defeasance thereof.

**Remedies of Bondholders**

Any holder of a Series 2019A Bond may, as provided in the 2019A Bond Resolution, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted under the Act, or under the 2019A Bond Resolution, and may enforce and compel performance of all duties required by the Act to be performed, in order to provide for the payment of the Series 2019A Bonds and interest thereon.

**PROJECTED DEBT SERVICE COVERAGE**

The Dedicated Gaming Tax Revenue generated and anticipated to be generated from gaming taxes of the State available for the payment of debt service on the Series 2015E Bonds and the Series 2019A Bonds is expected to be sufficient to support the debt service on the Series 2019A Bonds and the Series 2015E Bonds.

The source of funding for the monthly transfer of Dedicated Gaming Tax Revenue is the State Gaming Tax Revenue. The total amount of the State Gaming Tax Revenue collected for the most recent fiscal year of the State was \$165,880,182.09. Using the most recent fiscal year's collection of the State Gaming Tax Revenue, the estimated debt service for the Series 2015E Bonds and the Series 2019A Bonds and the estimated debt coverage ratio is set forth in the following chart.

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**ESTIMATED DEBT SERVICE COVERAGE**

<b>Bond Year (10/15)</b>	<b>Principal</b>	<b>Interest</b>	<b>Series 2015E Bonds</b>	<b>Total Debt Service</b>	<b>Transfer from Surplus Account</b>	<b>State Gaming Tax Revenue<sup>2</sup></b>	<b>Coverage Ratio</b>	<b>Dedicated Gaming Tax Revenue</b>	<b>Coverage Ratio</b>
2019	\$ 7,135,000	\$ 9,273,925	\$ 16,297,250	\$ 32,706,175	\$ 3,273,758 <sup>2</sup>	\$165,880,182 <sup>3</sup>	--	\$36,000,000 <sup>1</sup>	--
2020	6,955,000	12,735,850	16,309,000	35,999,850	-	165,880,182	4.61x	36,000,000	1.00x
2021	7,290,000	12,388,100	16,317,500	35,995,600	-	165,880,182	4.61x	36,000,000	1.00x
2022	7,645,000	12,023,600	16,327,000	35,995,600	-	165,880,182	4.61x	36,000,000	1.00x
2023	8,020,000	11,641,350	16,336,500	35,997,850	-	165,880,182	4.61x	36,000,000	1.00x
2024	8,405,000	11,240,350	16,350,000	35,995,350	-	165,880,182	4.61x	36,000,000	1.00x
2025	8,815,000	10,820,100	16,361,250	35,996,350	-	165,880,182	4.61x	36,000,000	1.00x
2026	9,245,000	10,379,350	16,374,250	35,998,600	-	165,880,182	4.61x	36,000,000	1.00x
2027	9,695,000	9,917,100	16,382,750	35,994,850	-	165,880,182	4.61x	36,000,000	1.00x
2028	10,165,000	9,432,350	16,400,750	35,998,100	-	165,880,182	4.61x	36,000,000	1.00x
2029	10,660,000	8,924,100	16,411,500	35,995,600	-	165,880,182	4.61x	36,000,000	1.00x
2030	11,175,000	8,391,100	16,429,000	35,995,100	-	165,880,182	4.61x	36,000,000	1.00x
2031	11,725,000	7,832,350	16,441,500	35,998,850	-	165,880,182	4.61x	36,000,000	1.00x
2032	12,295,000	7,246,100	16,457,750	35,998,850	-	165,880,182	4.61x	36,000,000	1.00x
2033	12,890,000	6,631,350	16,476,000	35,997,350	-	165,880,182	4.61x	36,000,000	1.00x
2034	13,515,000	5,986,850	16,494,500	35,996,350	-	165,880,182	4.61x	36,000,000	1.00x
2035	14,170,000	5,311,100	16,516,500	35,997,600	-	165,880,182	4.61x	36,000,000	1.00x
2036	31,395,000	4,602,600	-	35,997,600	-	165,880,182	4.61x	36,000,000	1.00x
2037	32,965,000	3,032,850	-	35,997,850	-	165,880,182	4.61x	36,000,000	1.00x
2038	34,615,000	1,384,600	-	35,999,600	-	165,880,182	4.61x	36,000,000	1.00x
<b>Total</b>	<b>\$268,775,000</b>	<b>\$169,195,075</b>	<b>\$278,683,000</b>	<b>\$716,653,075</b>					

<sup>1</sup>Until delivery of the 2019A Bonds, only \$1.36 million per month is needed for the 2015E Bonds, with the remainder flowing into the Surplus Account.

<sup>2</sup>As a condition of closing, approximately \$3.274 million will be transferred from the Surplus Account to the 2019A Bond and Interest Fund. The Surplus Account balance is \$30.249 million as of December 31, 2018. Following the January 2019 deposit, the fund transfers for the Series 2015E Bonds and the \$3.274 million transfer, approximately \$28.617 million will remain in the Surplus Account as of the date of closing. The transfer from the Surplus Account is equal to the difference between \$3 million in monthly Dedicated Gaming Tax Revenue collections from February 2019 to September 2019 (\$24 million), and the Bond Year 2019 Total Debt Service of \$27.273 million (which is net of the approximately \$5.432 million in monthly debt service set aside since October 2018 for payment of debt service on the Series 2015E Bonds). There has been no transfer from the Surplus Fund since the Debt Service Reserve Account for the Series 2015E Bonds was fully funded as required by the 2015E Bond Resolution.

<sup>3</sup>Represents Fiscal Year 2018 State Gaming Tax Revenue Collections.

Since its inception in Fiscal Year 1996, the Dedicated Gaming Tax Revenue collected monthly has never fallen below \$3,000,000. The lowest monthly Gaming Tax Revenue collected was in September 2013 of \$9,279,649.96. The table below sets out the monthly collections of the State Gaming Tax Revenue for the past six Fiscal Years:

Month	2019	2018	2017	2016	2015	2014
JUL	\$15,200,025.12	\$14,641,558.91	\$14,159,699.90	\$16,595,034.18	\$14,368,216.90	\$14,247,290.81
AUG	15,029,695.34	\$14,045,780.48	\$14,342,040.87	\$12,818,190.34	14,723,371.70	16,080,906.88
SEP	13,182,699.63	\$13,112,714.99	\$13,591,950.20	\$13,512,755.58	13,204,022.15	12,406,090.14
OCT	13,784,688.83	\$13,003,406.37	\$13,570,240.84	\$13,572,689.87	14,215,897.96	13,536,845.00
NOV	13,476,002.27	\$12,965,361.48	\$11,926,725.50	\$11,409,974.86	9,534,750.20	11,513,280.98
DEC		\$12,277,084.35	\$12,825,350.41	\$13,273,891.09	14,301,506.39	12,547,549.23
JAN		\$14,073,709.27	\$13,921,327.45	\$15,213,279.88	14,931,374.89	15,736,291.16
FEB		\$11,646,655.82	\$19,408,266.99	\$14,258,128.84	13,498,274.97	12,884,364.17
MAR		\$16,518,129.48	\$13,272,578.92	\$15,549,275.62	15,126,372.57	13,164,880.00
APR		\$14,506,623.20	\$13,572,578.92	\$13,998,078.96	14,546,711.58	13,841,647.35
MAY		\$15,661,289.40	\$15,001,015.25	\$15,272,594.37	14,674,413.42	15,081,613.58
JUN		\$13,427,868.34	\$14,555,474.76	\$14,373,032.50	14,149,923.57	12,735,934.28

SOURCE: Mississippi Department of Revenue at [www.dor.ms.gov](http://www.dor.ms.gov).

The Mississippi Gulf Coast suffered near total devastation from Hurricane Katrina on August 28–29, 2005, causing extensive damage to the casinos located in the coast counties. In the twelve months following Hurricane Katrina, September 2005 – August 2006, average monthly State Gaming Tax Revenue was \$14,808,098.54, with the lowest monthly State Gaming Tax Revenue collected in November 2005 at \$10,224,845.52.

In addition, in the spring of 2011, the Mississippi River reached flood stage and various portions of the lower Mississippi River remained at flood stage through June of that year, resulting in casinos in the North River Region and the South River Region closing from three to seven weeks and a resulting loss of revenue for these casinos. In the three months effected by this flood, June, July and August, 2011, average monthly State Gaming Tax Revenue was \$15,266,244.96, with the lowest monthly State Gaming Tax Revenue collected in June, 2011 at \$12,070,527.40.

Fiscal Year 2018 Gaming Tax Revenues averaged \$13,823,348.51. For that amount to drop below the amount required to provide debt service for the life of the Series 2015E Bonds and the Series 2019A Bonds would require an annual drop in Gaming Tax Revenues of 7.73%

The table below provides the estimated debt service coverage ratio of the lowest monthly State Gaming Tax Revenue collection since 2000 and the 5-year historical average of monthly State Gaming Tax Revenue collections to the monthly collection needed to pay the maximum annual debt service (\$2,999,966.67, which is 1/12 of the maximum annual debt service of \$35,999,600.00).

1/12 Maximum Annual Debt Service	Lowest Monthly State Gaming Tax Revenue Since 2000	Coverage Ratio	Average Monthly Collection (2014-2018)	Coverage Ratio
\$2,999,966.67	\$9,279,649.96	3.09x	\$13,912,372.00	4.64x

**DESCRIPTION OF THE PROJECTS**

The proceeds of the Series 2019A Bonds will be used for the purpose of (a) of paying the costs incident to the sale, issuance and delivery of the Series 2019A Bonds, and to provide funding for (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars (\$250,000,000) and (b) the State's 2018 Transportation and infrastructure Improvements Fund in the amount of Fifty Million Dollars (\$50,000,000) (the "Projects").

**SOURCES AND USES OF FUNDS**

The following is a summary of the estimated sources and uses of proceeds of the Series 2019A Bonds.

**Sources**

Par Amount	\$ 268,775,000.00
Plus Original Issue Premium	<u>32,866,230.65</u>
Total Sources	<u>\$ 301,641,230.65</u>

**Uses**

For Costs of the Projects <sup>1</sup>	\$ 300,000,000.00
For Costs of Issuance <sup>2</sup>	<u>1,641,230.65</u>
Total Uses	<u>\$ 301,641,230.65</u>

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<sup>1</sup> \$250,000,000.00 of the proceeds of the Series 2019A Bonds will be deposited in the Emergency Road and Bridge Repair Fund and \$50,000,000.00 of the proceeds of the Series 2019A Bonds will be deposited in the 2018 Transportation and Infrastructure Improvements Fund.

<sup>2</sup> Includes, among other expenses, Underwriters discount, rating agency fees, and financial advisor and legal fees. Payment of such fees is contingent upon the issuance of the Series 2019A Bonds.

**GAMING IN MISSISSIPPI**

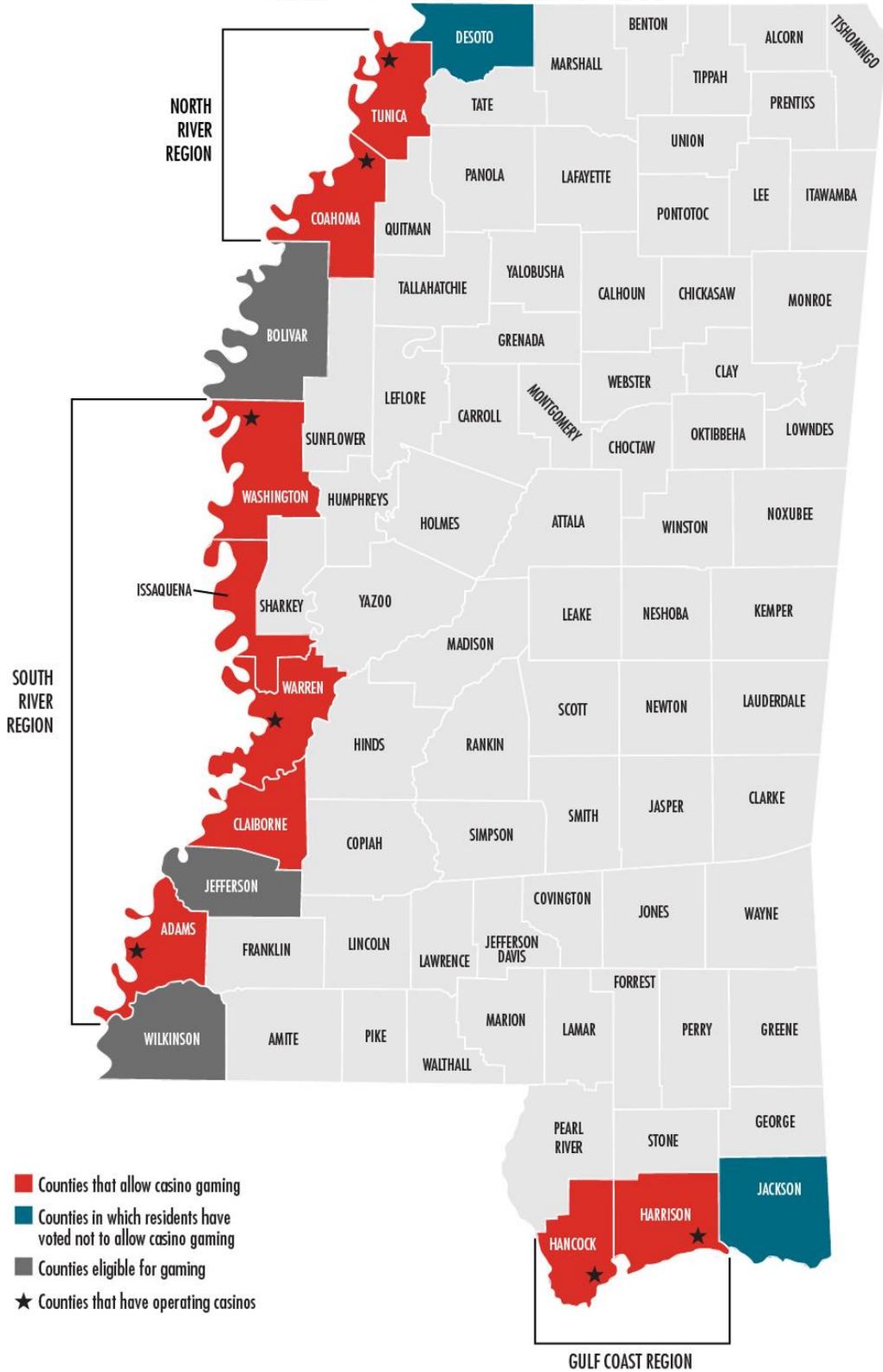
**Legislative History**

The Mississippi Legislature legalized dockside casino gambling with the passage of House Bill 2 in the 1990 Special Legislative Session. Among other provisions, this legislation established the Mississippi Gaming Control Act, Section 75-76-1 *et seq.*, Mississippi Code (1972) (the "Gaming Control Act"). Gaming was authorized on cruise vessels, located in the waters within the State, south of the three (3) most southern counties (Hancock County, Harrison County and Jackson County), including the Mississippi Sound, St. Louis Bay, Biloxi Bay and Pascagoula Bay, and on the Mississippi River or navigable waters within any county bordering on the Mississippi River. The Gaming Control Act gave each of those eligible counties the opportunity to hold a referendum on the proposition of allowing legal gaming to be conducted on certain navigable waterways within its boundaries. As of November 1, 2018, gaming was permissible in nine of the fourteen eligible counties in the State. The Gaming Control Act permits unlimited stakes gaming on a 24-hour basis and does not restrict the percentage of space which may be utilized for gaming. There are no limitations on the number of gaming licenses which may be issued in Mississippi.

Initially, gaming in Mississippi was conducted on vessels and barges docked or moored in a port or harbor. In its 2005 regular session, the Mississippi legislature amended the Gaming Control Act to permit gaming to be conducted on vessels placed upon permanent structures located on, in or above the Mississippi River, on, in or above navigable waters in eligible counties along the Mississippi River or on, in or above the waters lying south of the counties along the Mississippi Gulf Coast. As a result of the devastation caused in August 2005 by Hurricane Katrina, the Mississippi legislature amended the law in a 2005 special legislative session to allow land-based gaming in the Gulf Coast Region within eight hundred (800) feet of the mean high-water line as provided for in Section 29-15-1, Mississippi Code (1972). In 2018, the Gaming Control Act was amended to allow sports betting on all professional and collegiate sports. See "SPORTS BETTING" herein.

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## GAMING COUNTIES IN MISSISSIPPI



Source: Mississippi Gaming Commission at [www.msgamingcommission.com](http://www.msgamingcommission.com).

## Mississippi Gaming Commission

The Gaming Control Act created the Mississippi Gaming Commission (the "MGC") to regulate legal gaming in the State. The MDOR initially regulated gaming in order to prepare the MGC to assume this responsibility on October 1, 1993. The MGC is composed of three Commissioners, appointed by the Governor, with one Commissioner appointed to serve as Chairman. Each Commissioner serves staggered four year terms.

The current Commissioners are:

NAME	OCCUPATION	TERM
Major General (R) Al Hopkins	Attorney Hopkins, Barvié & Hopkins, P.L.L.C. Gulfport, Mississippi	3/31/2015 - 9/30/2021
Jerry L. Griffith, Sr.	Retired Gulfport, Mississippi	3/31/2015 - 9/30/2020
Tom Gresham	President/CEO of Doublequick, Inc. Indianola, Mississippi	10/1/2015 - 9/30/2019

The Executive Director of the MGC is Allen Godfrey, appointed August 25, 2011. Mr. Godfrey is a Certified Public Accountant and holds a bachelor of science degree in Business Administration from Mississippi State University. Mr. Godfrey has been with the MGC since 2003, previously serving as the Director of the Compliance Division, and most recently, as Deputy Director.

The Gaming Control Act granted the MGC authority to adopt, amend or repeal regulations as it may deem necessary or desirable in the public interest (the "MGC Regulations") in carrying out the policy and provisions of the Gaming Control Act. Gaming operations are also subject to regulatory control by the MDOR and various other local, city and county regulatory bodies. Both the local jurisdictions and the Alcoholic Beverage Control Division of the MDOR license, control and regulate the sale of alcoholic beverages by casino licensees.

The Gaming Control Act and the MGC Regulations are intended to ensure that licensed gaming is conducted honestly and competitively, that the rights of the creditors of licensees are protected and that gaming is free from criminal and corruptive elements. The MGC Regulations require licensees to establish and maintain responsible accounting practices and procedures for gaming operations and provide a means for the MGC to maintain effective control over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs and safeguarding of assets and revenues, providing reliable record keeping and making periodic reports.

On March 24, 2010, the Mississippi Legislature passed House Bill 1147 establishing the MGC as a special fund agency and created the Mississippi Gaming Commission Fund in the State Treasury (the "MGC Fund"). As amended, the Gaming Control Act requires the MGC to adopt regulations to set investigation fees at levels that will provide it with sufficient revenue to operate the agency and enforce the Gaming Control Act without any State general funds. In calculating the fees, the MGC must set the fees at levels that will not create a balance in the MGC Fund at the end of any State fiscal year in excess of 2% of the projected amount of funds necessary to operate in the upcoming fiscal year.

### Current Operations

There are currently 28 commercial casinos in the State operating in Adams, Coahoma, Hancock, Harrison, Tunica, Warren and Washington counties. The North River Region consisting of Tunica County and Coahoma County, has nine casinos in operation, the South River Region, which includes Adams County, Warren County and Washington County, currently has eight operating casinos, and the Gulf Coast Region, composed of Hancock County and Harrison County, has a total of eleven casinos in operation. As a result of competitive pressure, Caesars Entertainment Corporation ("Caesars") announced on November 27, 2018 that Tunica Roadhouse Casino would close effective approximately January 31, 2019. Caesars intends for the 135 room hotel located at Tunica Roadhouse to remain open to service its other casino in Tunica.

Set forth below is information concerning the casinos currently operating in the State by region.

**INFORMATION CONCERNING MISSISSIPPI CASINOS  
(Property Data): August 1, 2018 – August 31, 2018**

<b>Regions</b>	<b>Gaming Employees<sup>1</sup></b>	<b>Hotel Employees</b>	<b>Gaming Square Feet</b>	<b>Other Square Feet</b>	<b>Slot Games</b>	<b>Table Games</b>	<b>Poker Games</b>	<b>Hotel Rooms</b>	<b>Total Parking</b>
North River	4,685	539	436,879	2,852,638	8,181	253	30	4,160	22,293
South River	2,211	179	222,064	464,855	4,863	103	14	720	8,166
Gulf Coast	9,660	3,085	680,885	5,598,972	14,247	463	40	6,635	26,519
<b>STATE TOTALS</b>	16,556	3,809	1,339,828	10,256,293	27,271	829	84	11,515	56,977

<sup>1</sup> Excludes Hotel Employees.

SOURCE: Mississippi Gaming Commission at [www.msgamingcommission.com](http://www.msgamingcommission.com).

**CASINOS OPERATING IN MISSISSIPPI AS OF AUGUST 31, 2018**

<b>Casino</b>	<b>Slot Machines</b>	<b>Table Games</b>	<b>Hotel Rooms</b>
<b>North River Region</b>			
1 <sup>ST</sup> Jackpot	966	16	0
Fitzgerald's Casino – Tunica	891	20	506
Gold Strike Casino Resort	1182	65	1133
Hollywood Casino Tunica	976	17+6 poker	4
Horseshoe Casino & Hotel – Tunica	1017	76+24 poker	505
Isle of Capri Lula	868	19	486
Resorts - Tunica	796	6	201
Sam's Town Tunica	792	17	700
Tunica Roadhouse <sup>1</sup>	693	17	135
<b>South River Region</b>			
Magnolia Bluffs Casino — Natchez	483	14+4 poker	140
Harlow's Casino Resort & Hotel — Greenville	736	15	105
Trop Casino - Greenville	585	11	40
Ameristar Casino — Vicksburg	1279	26+10 poker	148
WaterView Casino and Hotel	526	14	122
Lady Luck Hotel Casino — Vicksburg	603	8	89
Riverwalk Casino Hotel — Vicksburg	651	15	76
<b>Gulf Coast Region</b>			
Beau Rivage Resort Casino - Biloxi	1,768	80+16 poker	1,740
Boomtown Casino - Biloxi	689	14	0
Golden Nugget - Biloxi	1,115	49+9 poker	706
Hard Rock Hotel & Casino - Biloxi	1,163	52	479
Harrah's Gulf Coast - Biloxi	767	31	499
Hollywood Casino Resort - Bay St. Louis	945	20+5 poker	291
IP Casino Resort Spa - Biloxi	1,476	53+10 poker	1088
Island View Casino Resort - Gulfport	2,670	49	974
Palace Casino Resort - Biloxi	777	26	234
Scarlet Pearl Casino Resort	1,154	37	0
Silver Slipper Casino - Bay St. Louis	916	26	129
Treasure Bay Casino & Hotel - Biloxi	807	26	195

<sup>1</sup> Operated by Caesars Entertainment Corporation and will close effective approximately on January 31, 2019.

SOURCE: Mississippi Gaming Commission at [www.msgamingcommission.com](http://www.msgamingcommission.com).

On February 22, 2013, the MGC amended its regulations governing new casino development projects, to increase the scope of development and promote tourism in the State. Under the amended regulation, the MGC approval of a new casino project requires the project to include a 300-room or larger hotel of at least a three-

diamond rating (as defined by an acceptable travel publication to be determined by the MGC), and a 500-car or larger parking facility in close proximity to the casino complex. The casino project must also include a restaurant capable of seating at least 200 people and a fine dining facility capable of seating at least 75 people. The casino floor must be at least 40,000 square feet. In addition, the amendment requires every new project to have or support an amenity that will be unique to the market and will encourage economic development and promote tourism.

Since 1992, the casino industry has invested \$4,844,180,397.91 in Mississippi operations as of October 31, 2018. Included in the \$4.8 billion investment, Island View Casino Resort in Gulfport recently invested an additional \$75,000,000 in a second hotel tower ([www.msgamingcommission.com](http://www.msgamingcommission.com) and [www.msbusiness.com](http://www.msbusiness.com)).

### **Gaming Taxes and Rates**

*General.* All legal gaming conducted in the State is subject to taxation, which includes all casinos as well as manufacturers, sellers and distributors of certain gambling devices and equipment. Gaming taxes and permit or license fees are reported and paid online to the MDOR through Taxpayer Access Point ("TAP"), an electronic payment system of the MDOR. Each month, all taxes, fees, interest, penalties, damages, fines or other monies collected by the MDOR (with the exception of the Local Government Gaming Tax Revenue and the Dedicated Gaming Tax Revenue) are paid to the State Treasurer and deposited in the State general fund. The Local Government Gaming Tax Revenue is distributed to the applicable municipality and county in which various licensees are located as provided in Section 75-76-195, Mississippi Code (1972), as amended. Under the Act, the Dedicated Gaming Tax Revenue is pledged for debt service on the Series 2015E Bonds, the Series 2019A Bonds and any Additional Bonds. See "DESCRIPTION OF THE SERIES 2019A BONDS - Security and Source of Payment for Series 2019A Bonds," herein.

Each gaming establishment applying for a license to conduct gaming must submit an application fee of \$5,000.00 and each licensee must pay an annual license fee of \$5,000.00.

The annual license fee for a manufacturer is \$1,000.00, and for a distributor or seller is \$500.00. The fee is due before issuance of the license and annually on the anniversary date of such license.

#### Annual Gaming Fee Based on Number of Games

Each licensee must pay an annual fee based on the number of games it operates at its establishment. (Card games such as stud or draw poker, bridge, whist, solo, low ball, and panguingui are not considered games for purposes of this fee.) Section 75-76-191, Mississippi Code (1972), as amended, states that this fee must be paid on or before an applicant files a license application with the MGC and annually thereafter.

<b>Number of Games</b>	<b>Annual Fee</b>
1 Game	\$50 total
2 Games	\$100 total
3 Games	\$200 total
4 Games	\$375 total
5 Games	\$875 total
6 to 7 Games	\$1,500 total
8, 9 or 10 Games	\$3,000 total
11 to 16 Games	\$500 for each game from one to 16
17 to 26 Games	\$8,000 (for the first 16 games) plus \$4,800 for each game from 17 to 26
27 to 35 Games	\$56,000 (for the first 26 games) plus \$2,800 for each game from 27 to 35
Over 35 Games	\$81,200 (for the first 35 games) plus \$100 for each game over 35

Monthly Gross Gaming Revenue Fees

Each licensee must pay a fee based upon its monthly gross revenue. "Gross revenue" is defined as the total of all of the following, less the total of all cash paid out as losses to patrons and those amounts paid to purchase annuities to fund losses paid to patrons over several years by independent financial institutions:

- (a) Cash received as winnings;
- (b) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming; and
- (c) Compensation received for conducting any game in which the licensee is not party to a wager.

For the purposes of this definition, cash or the value of noncash prizes awarded to patrons in a contest or tournament are not losses. The term does not include:

- (a) Counterfeit money or tokens;
- (b) Coins of other countries which are received in gaming devices;
- (c) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed;

or

- (d) Cash received as entry fees for contests or tournaments in which the patrons compete for prizes.

The fees are paid weekly by licensees via TAP to the MDOR with payment of the fees due by Friday of the week following the week in which the fees accrued and a monthly reconciliation is required by the 20th of the month following the month in which the fees accrue. Under current law, local governments can impose a fee on Gross Gaming Revenue of up to 4% and the State can impose a fee on Gross Gaming Revenue of up to 8%, for a maximum fee of 12% of Gross Gaming Revenue.

**GROSS GAMING REVENUE FEES IMPOSED BY THE STATE<sup>1</sup>**

<b>Monthly Gaming Revenue</b>	<b>Monthly Fees Assessed<sup>2</sup></b>
Gross revenue of \$50,000 or less	4% of gross revenue
Gross revenue of more than \$50,000 but less than \$134,000	\$2,000 (for the first \$50,000 of gross revenue) plus 6% of all gross revenue greater than \$50,000 but less than \$134,000
Gross revenue of more than \$134,000	\$2,000 (for the first \$50,000 of gross revenue) plus \$5,040 (for all gross revenue greater than \$50,000 but less than \$134,000) plus 8% of all gross revenue greater than \$134,000

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<sup>1</sup> The gaming revenue fees imposed by the State have not changed since the legalization of gaming in the State in 1990.

<sup>2</sup> A chart showing the portion of the monthly fees collected available to pay debt service on the Series 2015E Bonds and the Series 2019A Bonds appears on page 6 of this Official Statement.

Annual Gross Gaming Revenue

CALENDAR YEAR	GULF COAST REGION	NORTH RIVER REGION AND SOUTH RIVER REGION	TOTAL
2018 <sup>1</sup>	\$1,034,442,489.94	\$ 731,992,922.36	\$1,766,435,412.30
2017	1,192,054,572.81	885,196,518.85	2,077,251,091.66
2016	1,187,541,792.93	932,514,313.22	2,120,056,106.15
2015	1,143,107,587.22	953,958,508.38	2,097,066,095.60
2014	1,079,420,120.84	988,462,005.69	2,067,882,126.53
2013	1,064,324,062.57	1,072,299,767.36	2,136,623,829.93
2012	1,094,789,488.40	1,156,300,984.35	2,251,090,472.75
2011	1,096,685,731.79	1,142,397,973.45	2,239,083,705.24
2010	1,106,511,997.84	1,282,485,315.41	2,388,997,313.25
2009	1,114,778,814.66	1,349,883,334.74	2,464,662,149.40
2008	1,258,354,510.98	1,462,784,705.36	2,721,139,216.34
2007	1,302,102,369.30	1,589,444,057.64	2,891,546,426.94
2006	910,696,342.42	1,660,187,243.31	2,570,883,585.73
2005	886,158,035.03	1,582,318,835.86	2,468,476,870.89
2004	1,226,874,811.64	1,550,095,500.33	2,776,970,311.97
2003	1,173,314,319.92	1,526,522,916.04	2,699,837,235.96
2002	1,158,158,105.43	1,559,100,576.32	2,717,258,681.75
2001	1,151,112,775.02	1,549,325,029.98	2,700,437,805.00
2000	1,110,445,712.86	1,538,850,404.01	2,649,296,116.87
1999	1,029,919,576.09	1,486,326,642.59	2,516,246,218.68
1998	813,668,601.17	1,360,532,584.59	2,174,201,185.76
1997	757,568,500.89	1,226,798,343.92	1,984,366,844.81
1996	749,339,087.86	1,112,707,242.73	1,862,046,330.59
1995	716,016,553.62	1,008,326,452.29	1,724,343,005.91
1994	727,326,700.61	735,467,945.22	1,462,794,645.83
1993 <sup>2</sup>			789,835,710.40
1992 (August - December)			121,807,970.29

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<sup>1</sup>January through October 2018.

<sup>2</sup>Records available from the MDOR do not list Gross Gaming Revenue by region for the years 1993 and 1992. The first casino in Mississippi opened in August 1992.

## **Sports Betting**

The Professional and Amateur Sports Protection Act (“PASPA”) is the federal law that historically restricted which states could offer sports wagering. Over several years, the State of New Jersey filed a series of legal challenges in an attempt to have PASPA overturned. On May 14, 2018, the United States Supreme Court issued a ruling that repealed PASPA and as a result, state legislatures were free to determine if sports betting would be allowed in their states. During the 2017 regular session of the Mississippi legislature, and in anticipation of the possible repeal of PASPA, Mississippi lawmakers amended the Gaming Control Act to allow a gaming licensee to accept wagers on sporting events, provided the licensee first obtained the permission from the Executive Director of the MGC. On August 1, 2018, the first legal sports bet was taken in Mississippi and as of November 2, 2018, twenty-two of the twenty-eight commercial gaming licensees in Mississippi offered some level of sports betting. It is anticipated that sports betting will increase visitors to Mississippi casinos. Until July 1, 2028, revenues collected as a result of wagers on sporting events are deposited into the State Highway Fund to be used solely for the repair and maintenance of highways and bridges in the State and will not be deposited into the State's General Fund.

### **RISKS TO OWNERS OF SERIES 2019A BONDS**

#### **General**

The Series 2019A Bonds are payable from the State's pledge of Dedicated Gaming Tax Revenue. Many factors could reduce the amount of gaming revenues in the State and have an adverse effect on the payment of debt service on the Series 2019A Bonds. Purchasers of the Series 2019A Bonds are advised of such numerous risk factors some of which are described below.

#### **Competition from Other States, Native American Casinos and Other Forms of Gaming**

Legalized gaming is currently permitted in various forms throughout the United States, including various lands taken into trust for the benefit of certain Native American tribes. All states except Utah and Hawaii have some form of legal gaming. According to some analysts, the recent geographic expansion of legal gambling has increased competition for certain regions of the nation and rivalry for the same pool of consumers.

Mississippi casinos directly compete with gaming facilities in neighboring states as well as two Native American casinos operated by the Choctaw Indian Tribe in central Mississippi, the Pearl River Resort, which includes the Silver Star Casino and the Golden Moon Casino, located near Philadelphia, Mississippi, and the Bok Homa Casino, located near Laurel, Mississippi. The Native American casinos in Mississippi do not pay any gaming taxes or fees imposed by the State. Under the compact between the Choctaw Indian Tribe and the State, the tribe provides \$250,000 annually to the State for advertising and the promotion of tourism, and the tribe reimburses the State for expenses incurred by the State in connection with the Class III gaming activities of the tribe. These monies are not included in the Gross Gaming Tax Revenue of the State.

Alabama has had Native American Class II gaming (which is limited to bingo played via electronic, computer, or other technologic aids, and card games) since 1985. There are three Native American Casinos in Alabama. Louisiana has had Native American Class III gaming (casino gaming) since 1992. There are four Native American Casinos in Louisiana.

During the 2016 special session of the Alabama legislature, Senate Bill 11 was introduced that would have allowed Alabama residents to vote on adopting a lottery, authorized casino gaming by the entities currently licensed to conduct pari-mutuel wagering at the four existing racetracks in Alabama, and authorized the Governor to negotiate a compact for gaming with the Poarch Band of Creek Indians. This bill died in chamber. In both 2017 and 2018, similar legislation was introduced in the Alabama Legislature which would have expanded various forms of gaming in Alabama. In both years, such legislation also died in chamber. Legalized gaming in Alabama could severely affect gaming revenue on the Mississippi Gulf Coast. The Mississippi Gulf Coast casinos (Hancock County and Harrison County) reported 2,162,710 visits from Alabama residents in 2017, which is approximately 15% of total visitation.

Louisiana enacted legislation in July 1991 permitting gaming activity on certain rivers and waterways. Louisiana is authorized to issue up to 15 licenses to conduct gaming activities on riverboats in that state. There is one official land based casino created by the Louisiana legislature that is located in New Orleans. Currently, 15 riverboat casinos are in operation in Louisiana, and there are four live horse racing facilities licensed to operate

slot machines. Video poker is authorized in bars, restaurants, hotels, off-track betting parlors and truck stops in Louisiana. As of September 2018, there were 1,685 video poker outlets operating in Louisiana.<sup>1</sup> In calendar year 2017, there were 22,139,220 admissions to Louisiana's riverboat casinos and 4,301,254 admissions to the land based casino in New Orleans.<sup>1</sup> The Mississippi Gulf Coast casinos reported 3,188,233 visits from Louisiana residents in 2017, which is approximately 22.1% of total visitation.

In 2005, the Arkansas General Assembly passed Act 1151 permitting racing tracks in that state to install "games of skill," such as blackjack and poker or their video counterparts, if approved by the city or county where such facility is located. Mississippi River gaming markets have suffered from the increased competition resulting from Act 1151, with the expanded gaming operations drawing patrons from the Memphis, Tennessee area as well as the Mississippi River region of Arkansas. Specifically, Southland Park Gaming and Racing, a gambling and entertainment center in West Memphis, Arkansas, now attracts customers to its facility that previously attended casinos in Mississippi. In 2010, the Mississippi North River Region (Tunica County and Coahoma County) reported visitor count of 3,793,404 from Tennessee and 1,797,209 visitors from Arkansas. The 2017 reported visitor count declined over 50% from Tennessee (1,388,766) and Arkansas (962,541). On November 6, 2018, the citizens of Arkansas voted "yes" to a proposed constitutional amendment that authorizes four casinos in the state, including one casino at Southland Park. The further expansion of gaming in Arkansas could negatively affect the Mississippi gaming market, and in particular the Mississippi North River Region.

In March 2018, a constitutional amendment was introduced in the Georgia Legislature to overturn that state's ban on casino gambling. The bill would allow for casino gaming at three licensed resort facilities in counties, municipalities or consolidated governments that held a public referendum approving the establishment of such facilities. The bill was not considered by committee. There were 761,369 visitors to Mississippi casinos from Georgia in 2017, the majority of which (671,232) were to the Mississippi Gulf Coast casinos. Future legislation in Georgia, Alabama, Louisiana or other nearby states could expand casino gaming which would negatively impact the Mississippi gaming industry.

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<sup>1</sup> SOURCE: Louisiana Gaming Control Board at [www.lgcb.dps.louisiana.gov](http://www.lgcb.dps.louisiana.gov).

**VISITORS TO MISSISSIPPI CASINOS BY STATE FROM JANUARY 1, 2017 - DECEMBER 31, 2017**

Visitor Details	Approximate # of Patrons By Region			Annual Statewide Totals	Percentage			Annual % of Patrons Statewide
	Central <sup>1</sup>	Coastal <sup>2</sup>	Northern <sup>3</sup>		Central	Coastal	Northern	
Alabama	31,087	2,162,710	283,779	2,477,576	1.0 %	15.0%	5.8%	11.0%
Arkansas	68,144	54,041	962,541	1,084,726	2.2%	0.4%	19.6%	4.8%
Florida	21,508	1,601,728	29,807	1,653,043	1.0%	11.1%	0.6%	7.4%
Georgia	24,436	671,232	65,701	761,369	0.8%	4.7%	1.3%	3.4%
Illinois	12,385	68,884	113,941	195,210	0.4%	0.5%	2.3%	0.9%
Indiana	4,528	48,826	44,854	97,938	0.1%	0.3%	1.0%	0.4%
Kansas	5,115	12,076	9,822	27,813	0.2%	0.1%	0.2%	0.1%
Louisiana	520,507	3,188,233	22,078	3,730,818	16.6%	22.1%	0.5%	16.6%
Michigan	7,421	90,987	21,819	120,227	0.2%	0.6%	0.4%	0.5%
Missouri	8,762	57,156	133,878	199,796	0.3%	0.4%	2.7%	0.9%
Mississippi	2,261,746	5,221,677	1,323,141	8,806,564	72.0%	36.2%	27.0%	39.2%
North Carolina	4,664	70,087	14,846	89,597	0.1%	0.5%	0.3%	4.0%
New Jersey	705	78,365	1,829	80,899	0.02%	0.5%	0.03%	0.4%
Nevada	1,392	5,949	1,645	8,986	0.04%	0.04%	0.03%	0.04%
Ohio	4,796	65,288	23,584	93,668	0.2%	0.5%	0.5%	0.4%
Oklahoma	8,485	18,608	24,432	51,525	0.3%	0.1%	0.5%	0.2%
South Carolina	3,032	65,915	10,777	79,724	0.1%	0.5%	0.2%	0.4%
Tennessee	24,833	169,827	1,388,766	1,583,426	0.8%	1.2%	28.3%	7.0%
Texas	75,662	337,438	52,818	465,918	2.4%	2.3%	1.1%	2.1%
Other	52,684	437,588	238,166	728,138	1.7%	3.0%	4.9%	3.2%
<b>Total</b>	<b>3,138,881</b>	<b>14,415,830</b>	<b>4,900,323</b>	<b>22,456,034</b>				

SOURCE: Mississippi Gaming Commission at [www.msgamingcommission.com](http://www.msgamingcommission.com).

Currently, there is no casino gaming in the panhandle of Florida resulting in a significant number of Floridians visiting casinos in the Gulf Coast Region (1,601,728 in 2017). On November 6, 2018, the citizens of Florida passed Amendment No. 3 which gives Florida residents the exclusive right to authorize future casino expansion in the state. Amendment No. 3 requires a statewide vote by citizens' initiative pursuant to Article XI, Section 3 of the Florida Constitution for casino gambling to be authorized under Florida law. In order to get a proposed amendment by initiative on the ballot, Article XI, Section 3 requires a petition signed by a number of electors in each of one half of the congressional districts of Florida, and of Florida as a whole, that is at least equal to 8% of the votes cast in each of such districts and in Florida as a whole in the last presidential election. If the amendment makes it on the ballot, it would then require approval from 60% of voters to become law. A decision by Florida residents to expand gaming in Florida, and particularly in the Florida panhandle, likely would have a negative effect on the Mississippi gaming industry.

Mississippi casinos compete with other forms of legalized gaming and entertainment such as bingo, pull-tab games, card parlors, state-sponsored lotteries, video lottery terminals, video poker terminals and, in the

<sup>1</sup> Washington County (Greenville), Warren County (Vicksburg) and Adams County (Natchez).

<sup>2</sup> Hancock County (Bay St. Louis) and Harrison County (Biloxi and Gulfport).

<sup>3</sup> Tunica County (Tunica Resorts) and Coahoma County (Lula).

future, may compete with gaming or entertainment at other venues. Currently 44 states operate lotteries and over 40 states have pari-mutuel wagering. Competition from internet lotteries and other internet wagering gaming services, which allow their customers to wager on a wide variety of sporting events and play Las Vegas-style casino games from home, could divert customers from Mississippi casino properties with an adverse effect. Such internet wagering services are often illegal under federal law but operate from overseas locations, and are nevertheless sometimes accessible to domestic gamblers. Internet wagering services could expand in future years and become more accessible to domestic gamblers as a result of initiatives in some states to consider legislation to legalize intrastate internet wagering. Several states, such as Nevada, New Jersey and Delaware, have enacted legislation authorizing intrastate internet gaming and internet gaming operations have begun in these states. Notably, in February 2013, Nevada amended its internet gaming law to permit Nevada licensed internet providers to commence internet poker and to allow the state to enter into agreements with other states to create multi-state poker wagering, and in February 2013, New Jersey enacted legislation authorizing intrastate internet gaming through Atlantic City casinos, which went into effect in November 2013. Expansion of internet gaming in other jurisdictions (both legal and illegal) could further compete with traditional operations like Mississippi casinos, having an adverse impact on the State's gaming revenue.

### **Sports Betting**

The Professional and Amateur Sports Protection Act ("PASPA") is the federal law that historically restricted which states could offer sports wagering. Over several years, the State of New Jersey filed a series of legal challenges in an attempt to have PASPA overturned. On May 14, 2018, the United States Supreme Court issued a ruling that repealed PASPA and as a result, state legislatures were free to determine if sports betting would be allowed in their states. During the 2017 regular session of the Mississippi legislature, and in anticipation of the possible repeal of PASPA, Mississippi lawmakers amended the Mississippi Gaming Control Act to allow a gaming licensee to accept wagers on sporting events, provided the licensee first obtained the permission from the Executive Director of the MGC. On August 1, 2018, the first legal sports bet was taken in Mississippi and as of November 2, 2018, twenty-two of the twenty-eight commercial gaming licensees in Mississippi offered some level of sports betting. While Mississippi was one of only seven states in the country to offer sports betting as of November 2, 2018, many gaming industry analysts predict that state legislatures across the United States will pass legislation over the next several years to legalize sports betting in their respective states. On November 7, 2018, House Bill 1 was filed for introduction in the Tennessee General Assembly to authorize sports betting in communities that approve such betting by local option. The legalization of sports betting across the country, and specifically in geographic markets close to Mississippi like Tennessee, could have a negative impact on gaming revenue in Mississippi.

### **Reductions in Discretionary Consumer Spending as a Result of an Economic Downturn**

Gaming revenues are highly dependent upon the volume and spending levels of customers and gaming revenues are adversely impacted by economic downturns. Decreases in discretionary consumer spending brought about by weakened general economic conditions such as, but not limited to, lackluster recoveries from recessions, high unemployment levels, higher income taxes, low levels of consumer confidence, weakness in the housing market, cultural and demographic changes, and increased stock market volatility may negatively impact the State's gaming revenues.

### **Inclement Weather and Other Casualty Events**

The operations of Mississippi casinos are subject to disruptions, damage or reduced patronage as a result of severe weather conditions, natural disasters and other casualty events. Because the Gaming Control Act requires gaming operations to be located on or adjacent to bodies of water, these facilities are subject to risks in addition to those associated with land-based casinos, including loss of service due to casualty, forces of nature, mechanical failure, extended or extraordinary maintenance, flood, hurricane or other severe weather conditions. Further, the MGC regulations require casinos located on the Mississippi Gulf Coast to close upon the order of the MGC when a Hurricane Warning is issued.

In late August 2005, all Mississippi Gulf Coast casinos were closed by the MGC in anticipation of Hurricane Katrina. Of the twelve casinos operating on the Mississippi Gulf Coast in 2005 (not including the Hard Rock Casino, which was licensed, but had not yet opened) three facilities were able to re-open by December 2005. Eight casinos re-opened before the end of 2006. Due to damage sustained by Hurricane Katrina, the Hard Rock Casino did not open until July 2007.

The casinos located on the Mississippi River are subject to periodic flooding, most recently the spring floods of 2011, which results in decreased attendance and increased operating expenses. As a result of this flood, all of the casinos along the Mississippi River were closed between three and seven weeks.

Any flood or other severe weather condition could lead to the loss of use of a casino facility for an extended period of time. Even if adverse weather conditions do not require the MGC to order closure of gaming facilities, those conditions make it more difficult for customers to reach the gaming properties, which can have an adverse impact on Mississippi casino revenue.

### **Mississippi Lottery**

Senate Bill 2001 First Extraordinary Session 2018 (the "Lottery Act") established a statewide lottery in the State to be administered by the Mississippi Lottery Corporation (the "Corporation"). The Corporation will be totally separate and apart from the MGC. The Corporation is a quasi-governmental entity, will not receive any State appropriation and will operate on its own revenues initially including a line of credit.

The Corporation will be operated by a five member Board of Directors (the "Board") appointed by the Governor of the State with the advice and consent of the State Senate. The State Treasurer and Commissioner of Revenue will serve as non-voting members of the Board. The Board has the responsibility for setting up the lottery including employing a CEO/President of the Corporation, adopting rules and regulations that will govern retailers, types of games, prizes, procurement and all other operations of the lottery. Under the Lottery Act casinos are specifically authorized to act as lottery retailers.

In the Lottery Act, Lottery is defined as meaning any game of chance approved by the Corporation and operated pursuant to the Lottery Act, which utilizes the sale of paper tickets for various intrastate and multistate or multisovereign lottery games (such as Pick-3, Pick-4, Mega Millions, Powerball), and "instant tickets" as defined in the Lottery Act, but specifically excluding any form of "video lottery" or use of "video lottery terminal" as defined in the Lottery Act.

The Lottery Act requires that no less than 50% of all the Corporation's income be paid as prizes, no more than 15% to be used for administration costs with the balance being deposited in a Lottery Proceeds Fund in the State Treasury. Until June 30, 2028, moneys deposited into the Lottery Proceeds Fund shall be paid into the State Highway Fund to provide funds to repair, renovate and maintain highways and bridges of the State. However, all such monies deposited into the Lottery Proceeds Fund over Eighty Million Dollars (\$80,000,000.00) in a fiscal year shall be transferred into the Education Enhancement Fund for the purposes of funding the Early Childhood Learning Collaborative, the Classroom Supply Fund and/or other educational purposes. From and after July 1, 2028, such net proceeds shall be deposited into the Lottery Proceeds Fund and shall be transferred to the State's General Fund, except for the amounts over Eighty Million Dollars (\$80,000,000.00) which shall continue to be deposited in the Education Enhancement Fund and used as provided above.

Currently, it is expected that lottery sales will begin in the State in the fourth quarter of 2019 or the first quarter of 2020.

The effect of the lottery on casino gaming in Mississippi is unknown. Many believe the effect will be nominal as those who participate in the lottery are believed not to be regular visitors to the State's casinos. Others believe that it will have an effect on the amount of discretionary income available for casino gaming resulting in a negative impact on the State's gaming revenue.

### **Potential Changes in Legislation**

From time to time, legislators, special interest groups and certain anti-gaming groups have proposed legislation that would restrict or prevent gaming activities in the State or increase the tax on gaming revenues. Legislation in various forms to ban indoor tobacco smoking has been enacted or introduced in many states and local jurisdictions and some research has shown tobacco smoking bans to have a negative impact on casino attendance and revenue. If restrictions on smoking are enacted statewide or by the local jurisdictions in which Mississippi casinos operate, there could be a decrease in attendance at Mississippi's casinos.

In his opinion contained in APPENDIX C, the Attorney General of the State will opine as follows:

The existing State Constitution is the Mississippi Constitution of 1890. Protection for the

contractual obligations owed holders of the Series 2019A Bonds arising from the issuance of the Series 2019A Bonds is expressed in the provisions of Section 16 of the Constitution:

Ex post facto laws, or laws impairing the obligation of contracts shall not be passed.

In the 2019A Bond Resolution, the Commission has covenanted and agreed that it shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the collection and deposit of the State Gaming Tax Revenue or any part thereof, or priority thereof, would be lost or impaired to the extent that such action or inaction would cause the Debt Service Coverage Ratio to be less than 300% as applied to State Gaming Tax Revenue for the preceding Fiscal Year whether by change in law or supplemental resolution or other agreement, document or instrument.

### **Tax Covenants**

In the 2019A Bond Resolution, the State has covenanted to use its best efforts to comply with all actions required to assure the continuing exclusion of interest on the Series 2019A Bonds from gross income of the holders thereof for federal income tax purposes. Failure by the State to comply with such covenants could cause the interest on the Series 2019A Bonds to be taxable retroactive to the date of issuance of the Series 2019A Bonds.

### **Ratings**

There is no assurance that the ratings assigned to the Series 2019A Bonds at the time of their issuance (see "RATINGS," herein) will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Series 2019A Bonds. If and when a bondholder elects to sell a Series 2019A Bond prior to maturity, there is no assurance that a market will have been established, maintained and in existence for the purchase and sale of the Series 2019A Bonds, and there is no assurance as to the purchase price which a buyer would be willing to pay.

### **Remedies; Litigation; Bankruptcy**

The remedies available to the owners of the Series 2019A Bonds upon an "event of default" under the 2019A Bond Resolution and the Series 2019A Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay.

In the event the State were to become a debtor under the Bankruptcy Code (as defined herein), payments under the 2019A Bond Resolution may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the bondholders in such payments may not extend to payments required after the commencement of such bankruptcy case or within 90 days prior thereto. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the "Bankruptcy Code"), the remedies provided in the 2019A Bond Resolution and the Series 2019A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

### **Limitation on Enforceability of Security Interest**

The pledge of the Dedicated Gaming Tax Revenue granted by the State pursuant to the 2019A Bond Resolution may be limited by a number of factors, including the ability to collect such revenues. Under current law, such a pledge and assignment as attempted to be effected by the 2019A Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; and (e) the Dedicated Gaming Tax Revenue received by the State within 90 days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the State. If an "event of default" does occur under the 2019A Bond Resolution, it is uncertain that a bondholder could successfully obtain an adequate remedy at law or in equity.

## RATINGS

Fitch Ratings and S&P Global Ratings have assigned ratings of "A+" and "A+," respectively, to the Series 2019A Bonds. An explanation of the significance of such ratings may be obtained from the agencies which assigned the ratings.

There is no assurance that present or future ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if in the judgment of any or all of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any or all of such ratings may have an adverse effect on the market price of the Series 2019A Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## CONTINUING DISCLOSURE

Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule") as in effect for compliance purposes on the date of the State's Continuing Disclosure Certificate, see "APPENDIX B – FORM OF CONTINUING DISCLOSURE CERTIFICATE", which was originally adopted by the SEC in 1989 under the Securities Exchange Act of 1934, sets forth certain disclosure requirements relating to a primary offering of municipal securities. The Rule requires that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of the Rule, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The State is an "obligated person" with respect to the Series 2019A Bonds within the meaning of the Rule.

The State will enter into written undertakings for the benefit of the bondholders for the Series 2019A Bonds to deliver, or cause to be delivered, to (a) the Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Assess system at <http://emma.msrb.org> ("EMMA") in the electronic format then prescribed by the SEC pursuant to the Rule, and (b) any public or private repository or entity designated by the State as a State repository, if any, for the purposes of the Rule, the information described in the undertaking, including, but not limited to, annual financial reports and notices of certain material events, together with any identifying information or other information then required to accompany the applicable filing. This information will be made available free to securities brokers and others through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: <http://emma.msrb.org>.

For a summary of the State's undertakings, see "APPENDIX B - FORM OF CONTINUING DISCLOSURE CERTIFICATE".

The State is current in all material respects with its previous continuing disclosure undertakings under the Rule. However, there have been some instances in the previous five years in which the State filed its annual undertakings late. Due to the change in the State's accounting system (see "FISCAL OPERATIONS OF THE STATE – Accounting Systems" herein), although the State's unaudited financial statements or partial unaudited financial statements were filed timely along with the annual reports, the State's CAFR for fiscal year 2014 was not filed on EMMA until February 24, 2015, the State's CAFR for fiscal year 2015 was not filed on EMMA until May 31, 2016, the State's CAFR for fiscal year 2016 was not filed on EMMA until May 5, 2017, and amended on May 15, 2017, and the State's CAFR for fiscal year 2017 was not filed on EMMA until March 15, 2018. For fiscal year 2016, the State filed partial unaudited financial statements on February 1, 2017, and for fiscal year 2017, the State filed partial unaudited financial statements on December 28, 2017. Furthermore, the State's fiscal year 2017 unaudited annual report did not contain an update of the State of Mississippi Special Funds Receipts table as the information was unavailable at the time of filing. Updated information was filed on EMMA on October 22, 2018. Under one of its continuing disclosure agreements, the State is required to file its CAFR earlier than it is required to do so under its other continuing disclosure agreements, and the State has failed to meet this obligation on multiple occasions. Likewise, the State has in the past failed to timely file certain event notices such as ratings changes and refunding notices and has also on occasion failed to link its filings to all of its CUSIPs. The State has taken steps to ensure that it will timely comply with all undertakings in the future. Specifically, the State has approved a "State of Mississippi Debt Management Policy" which provides detailed procedures for the timely filing of continuing disclosure by the State. Also, the State has engaged FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., Dallas, Texas, as dissemination agent to assist with compliance with the terms of its undertakings.

## LITIGATION

The Attorney General's Office has reviewed the status of pending litigation involving the State. The State is party to various legal proceedings that arise in the normal course of governmental operations.

It is anticipated, regardless of the ultimate outcome of any litigation, that neither the courts nor the Mississippi Legislature will act inconsistently with the State's financial ability to pay all outstanding bonded indebtedness and the interest thereon. It is not anticipated that the ultimate outcome of any or all of the pending litigation will result in obligations exceeding the financial resources of the State, so that in all events it is reasonable to expect that the State will remain in a sufficiently viable financial position to meet all of these obligations, including, but not limited to, the Series 2019A Bonds provided the same are issued, sold and delivered. To predict with any degree of accuracy the ultimate outcome of any litigation would be conjectural.

## UNDERWRITING

The Series 2019A Bonds are initially being purchased for reoffering by Wells Fargo Bank, National Association, Raymond James & Associates, Inc., and Stephens Inc., (the "Underwriters"). The Underwriters have agreed to purchase the Series 2019A Bonds at a purchase price of \$300,393,791.44, being the par amount of \$268,775,000.00, less an Underwriters' discount of \$1,247,439.21 and plus an original issue premium of \$32,866,230.65. The bond purchase agreement pursuant to which the Underwriters expect to purchase the Series 2019A Bonds provides that the Underwriters will purchase all the Series 2019A Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2019A Bonds is subject to various conditions stated in such bond purchase agreement.

The Underwriters may offer and sell the Series 2019A Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the insider cover page hereto. The initial public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the State for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the State.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the senior underwriter for the Series 2019A Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2019A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2019A Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2019A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

#### **VALIDATION**

Prior to issuance, the Series 2019A Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided in Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

#### **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the authorization and issuance of the Series 2019A Bonds are subject to the approving legal opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, whose approving legal opinion will be available at the time of delivery of the Series 2019A Bonds (see APPENDIX D, herein). Certain legal matters with respect to the State will be passed upon by the State Attorney General, Jim Hood, Esq. (see APPENDIX C, herein). Certain legal matters will be passed upon for the Underwriters by their counsel Watkins & Eager PLLC, Jackson, Mississippi.

#### **FINANCIAL ADVISOR**

The State has retained Hilltop Securities, Inc., Dallas, Texas, as independent municipal advisor (the "Financial Advisor") in connection with the sale and issuance of the Series 2019A Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the State with respect to the preparation of documents, the preparation for the sale of the Series 2019A Bonds and of the time of the sale, tax-exempt and taxable bond market conditions and other factors related to the sale of the Series 2019A Bonds. Although the Financial Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein

#### **TAX MATTERS**

##### **Series 2019A Bonds**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019A Bonds (including any original issue discount properly allocable to the owner of a Series 2019A Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described above assumes the accuracy of certain representations and compliance by the State with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended and supplemented (the "Code") that must be met subsequent to the issuance of the Series 2019A Bonds. Failure to comply with such requirements could cause interest on the Series 2019A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019A Bonds. The State has covenanted in the 2019A Bond Resolution and certain certificates to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2019A Bonds.

The accrual or receipt of interest on the Series 2019A Bonds may otherwise affect the federal income tax liability of the owners of the Series 2019A Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2019A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019A Bonds.

Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2019A Bonds is exempt from all income taxation in the State.

## **Series 2019A Premium Bonds**

The Series 2019A Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

## **Backup Withholding**

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2019A Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2019A Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2019A Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2019A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019A Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2019A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**PROSPECTIVE PURCHASERS OF THE SERIES 2019A BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2019A BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2019A BONDS.**

## **MISCELLANEOUS**

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the predictions and estimates will be realized.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2019A Bonds, the security for the payment of the Series 2019A Bonds and the rights and obligations of the registered owners thereof.

References herein to the 2019A Bond Resolution, the State Constitution, the Act and all other legislative acts referred to herein are only summaries, excerpts or brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof. Additional information may be obtained upon request from the Office of the State Treasurer, 1101 Woolfolk Building, Suite A, 501 North West Street, Jackson, Mississippi, 39201, (601) 359-3600, Attention: Mrs. Yolanda Campbell Nash or from the Department of Finance and Administration, 1301 Woolfolk Building, Suite A, 501 North West Street, Jackson, Mississippi 39201, (601) 359-3402, Attention: Mr. Steven McDevitt.

The execution of this Official Statement has been duly authorized by the Commission.

**STATE OF MISSISSIPPI**

By: /s/Phil Bryant  
Phil Bryant, Governor

By: /s/Jim Hood  
Jim Hood, Attorney General

By: /s/Lynn Fitch  
Lynn Fitch, State Treasurer

Prepared by: Office of the State Treasurer  
1101 Woolfolk Building, Suite A  
501 North West Street  
Jackson, Mississippi 39201  
(601) 359-3600

Department of Finance and Administration  
1301 Woolfolk Building, Suite A  
501 North West Street  
Jackson, Mississippi 39201  
(601) 359-3402

**APPENDIX A**  
**EXCERPTS FROM STATE'S 2017 AUDITED FINANCIAL STATEMENTS**

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**For a copy of Excerpts from the  
State's 2017 Comprehensive Annual Financial Report  
please visit:  
<http://emma.msrb.org> or <http://www.dfa.ms.gov>**

**or contact:**

**State of Mississippi  
Department of Finance and Administration  
Attn: Steven McDevitt  
(601) 359-5022  
Email: [steven.mcdevitt@dfa.ms.gov](mailto:steven.mcdevitt@dfa.ms.gov)**

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**APPENDIX B**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the State of Mississippi (the "Issuer" or the "State") in connection with the issuance of the \$268,775,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2019A (the "Series 2019A Bonds"). The Series 2019A Bonds are being issued pursuant to a resolution of the State Bond Commission of the State dated November 2, 2018 (the "Resolution"). The Issuer covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Series 2019A Bonds and the beneficial owners of the Series 2019A Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5)(i)(C).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., Dallas, Texas, and any successors thereto, which has been designated by the Department of Finance and Administration, an agency of the State, to serve as Dissemination Agent to the State.

"EMMA" shall mean the Electronic Municipal Market Access System found at <http://emma.msrb.org> which is the electronic format prescribed by the MSRB pursuant to the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The electronic filings with the MSRB shall be through EMMA.

"Official Statement" shall mean the Official Statement of the State dated January 10, 2019.

"Participating Underwriters" shall mean any of the original underwriters of the Series 2019A Bonds required to comply with the Rule.

"Repository" shall mean the MSRB and each State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect for compliance purposes on the date hereof.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

**SECTION 3. Provision of Annual Reports.** The Issuer shall, or shall cause the Dissemination Agent to, not later than February 1 of each year, provide to each Repository an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Sections 3 and 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. If the audited financial statements of the Issuer are publically unavailable on February 1 of each year, the Issuer agrees to provide unaudited financial statements and such audited financial statements if and when publically available.

If the Issuer is unable to provide the Repositories an Annual Report by the date required in the immediately preceding paragraph, the Issuer shall send a notice to each Repository.

The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

**SECTION 4. Content of Annual Reports.** The Issuer's Annual Report is defined to include the following:

(a) the State's most recent Comprehensive Annual Financial Report audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States;

(b) a chart showing the historical annual collection of State Gaming Tax Revenue in a form similar to the chart on page 5 of the Official Statement; and

(c) a chart showing the coverage ratio for the Series 2019A Bonds in a form similar to the chart on page 12 of the Official Statement.

**SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events in a timely manner not in excess of ten (10) business days after the occurrence thereof, if material. All fifteen (15) events mandated by the Rule are listed below; however, some may not apply to the Series 2019A Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on the credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modification to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the State;
- (14) Consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (15) The appointment of a successor or additional trustee or the change of name of a trustee.

(b) Any Listed Event under subsection (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) of this Section will always be deemed to be material.

**SECTION 6. Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Series 2019A Bonds.

**SECTION 7. Dissemination Agent.** The Issuer has engaged the Dissemination Agent to assist it in disseminating information hereunder. The Issuer shall send the information required by Sections 3 and 4 hereof and event notices required by this Disclosure Certificate to the Dissemination Agent. Unless otherwise agreed

to, the Dissemination Agent shall, as soon as practicable but not later than five (5) days after receipt of such information, forward the same to (i) the MSRB and State Repository, if any, as described herein, and (ii) any beneficial holder of the Series 2019A Bonds who requests such information in writing to the Dissemination Agent or the Issuer. The Dissemination Agent shall have no duty to review the materials described in this paragraph prior to disseminating such materials.

The initial Dissemination Agent shall be FSC Continuing Disclosure Services, a Division of Hilltop Securities, Inc., Dallas, Texas. The Issuer may discharge the Dissemination Agent or any successor Dissemination Agent, but in such event shall take steps necessary to appoint a successor Dissemination Agent who shall be responsible for undertaking all responsibilities of dissemination hereunder.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

**SECTION 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of a Series 2019A Bonds or the Participating Underwriter may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an "event of default" under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2019A Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, holders from time to time of the Series 2019A Bonds, and beneficial owners of the Series 2019A Bonds and shall create no rights in any other person or entity.

**SECTION 13. Prior Disclosure.** The Issuer is current in all material respects with its previous continuing disclosure undertakings under the Rule. However, there have been some instances in the previous five years in which the Issuer filed its annual undertakings late. Due to the change in the Issuer's accounting system, although the Issuer's unaudited financial statements or partial unaudited financial statements were filed timely along with the annual reports, the Issuer's CAFR for fiscal year 2014 was not filed on EMMA until February 24, 2015, the Issuer's CAFR for fiscal year 2015 was not filed on EMMA until May 31, 2016, the Issuer's CAFR for fiscal year 2016 was not filed on EMMA until May 5, 2017, and amended on May 15, 2017, and the Issuer's CAFR for fiscal year 2017 was not filed on EMMA until March 15, 2018. For fiscal year 2016, the Issuer filed partial unaudited financial statements on February 1, 2017, and for fiscal year 2017, the Issuer filed partial unaudited financial statements on December 28, 2017. Furthermore, the Issuer's fiscal year 2017 unaudited annual report did not contain an update of the State of Mississippi Special Funds Receipts table as the information was unavailable at the time of filing. Updated information was filed on EMMA on October 22, 2018. Under one of its continuing disclosure agreements, the Issuer is required to file its CAFR earlier than it is required to do so under its other continuing disclosure agreements, and the Issuer has failed to meet this obligation on multiple occasions. Likewise, the Issuer has in the past failed to timely file certain event notices such as ratings changes and refunding notices and has also on occasion failed to link its filings to all of its CUSIPs. The Issuer has taken steps to ensure that it will timely comply with all undertakings in the future. Specifically, the Issuer has approved

a "State of Mississippi Debt Management Policy" which provides detailed procedures for the timely filing of continuing disclosure by the Issuer. Also, the Issuer has engaged the Dissemination Agent to assist compliance with the terms of its undertakings.

Date: January 31, 2019

**STATE OF MISSISSIPPI**

By: \_\_\_\_\_  
Governor and Ex officio Chairman of the  
State Bond Commission

**APPENDIX C**

**FORM OF OPINION OF ATTORNEY GENERAL**

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STATE OF MISSISSIPPI

OFFICE OF THE ATTORNEY GENERAL  
OFFICIAL ATTORNEY GENERAL'S OPINION

[FORM OF OPINION OF ATTORNEY GENERAL]

January 31, 2019

JIM HOOD  
ATTORNEY GENERAL

State Bond Commission  
State of Mississippi  
Jackson, Mississippi

Re: \$268,775,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2019A, dated as of the date of their delivery

Commission Members:

The opinion as hereinafter set forth is submitted regarding several matters pertaining to the sale and issuance of the above described bond issue (the "Series 2019A Bonds") of the State of Mississippi (the "State"). The Series 2019A Bonds will be issued pursuant to House Bill No. 1, 2018 First Extraordinary Session of the Mississippi Legislature, Senate Bill No. 2002, 2018 First Extraordinary Session of the Mississippi Legislature, and Senate Bill 1630, 2015 Regular Session of the Mississippi Legislature (together, the "Act") and a resolution of the Commission adopted on November 2, 2018.

The existing State Constitution is the Mississippi Constitution of 1890. Protection for the contractual obligations owed holders of the Series 2019A Bonds arising from the issuance of the Series 2019A Bonds is expressed in the provisions of Section 16 of the Constitution:

Ex post facto laws, or laws impairing the obligation of contracts shall not be passed.

I am of the opinion that when the Series 2019A Bonds are validated, issued and delivered, such Series 2019A Bonds shall constitute a contract as contemplated by Section 16, supra, and shall enjoy the full protection thereof.

The Series 2019A Bonds have been subjected to validation by a competent State court. Validation procedure is prescribed by statute and requires that the submission for validation shall be accompanied by the written opinion of the State's Bond Attorney, an attorney appointed by the Governor of the State and who shall possess the same qualifications for office as the Attorney General.

Section 31-13-7, Mississippi Code of 1972, as amended from time to time, provides that when a decree shall be entered confirming and validating bonds and there shall be no appeal from the decree, or if on appeal the Supreme Court enters its decree confirming and validating such bonds, the validity of such bonds shall never be called in question in any court in the State.

A Certificate of Non-litigation shall be rendered by the Attorney General certifying the finality of validation prior to delivery of the Series 2019A Bonds.

It is my opinion that the Series 2019A Bonds have been duly and validly authorized, issued, executed and delivered by and on behalf of the State, that the Series 2019A Bonds constitute valid and binding limited obligations of the State enforceable in accordance with the terms thereof (except to the extent that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in accordance with general principles of equity), and that, as directed by the Act and Section 75-76-129 of the Mississippi Code of 1972, as amended and supplemented from time to time, payment of the Series 2019A Bonds is secured by a pledge of certain deposits to be made by the Mississippi Department of Revenue of the fee imposed under Section 75-76-177(1)(c) of the Mississippi Code of 1972, as amended and supplemented from time to time. The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers.

In connection with the sale and issuance of the Series 2019A Bonds, the State will deliver its Continuing Disclosure Certificate dated as of the date of the issuance and delivery of the Series 2019A Bonds. The Continuing Disclosure Certificate will be delivered by the State for the benefit of the holders of the Series 2019A Bonds and in order to assist the participating underwriters in complying with SEC Rule 15c2-12(b)(5).

It is my opinion that the Continuing Disclosure Certificate has been duly and validly authorized, executed and delivered by and on behalf of the State and constitutes the valid and binding obligation of the State enforceable in accordance with the terms thereof (except to the extent that the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in accordance with general principles of equity).

The Mississippi Legislature enacted Section 11-46-1 *et seq.*, Mississippi Code of 1972, as amended from time to time, to address the tort liability of the State and its political subdivisions. This act creates an immunity and then waives this immunity except in certain situations up to a maximum of two hundred fifty thousand dollars (\$250,000.00) per occurrence before July 1, 2001 and up to a maximum of five hundred thousand dollars (\$500,000.00) per occurrence on or after July 1, 2001.

When the Attorney General of the State shall give his opinion in writing to an officer, board, commission, department or person authorized to require such written opinion, there shall be no liability, civil or criminal, accruing to or against such body or person who in good faith follows the direction of such opinion and acts in accordance therewith, unless a court of competent jurisdiction, after a full hearing, shall publicly declare that such opinion is manifestly wrong and without any substantial support.

This opinion is being rendered in connection with the issuance of the Series 2019A Bonds and in anticipation that it will be relied upon by the parties purchasing the Series 2019A Bonds and by Bond Counsel, in rendering its opinion with respect to the Series 2019A Bonds, and such reliance is hereby specifically authorized.

Very truly yours,

---

JIM HOOD, Attorney General

**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

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**FORM OF OPINION OF BOND COUNSEL**

January 31, 2019

State Bond Commission  
State of Mississippi  
Jackson, Mississippi

Commission Members:

We have examined the Constitution and statutes of the State of Mississippi (the "State"), including particularly House Bill No. 1, 2018 First Extraordinary Session of the Mississippi Legislature, Senate Bill No. 2002, 2018 First Extraordinary Session of the Mississippi Legislature, and Senate Bill 1630, 2015 Regular Session of the Mississippi Legislature (collectively, the "Act"), and certified copies of the proceedings had by the State Bond Commission (the "Commission"), including the adoption of a resolution by the members of the Commission on November 2, 2018 (the "Resolution"), and other proofs submitted, relative to the sale and issuance by the State, acting by and through the Commission, of

**\$268,775,000**  
**STATE OF MISSISSIPPI**  
**GAMING TAX REVENUE BONDS,**  
**SERIES 2019A**

dated the date of delivery thereof, and maturing in such amounts and at such times, bearing interest and subject to redemption, all as set forth in the Resolution (the "Series 2019A Bonds"). The Series 2019A Bonds are being issued for the purpose of providing funds to finance (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars (\$250,000,000) and (b) the State's 2018 Transportation and Infrastructure Improvements Fund in the amount of Fifty Million Dollars (\$50,000,000), as more particularly described in the Resolution, and to pay the costs incident to the sale, issuance and delivery of the Series 2019A Bonds, all as authorized by the Act and the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Commission, certified proceedings and other certifications of the Commission and other public officials furnished to us, and certifications furnished to us by or on behalf of the Commission regarding certain federal tax matters in connection with the issuance of the Series 2019A Bonds and the use of the proceeds thereof, without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate.

Based on the foregoing and subject to the qualifications and assumptions herein, we are of the opinion on the date hereof that:

1. Such proceedings and proofs show lawful authority for the sale and issuance of the Series 2019A Bonds by the State pursuant to the Constitution and laws of the State, including the Act, and the provisions of the Resolution.
2. The Series 2019A Bonds have been duly authorized, executed and delivered by the Commission under the provisions of the Resolution and are entitled to the pledge and security of the Resolution.
3. The Series 2019A Bonds are limited obligations of the State and payable solely from the Dedicated Gaming Tax Revenue (as defined in the Resolution). The Series 2019A Bonds shall never constitute an indebtedness of the State within the meaning of any State constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the State, or charge against its general credit or taxing powers.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated below, interest on the Series 2019A Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2019A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2019A Bonds. In rendering the opinion contained in this paragraph 4, we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met after the issuance of the Series 2019A Bonds in order that interest on the Series 2019A Bonds not be includable in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2019A Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019A Bonds. The State has covenanted to comply with or to require compliance with the requirements of the Code in order to maintain the excludability of interest on the Series 2019A Bonds from gross income for federal income tax purposes. Owners of the Series 2019A Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

5. Under and pursuant to the Act, the Series 2019A Bonds and interest thereon are exempt from all income taxes imposed by the State.

It is to be understood that the rights of the holders of the Series 2019A Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the State's Official Statement or other statements made in connection with any offer or sale of the Series 2019A Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2019A Bonds, except those specifically addressed herein or upon any federal or state law with respect to the sale or distribution of the Series 2019A Bonds.

In rendering this opinion letter, we have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Series 2019A Bonds under the laws of the State and with respect to the excludability of the interest on the Series 2019A Bonds from federal and State income taxation.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

Respectfully submitted,

BUTLER SNOW LLP

**APPENDIX E**  
**BOOK-ENTRY-ONLY SYSTEM**

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## BOOK-ENTRY-ONLY SYSTEM

The information provided under this APPENDIX E has been provided by The Depository Trust Company ("DTC"). No representation is made by the State as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of \$268,775,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2019A (the "Series 2019A Bonds") under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2019A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019A Bonds, except in the event that use of the book-entry system for the Series 2019A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019A Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2019A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019A Bond documents. For example, Beneficial Owners of Series 2019A Bonds may wish to ascertain that the nominee holding the Series 2019A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Series 2019A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying and Transfer Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments, if any, on the Series 2019A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the State or the Paying and Transfer Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying and Transfer Agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Paying and Transfer Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019A Bonds at any time by giving reasonable notice to the State or the Paying and Transfer Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2019A Bond certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2019A Bonds in definitive form will be printed and delivered. See the caption "DESCRIPTION OF THE SERIES 2019A BONDS - Registration" in this Official Statement.

THE STATE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCE THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2019A BONDS (a) PAYMENTS OF PRINCIPAL OR INTEREST ON THE SERIES 2019A BONDS; (b) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2019A BONDS; OR (c) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2019A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE STATE AND THE UNDERWRITERS WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (a) THE SERIES 2019A BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF AND INTEREST ON THE SERIES 2019A BONDS; (d) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION (as defined in this Official Statement) TO BE GIVEN TO HOLDERS OF THE SERIES 2019A BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2019A BONDS.

**APPENDIX F**  
**INFORMATION CONCERNING THE STATE**

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## THE ECONOMY

### Location and Geography

The State is centrally located in the southern region of the United States of America. It is bounded on the east by Alabama, on the north by Tennessee, on the west by the Mississippi River, which separates it from Arkansas and Louisiana, and by Louisiana and the Gulf of Mexico on its southern boundary. The State encompasses 47,715 square miles and ranks 32nd in physical size among the states. Jackson, located in the central part of the State, is the capital and the largest city.

The State has a temperate to subtropical climate. The temperature ranges from a high mean temperature throughout the State of 84.5 degrees during July to a low mean temperature of 45.6 degrees in January. The State has an average rainfall of 53.9 inches. The topography of the State ranges from flat to hilly, with a maximum elevation of 806 feet in the northeastern corner of the State.

### The State's Economy (as of November 2018)

According to the Bureau of Economic Analysis, (BEA) the Mississippi economy grew only 0.1% in 2017. The second quarter of 2017 in particular was weak, declining an annualized 2.1% from the first quarter. However, growth has been positive since and accelerated to an annualized 3.4% in the second quarter of 2018. These data are subject to revisions. Revisions have been substantial in recent years.

In the first ten months of 2018 employment is up 1.4% over the same period of 2017. This is a significant improvement over the 0.5% growth experienced in calendar year 2017 and slightly ahead of the growth in calendar year 2015 and calendar year 2016. Through October, the State added an average of 15,560 jobs in 2018 over 2017. The largest contributor to job gains was professional and business services. These were primarily temp jobs. The second largest contributor to jobs in 2018 was the leisure and hospitality sector. The bulk of these jobs were in food services and drinking places. The education and health services sector accounted for the third largest source of job gains with most of those coming from health services. Only two sectors have declined in 2018: information and the mining and logging sector. Initial and continued unemployment claims remain at historically low levels, reaching the lowest point since 1973. Low initial claims indicate few lay-offs are taking place.

Real incomes grew 0.4% in 2017, slightly below the growth in 2016. Growth has improved in 2018. For the first half of 2018, real incomes are up 1.2% relative to the same period of 2017. Much of this growth can be attributed to farm proprietor income. The more broadly-based wage and salary disbursements is up only 0.3% in 2018, slightly below the 0.4% growth observed in 2017. Withholdings data, which offers an alternative measure of income, was similarly up 0.4% through the first eleven months of 2018 after adjusting for inflation. With a record low unemployment rate, upward wage pressure should be occurring. However, a relatively low workforce participation rate might be creating enough slack in the job market to dampen wage growth.

For the first five months of Fiscal Year 2019, transfers to the General Fund were up \$56.6 million or 2.7% over the Fiscal Year 2018 level. Use tax collections are being helped by the recent Supreme Court rulings which permitted remote sales tax collections. Gaming tax collections are also enhanced by the expansion into sports betting. Sales tax transfers are up 2.7% which is largely due to inflation.

### Short-Term Outlook

The nation began the year on solid footing with rising income and robust job growth. Growth strengthened in the second quarter to a remarkable 4.2% quarter relative to the first. This was followed by an equally impressive 3.5% growth in the third quarter. Taken together these were the best two-quarters growth since mid-2014. The growth is being fueled by the 2017 tax cut and 2018 budget acts. Consumer and business confidence remain high. With the current momentum, projections are for the U.S. economy to reach 3.1% for 2018. If this happens, it will be the first time we have been above 3.0% since 2005. Growth is expected to moderate to 2.5% in 2019 and drop below 2.0% in 2020. Average growth for 2020-2022 is expected to be around 1.6%.

The Mississippi economy appears to have benefited from the stronger national growth in 2018. Job growth has improved while income growth has been more moderate. Real GDP growth for 2018 is expected to be between 1.0% and 1.3% in 2018. If this occurs, it will be marked improvement from the state's post-recession performance. Supporting this outlook is the BEA's preliminary estimates which show the state grew 1.0% in the

first half of 2018 relative to the same period of 2017. Growth is expected to remain just above 1.0% for the next few years.

### **State Economic Structure**

About 83% of the State's roughly 1.1 million wage and salary workers are in service-producing industries and the remaining 17% are employed in goods-producing industries. Almost 78.6% of total nonfarm employment is in the private sector while government employs the remaining 21.4%. Nationally, the government represents slightly more than 15.5% of the workforce. Mississippi also depends relatively more on the manufacturing sector than the U.S. with 12.4% of employment concentrated in manufacturing compared to the national average of slightly less than 8.5%. Because of the strong linkages to the rest of the economy, the manufacturing sector is a driver of significant economic activity in other sectors in the State as well.

### **Economic Development**

MDA was created to improve the quality of life for Mississippians through the creation of productive employment opportunities and the enhancement of the State's tax base. To accomplish its mandate, MDA concentrates on recruiting new industries into the State, encouraging expansion of existing industries, expanding world markets for State products, seeking international business investment, assisting in the development of minority businesses, and providing training and retraining programs for the State's work force to meet the needs of today's business.

A variety of services are available to individuals and businesses to stimulate jobs and income growth in the State. MDA provides financial, management and technical assistance services. Some of these include tax incentives, loan programs and bond financing programs for industries, small businesses and agribusinesses.

### **Banking and Finance**

There are 73 financial institutions in the State, consisting of 7 national chartered commercial banks, 4 federal chartered thrifts, and 62 state chartered commercial banks. The total number of branch offices is 1,460. Combined assets for these institutions as of September 30, 2018 totaled \$101,092,629,000.

There are 4 banks with assets exceeding \$10 billion. Three of these four banks are state chartered. Hancock Whitney Bank is the largest financial institution in the state and has assets of over \$28 billion.

There are 6 financial institutions with assets less than \$10 billion, but greater than \$1 billion. Total assets for the 10 largest institutions are \$83,402,067,000. This represents approximately 83% of banking assets in the State. Average asset growth over the past three years is 8%.

### **Manufacturing**

The manufacturing sector is a leading employer in the State. Approximately 169,500 persons are employed in more than 2,400 manufacturing facilities. About one-fourth of these facilities have 100 or more employees and account for 80% of all manufacturing workers. The State has eighteen (18) manufacturing companies with 1,000 or more employees.

Every county in the State has a manufacturing facility. Hinds County has the largest number of manufacturing plants followed by Lee County, Rankin County, DeSoto County and Harrison County. The leading product groups in the State are apparel, electrical machinery and equipment, food products, furniture and fixtures, lumber and wood products and transportation equipment.

In November 2000, Nissan North America, Inc. ("Nissan") announced the location of a \$930 million automobile manufacturing facility in Madison County, Mississippi. In June 2002, while the original facility was still under construction, Nissan announced that it would expand the facility to 2.5 million square feet with an additional investment of \$500 million. When the plant began production, 2,040 people were employed and has grown to present employment of approximately 6,400. The 3.5 million-square-foot plant has a capacity to produce 400,000 vehicles per year.

In March 2007, Toyota Motor Engineering & Manufacturing North America, Inc. ("Toyota") announced its plans to locate a new manufacturing plant near the town of Blue Springs, Mississippi. Toyota directly employs

approximately 2,000 and represents an \$800 million investment. Since the plant began production during November of 2011, Mississippians have been successfully producing Toyota's best-selling model, the Corolla, for the U.S. and international markets and is at full production today. In April 2018, Toyota announced the company was investing \$170 million and creating 400 new jobs to support production of the 12th generation Corolla using Toyota New Global Architecture.

Huntington Ingalls Industries is the State's largest manufacturing employer through its shipyards located in Pascagoula and Gulfport. With current employment above 11,000, Huntington Ingalls Industries has an annual payroll of approximately \$580 million. The company develops and produces technologically advanced warships for the United States Navy, Coast Guard, Marine Corps and for foreign and commercial customers. It has operated in the State since 1938.

PACCAR, a global leader in the design and manufacture of premium light-, medium- and heavy-duty trucks, constructed its newest engine manufacturing and assembly plant on a 394-acre site in Lowndes County.

Yokohama selected West Point, Mississippi as the location for its new tire manufacturing facility opening the \$300 million commercial truck tire facility October 5, 2015, just a little over 24 months after breaking ground on the site. The modern, one-million-square-foot facility located on more than 500 acres of land has hired more than 600 employees. The company plans to produce up to one million tires annually when running at full capacity.

Continental Tire The Americas, LLC, has begun construction of its commercial vehicle tire manufacturing plant in Hinds County, Mississippi and has committed to investing \$1.45 billion and creating 2,500 jobs and expects to begin production in 2020.

### **Agriculture and Forestry**

Agriculture is one of the State's leading industries, employing approximately 29% of the State's workforce either directly or indirectly. Agriculture in the State is a \$7.6 billion industry. There are approximately 36,200 farms in the State covering 10.7 million acres. The average size farm is composed of 296 acres. Agriculture makes a significant contribution to all 82 counties. The primary agricultural products in Mississippi are poultry, forestry, soybeans, corn, rice, catfish, hay, cattle and calves, cotton, hogs, horticulture crops, milk, sweet potatoes, wheat and peanuts.

Forestry and forestry products contribute a total impact of \$12.79 billion to the State's economy. 19.8 million acres or about 65% of the total land in the State is devoted to forest production. Mississippi ranks number one in the nation in the number of certified tree farms with more than 3,200. The forestry sector, which includes pulp mills, paper mills, wood furniture, employs 25% of the State's manufacturing workforce.

### **Construction**

The construction industry plays a powerful role in sustaining economic growth, in addition to producing structures that add to productivity and quality of life. In 2017, construction contributed \$4.5 billion (4.1%) of the State's GDP of \$112 billion, making construction's contribution to the State's GDP less than the industry's 4.3% share of United States GDP. Private non-residential construction starts in the State for the time period of January through October 2018 totaled \$2.0 billion while the time period of January through October 2017 totaled \$2.2 billion, according to ConstructConnect. Construction employment in October 2018 totaled 42,900, a decrease of 1.4% from October 2017. Construction industry employees pay in the State averaged \$48,800 in 2017, 29% more than all private sector employees in the State.

During the period 2014 through 2017, building permits issued for residential construction averaged 7,025 annually, with an average annual valuation of \$1,137 billion. The following chart presents annual data for residential building activity for the past 11 years.

**RESIDENTIAL CONSTRUCTION BUILDING ACTIVITY**  
(Valuation in Millions)

Calendar Year	Building Permits(In Thousands)	Privately-Owned Housing Units Valuation (In Millions)	Contract Construction Employment (In Thousands)
2007	16.3	1,773.0	58.2
2008	10.0	1,119.3	57.5
2009	6.7	807.2	47.8
2010	4.8	646.3	50.2
2011	5.3	724.1	49.6
2012	6.0	836.5	45.8
2013	6.8	956.1	49.6
2014	6.9	1,033.1	49.0
2015	6.8	1,078.1	47.4
2016	6.9	1,181.9	45.3
2017	7.5	1,255.3	43.3

Source: University Research Center, the U.S. Department of Commerce, Bureau of the Census, Building Permits Branch and the Bureau of Labor Statistics, Associated General Contractors of America, Mississippi Department of Employment Security.

**Transportation**

The Mississippi Department of Transportation ("MDOT") is the lead agency to meet the transportation needs of the State. MDOT is committed to providing a transportation system - a network of highways, airports, public transit systems, ports, weight enforcement offices and rail systems - that will provide for the safe and efficient movement of people and goods. Much of the success of the transportation system can be attributed to the AHEAD program enacted in 1987, which promises to link every Mississippian to a four-lane highway within 30 miles or 30 minutes. In the spring of 2002, the Mississippi Legislature enacted Vision 21 - MDOT's Proposed Highway Program for the 21st Century. This pay-as-you-go highway program has been and will continue to upgrade existing roadways or build new highways where they are needed most, without burdening the public with new taxes.

The State's 81 public and private airports provide facilities for both commercial and private aircraft and play a vital part in the economic development of the small communities in the State. The mission of the MDOT Aeronautics Division is to assist airport owners in developing a safe and effective air transportation system in the State.

The State's public ports continue to play a vital role in the State's transportation system and the State's economy. Currently, there are 16 public ports in the State which include the State controlled Port of Gulfport in Harrison County and Yellow Creek State Inland Port in Tishomingo County. The remaining 14 ports are locally owned and operated. These ports contribute \$1.4 billion to the State economy, representing almost 3% of the State's GDP and including some 34,000 direct and indirect jobs paying \$765 million in wages and salaries. On average, over 47.7 million tons of cargo moved through the public and private terminals within the State's ports annually.

Mississippi has 2,542 miles of mainline railroad providing service between major centers throughout the State. This mileage is comprised of five Class-I Railroads (large rail systems extending from the Gulf of Mexico into Canada) and 24 Class-III Railroads (short intrastate rail systems) utilizing the Mississippi Rail System.

During the First Extraordinary Session of 2018, the Mississippi Legislature passed three bills, which are estimated to provide \$220 million, or more annually for infrastructure projects throughout the State. The infrastructure funding will be generated by diverting a portion of State use tax collections to local roads and bridges, collecting revenue from wagers on sports betting, creating a State Lottery and appropriating the remaining BP Settlement funds. Additionally, the Mississippi Legislature authorized up to \$300 million of revenue bonds for infrastructure projects administered by MDOT (\$250 million) and the Mississippi Department of Finance and Administration (\$50 million).

## Population

According to the 2010 Census, the population of the State was 2,967,297.

### TOTAL RESIDENT POPULATION FOR MISSISSIPPI AND THE UNITED STATES (In Thousands)

Calendar Year	Mississippi Population	Percent Change	United States Population	Percent Change
1970	2,217	1.80%	203,302	13.40%
1980	2,521	13.70	226,546	11.40
1990	2,577	2.10	249,440	10.10
2000	2,844	10.36	282,224	14.30
2001	2,856	.25	285,318	1.10
2002	2,863	.25	288,369	1.10
2003	2,874	.40	290,810	1.00
2004	2,893	.66	293,655	1.00
2005	2,908	.52	296,410	.93
2006	2,911	.10	299,398	1.00
2007	2,919	.27	303,809	1.47
2008	2,939	.69	305,800	1.00
2009	2,951	.40	307,007	.40
2010	2,967	.54	308,746	.60
2011	2,979	.40	311,592	.92
2012	2,985	.20	313,914	.75
2013	2,991	.20	316,129	.71
2014	2,994	.10	318,857	.87
2015	2,993	.03	321,419	.80
2016	2,988	.17	323,128	.53
2017	2,984	.13	325,719	.80

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Source: U.S. Department of Commerce, Bureau of the Census, Economic Research Service.

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**MISSISSIPPI RESIDENT POPULATION CHARACTERISTICS AND  
PERCENTAGE CHANGE BY CENSUS PERIOD  
(In Thousands of People)**

<b>Sector</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>%Change 1970-1980</b>	<b>%Change 1980-1990</b>	<b>%Change 1990-2000</b>	<b>%Change 2000-2010</b>
Urban	1,213.8	1,388.6	1,331.0	20.7%	1.6%	14.4%	(4.1)%
Rural Non-farm	1,307.2	1,409.7	1,591.1	28.4	5.0	7.8	12.9
Rural Farm	56.2	46.4	45.2	(67.6)	(33.7)	(17.4)	(2.6)
<b>TOTAL/AVERAGE</b>	<b>2,577.2</b>	<b>2,844.7</b>	<b>2,967.3</b>	<b>13.6%</b>	<b>2.1%</b>	<b>10.4%</b>	<b>4.3%</b>

Source: U.S. Department of Commerce, Bureau of the Census.

**Employment**

The service producing industries are the leading employers within the State employing 980,100 people or 83% of total non-agricultural employment as of October 2018. Other large employment sectors are government, trade and transportation, and manufacturing with each employing 248,000, 231,700, and 145,300, respectively, as of October 2018. Within the goods producing industry, the durable goods segment of the industry employed 95,100 and the nondurable goods segment employ 50,200. The leading manufacturers by product category are transportation equipment which includes ship building and motor vehicle parts (44,400), food manufacturing (24,300) and furniture manufacturing (18,900). Although its importance has declined, agriculture continues to contribute significantly to the State's economy. The total employment in agriculture as of October 2018 was 17,200.

**TEN LARGEST MISSISSIPPI MANUFACTURING EMPLOYERS<sup>1</sup>**

<b>Manufacturer</b>	<b>Major Product</b>	<b>2017 Employment</b>
Huntington Ingalls Industries	Ship Building	12,500
Nissan North America	Automobile Assembly	6,300
Ashley Furniture Industries	Furniture Manufacturing	4,100
Sanderson Farms, Inc.	Processed Poultry	4,026
Howard Industries	Electronics	3,440
Koch Foods of Mississippi, LLC	Poultry Processing	2,623
United Furniture Industries	Furniture Manufacturing	2,385
Chevron	Petroleum Refineries	1,700
Toyota	Automobile Manufacturer	1,500
Cooper Tire & Rubber Co.	Tire Manufacturing	1,400

<sup>1</sup> Number of employees is based on an annual estimate by each employer as a part of a survey conducted by MDA and reflects actual direct employees without contractors or temporary workers employed by a third party.

Source: Mississippi Development Authority, Existing Industry and Business Division, Manufacturers Cross-Match Program 2018, Mississippi Business Journal.

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**RECENT MISSISSIPPI LABOR FORCE STATISTICS**  
(In Thousands of People)

<b>Year/ Month</b>	<b>Civilian Labor Force</b>	<b>Total Employed</b>	<b>Unemployment Rate</b>
2000	1,326.4	1,251.1	5.7
2001	1,305.3	1,233.9	5.5
2002	1,298.0	1,209.8	6.8
2003	1,312.1	1,229.0	6.3
2004	1,330.2	1,248.1	6.2
2005	1,343.2	1,237.2	7.9
2006	1,316.5	1,220.5	7.3
2007	1,317.9	1,234.1	6.4
2008	1,326.6	1,234.3	7.0
2009	1,300.3	1,176.8	9.5
2010	1,575.6	1,411.3	10.4
2011	1,344.6	1,203.6	10.5
2012	1,336.9	1,216.3	9.0
2013	1,299.1	1,194.2	8.7
2014	1,228.2	1,135.5	7.6
2015	1,163.6	1,187.3	6.5
2016	1,286.1	1,208.5	6.0
2017	1,289.7	1,225.1	5.0
2018			
Jan	1,274.8	1,216.5	4.6
Feb	1,274.1	1,216.5	4.5
March	1,273.8	1,216.5	4.5
April	1,275.3	1,217.1	4.6
May	1,278.3	1,218.8	4.7
June	1,281.5	1,220.9	4.7
July	1,285.0	1,223.9	4.8
August	1,287.8	1,226.1	4.8
September	1,288.2	1,226.6	4.8
October	1,286.5 <sup>(1)</sup>	1,225.7 <sup>(1)</sup>	4.7 <sup>(1)</sup>

<sup>1</sup> Preliminary.

Source: U.S. Department of Labor Bureau of Labor Statistics, November 2018.

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**MISSISSIPPI ANNUAL EMPLOYMENT STATISTICS**  
(In Thousands of People)

	2014	2015	2016	2017	October 2018
Civilian labor force	1,252.2	1,267.7	1,280.4	1,280.0	1,286.5
Total employment	1,156.6	1,188.1	1,205.8	1,215.1	1,225.7
Agricultural <sup>1</sup>	17.5	16.6	16.9	17.0	17.2
Non-agricultural	1,119.1	1,126.8	1,150.4	1,152.2	1,168.9
All Other	115.6	44.7	38.5	45.9	39.6
Unemployment Rates					
Mississippi	7.7	6.3	5.8	5.1	4.7
United States	5.9	5.1	4.9	4.4	3.7
By Place of Employment					
Non-Agricultural	1,119.1	1,126.8	1,150.4	1,152.2	1,168.9
Manufacturing	141.7	140.8	143.1	144.0	145.3
Durable goods	94.7	93.6	95.0	94.9	95.1
Wood Product	8.9	8.5	8.9	9.0	9.0
Furniture & Related Products	18.1	18.4	18.9	18.9	18.9
Metal Products	10.0	9.7	10.0	9.9	9.9
Machinery Manufacturing	11.9	12.3	11.8	12.4	12.6
Electrical Equipment & Appliance	6.2	6.4	6.4	6.5	6.5
Transportation Equip <sup>2</sup>	43.4	46.8	45.2	45.6	44.4
Nondurable goods	47.0	47.2	48.1	48.2	50.2
Food	21.8	22.0	23.0	24.1	24.3
Paper	3.6	3.6	3.9	4.0	4.0
Plastics & Rubber	6.1	6.1	6.8	7.0	7.3
Service Producing					
Industries	920.5	932.1	955.7	950.5	980.1
Mining and Logging <sup>3</sup>	9.6	8.6	6.8	6.9	6.6
Construction	49.6	45.3	44.8	43.3	42.9
Information	12.3	13.5	12.1	11.6	11.1
Trade & Transportation	218.1	221.7	228.5	231.6	231.7
Financial Activities	43.9	44.4	44.0	44.1	45.1
Government	245.0	245.3	247.8	242.6	248.0
Education & Health Services <sup>4</sup>	136.6	135.5	141.0	144.2	146.8
Leisure & Hospitality	126.9	131.6	134.1	135.1	139.3
Professional & Business	99.7	102.5	108.0	108.2	116.8
Other Services	38.0	37.6	40.2	40.3	41.3

<sup>1</sup> Mississippi Agricultural Statistics.

<sup>2</sup> Motor Vehicle Parts, Ship and Boat Building.

<sup>3</sup> Natural Resources and Mining.

<sup>4</sup> Education, Health Care and Social Assistance.

Source: Mississippi Department of Employment Security, State & Metro Trends, [www.mdes.ms.gov](http://www.mdes.ms.gov) November 2018.

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## Income

Services, government, trade and transportation, and manufacturing employment represent the largest components of earned personal income in the State.

### COMPARISON OF MISSISSIPPI AND UNITED STATES PER CAPITA INCOME

Year	Mississippi	United States	Mississippi as a Percentage of United States
2000	\$20,920	\$29,760	70.3%
2001	21,653	30,413	71.2
2002	22,417	30,899	72.6
2003	23,466	31,472	74.6
2004	24,650	32,937	74.8
2005	25,318	34,586	73.2
2006	26,535	36,276	73.1
2007	28,845	38,611	74.7
2008	29,922	39,928	74.9
2009	30,103	39,138	76.9
2010	31,186	40,584	76.8
2011	31,882	41,415	77.0
2012	33,657	43,735	77.0
2013	34,478	44,543	77.4
2014	34,333	46,129	74.4
2015	34,771	47,669	72.9
2016	35,936	49,571	72.5
2017	36,346	50,392	72.1

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, last updated March 2018. <http://www.bea.gov/regional/bearfacts>.

### MISSISSIPPI PERSONAL INCOME STATISTICS (Rounded in Millions of Dollars)

	2014	2015	2016	2017	Unaudited 2018
Total Personal Income (by place of residence)	\$102,795	\$104,045	\$106,053	\$108,362	\$110,141
Earnings by Industry					
Farm	1,343	1,128	995	1,649	1,454
Forestry, Fishing, and related activities	689	524	535	528	536
Mining	1,388	1,199	861	840	832
Utilities	800	832	885	911	936
Construction	4,391	4,054	3,909	3,838	3,982
Manufacturing	8,441	8,696	8,904	9,031	9,360
Wholesale Trade	2,403	2,514	2,524	2,626	2,642
Retail Trade	4,966	5,122	5,333	5,390	5,467
Transportation and Warehousing	2,731	2,532	2,637	2,759	2,843
Information	820	809	748	697	718
Finance and Insurance	2,713	2,522	2,497	2,535	2,675
Real Estate, Rental and Leasing	1,023	893	862	889	904
Professional, Scientific and Technical Services	2,805	2,981	3,008	3,059	3,094
Management of Companies and Enterprises	986	1,032	1,059	1,090	1,203
Administrative and Waste Services	2,325	2,423	2,418	2,384	2,492
Educational Services	738	722	723	737	724
Health Care & Social Assistance	7,186	7,453	7,636	7,890	8,067
Arts, Entertainment and Recreation	341	282	349	269	259
Accommodation and Food Service	2,663	2,718	2,833	2,935	2,987
Other Services except Public Administrative	2,685	2,757	2,775	2,823	2,858
Government and Government Enterprises	14,344	14,930	15,212	15,311	15,406

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. June 2018.

**UNITED STATES PERSONAL INCOME STATISTICS**  
(Rounded in Billions of Dollars)

	2014	2015	2016	2017	Unaudited 2018 <sup>(1)</sup>
Total Personal Income (by place of residence)	\$14,708.6	\$15,464.0	\$15,912.8	\$16,414.5	\$16,821.4
Earnings by Industry					
Farm	104.0	88.0	69.2	64.7	56.7
Forestry, Fishing, and related activities	31.5	33.6	35.4	36.5	37.1
Mining	179.5	166.3	110.7	124.5	128.3
Utilities	84.0	86.3	88.6	90.5	92.3
Construction	604.0	640.3	680.3	715.3	749.0
Manufacturing	1,017.5	1,056.0	1,059.2	1,083.6	1,124.7
Wholesale Trade	537.5	560.1	561.3	576.5	582.2
Retail Trade	635.7	656.6	675.3	694.2	708.4
Transportation and Warehousing	358.5	399.0	410.5	430.1	441.1
Information	350.2	372.2	385.4	396.3	410.4
Finance, Insurance, Real Estate, Rental and Leasing	976.9	1,006.6	1,017.2	1,061.9	1,115.7
Professional and Business Services	1,060.8	1,124.8	1,157.7	1,199.9	1,235.6
Educational Services, Health Care & Social Assistance	1,333.6	1,398.6	1,457.3	1,514.8	1,556.3
Arts, Entertainment, Recreation, Accommodation and Food Services	452.3	498.3	387.8	542.1	557.9
Other Services except Government	392.7	406.5	417.6	432.3	440.4
Government	1,750.3	1,834.3	1,883.5	1,932.2	1,958.3

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, last revised in June 2018.

**MISSISSIPPI GROSS TAXABLE SALES<sup>1</sup>**  
**For Fiscal Year Ended June 30**  
(In Millions of Dollars)

Industry Group	2009	2010	2011	2012	2013
Automotive	\$5,023.8	\$4,864.0	\$5,443.9	\$5,903.8	\$6,282.4
Machinery	2,656.0	2,380.9	2,705.0	3,099.3	3,578.6
Food & Beverage	7,658.4	7,712.5	7,889.1	8,193.2	8,449.3
Furniture	859.0	874.4	864.5	865.4	853.7
Gen. Merchant	7,697.2	7,496.0	7,592.4	7,732.8	7,896.8
Lumber	2,870.9	2,510.4	2,587.4	2,574.4	2,672.8
Misc. Retail	3,567.7	3,339.7	3,453.4	3,591.9	3,715.8
Misc. Services	2,829.5	2,580.1	2,796.3	2,719.8	2,683.2
Utilities	4,383.7	4,299.6	4,174.7	4,126.4	4,369.8
Contracting	7,771.2	6,088.3	5,694.5	5,418.9	5,353.8
Wholesale	763.5	756.6	785.3	800.0	816.1
Recreation	<u>136.4</u>	<u>144.9</u>	<u>145.5</u>	<u>152.7</u>	<u>153.1</u>
Total Taxable Sales	<u>\$46,217.2</u>	<u>\$43,047.4</u>	<u>\$44,132.1</u>	<u>\$45,178.7</u>	<u>\$46,825.5</u>

Source: Mississippi Department of Revenue, Fiscal Years 2009-2013.

<sup>1</sup> As of October 2013, Mississippi Department of Revenue converted to new computing technology used for accounting of sales tax. **See next page for post 2013 years' data.**

**MISSISSIPPI GROSS TAXABLE SALES<sup>1</sup>**  
**For Fiscal Year Ended June 30**  
**(In Millions of Dollars)**

	2014	2015	2016	2017
<b>Industry Group</b>				
Agriculture, Forestry, Fishing and Hunting	\$ 11.4	\$ 11.8	\$ 16.6	\$ 18.5
Mining, Quarrying, and Oil & Gas Extraction	412.7	398.3	170.3	156.3
Utilities	1,439.0	1,271.3	1,147.2	1,126.9
Construction	5,716.0	5,461.1	4,994.2	5,271.2
Manufacturing	896.0	783.1	797.1	806.5
Retail Trade	25,048.8	25,605.0	26,582.7	26,554.2
Wholesale Trade	3,658.2	3,624.3	3,577.7	3,772.2
Information	2,635.7	2,706.5	2,696.7	2,666.3
Professional, Scientific & Technical Services	147.0	162.6	191.1	186.0
Management of Companies & Enterprises	.3	.3	.2	.8
Administrative, Support, Waste Management	335.2	361.7	391.2	411.4
Educational Services	4.6	.1	.1	.1
Health Care & Social Asst.	2.5	2.9	2.9	3.2
Arts, Entertainment, Recreation	125.0	122.8	123.1	124.2
Accommodation & Food Services	4,590.8	4,802.4	5,069.4	5,549.0
Other Services	1,335.8	1,389.6	1,489.7	1,511.9
Public Administration	66.4	62.6	57.8	60.9
Finance & Insurance	47.0	50.6	54.4	66.9
Transportation & Warehousing	51.1	49.0	44.1	53.2
Real Estate, Rental & Leasing	<u>862.6</u>	<u>929.1</u>	<u>946.1</u>	<u>1,089.1</u>
<b>Total Taxable Sales</b>	<b><u>\$47,386.1</u></b>	<b><u>\$47,795.1</u></b>	<b><u>\$48,352.5</u></b>	<b><u>\$49,135.3</u></b>

<sup>1</sup> On October 7, 2013, accounting for sales tax converted to new computing technology. As part of that conversion, the Mississippi Department of Revenue's system for collecting sales tax data by industry type changed. Prior to Fiscal Year 2014, the Mississippi Department of Revenue used the Standard Industrial Classification (SIC) System to classify and organize industries. However, with the implementation of new technology, Mississippi Department of Revenue began using the North American Industry Classification System (NAICS) when classifying industry types for sales tax collections. NAICS was developed in 1997 by the federal government and replaced the Standard Industrial Classification (SIC) System throughout the United States as the primary system for collecting statistical data. As a result of the conversion, the previous Fiscal Year data included in prior year sales tax reports are not comparable to earlier reports.

Source: Mississippi Department of Revenue, Fiscal Years 2014-2017.