

By: Representative Jennings

To: Ways and Means

HOUSE BILL NO. 1322

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "PROJECT" IN THE MISSISSIPPI
3 MAJOR ECONOMIC IMPACT ACT TO INCLUDE CERTAIN RETAIL DEVELOPMENT
4 PROJECTS; TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972, TO
5 AUTHORIZE THE ISSUANCE OF TEN MILLION DOLLARS IN STATE GENERAL
6 OBLIGATION BONDS TO PROVIDE ASSISTANCE FOR SUCH PROJECTS; AND FOR
7 RELATED PURPOSES.

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

9 SECTION 1. Section 57-75-5, Mississippi Code of 1972, is
10 amended as follows:

11 57-75-5. Words and phrases used in this chapter shall have
12 meanings as follows, unless the context clearly indicates a
13 different meaning:

14 (a) "Act" means the Mississippi Major Economic Impact
15 Act as originally enacted or as hereafter amended.

16 (b) "Authority" means the Mississippi Major Economic
17 Impact Authority created pursuant to the act.

18 (c) "Bonds" means general obligation bonds, interim
19 notes and other evidences of debt of the State of Mississippi
20 issued pursuant to this chapter.

21 (d) "Facility related to the project" means and
22 includes any of the following, as the same may pertain to the
23 project within the project area: (i) facilities to provide
24 potable and industrial water supply systems, sewage and waste
25 disposal systems and water, natural gas and electric transmission
26 systems to the site of the project; (ii) airports, airfields and
27 air terminals; (iii) rail lines; (iv) port facilities; (v)
28 highways, streets and other roadways; (vi) public school

29 buildings, classrooms and instructional facilities, including any
30 functionally related facilities; (vii) parks, outdoor recreation
31 facilities and athletic facilities; (viii) auditoriums, pavilions,
32 campgrounds, art centers, cultural centers, folklore centers and
33 other public facilities; and (ix) health care facilities, public
34 or private.

35 (e) "Person" means any natural person, corporation,
36 association, partnership, receiver, trustee, guardian, executor,
37 administrator, fiduciary, governmental unit, public agency,
38 political subdivision, or any other group acting as a unit, and
39 the plural as well as the singular.

40 (f) "Project" means:

41 (i) Any industrial, commercial, research and
42 development, warehousing, distribution, transportation,
43 processing, mining, United States Government or tourism enterprise
44 together with all real property required for construction,
45 maintenance and operation of the enterprise with an initial
46 capital investment of not less than Three Hundred Million Dollars
47 (\$300,000,000.00) from private or United States Government sources
48 together with all buildings, and other supporting land and
49 facilities, structures or improvements of whatever kind required
50 or useful for construction, maintenance and operation of the
51 enterprise; "project" shall also include any addition to or
52 expansion of an existing enterprise if such addition or expansion
53 has an initial capital investment of not less than Three Hundred
54 Million Dollars (\$300,000,000.00) from private or United States
55 Government sources.

56 (ii) Any enterprise that directly will employ and
57 maintain a minimum of three thousand five hundred (3,500) people
58 within a three-year period with an initial capital investment from
59 any source of not less than Fifty Million Dollars
60 (\$50,000,000.00). The provisions of this subparagraph (ii) shall
61 be repealed from and after July 1, 1996.

62 (iii) Any major capital project designed to
63 improve, expand or otherwise enhance any active duty United States
64 Air Force or Navy training bases or naval stations, their support
65 areas or their military operations, upon designation by the

66 authority that any such base was or is at risk to be recommended
67 for closure or realignment pursuant to the Defense Base Closure
68 and Realignment Act of 1990; or any major development project
69 determined by the authority to be necessary to acquire base
70 properties and to provide employment opportunities through
71 construction of projects as defined in Section 57-3-5, which shall
72 be located on or provide direct support service or access to such
73 military installation property as such property exists on July 1,
74 1993, in the event of closure or reduction of military operations
75 at the installation. From and after July 1, 1997, projects
76 described in this subparagraph (iii) shall not be considered to be
77 within the meaning of the term "project" for purposes of this
78 section, unless such projects are commenced before July 1, 1997,
79 and shall not be eligible for any funding provided under the
80 Mississippi Major Economic Impact Act.

81 (iv) Any enterprise to be maintained, improved or
82 constructed in Tishomingo County by or for a National Aeronautics
83 and Space Administration facility in such county.

84 (v) Any major capital project designed to improve,
85 expand or enhance any state-owned port facility located on the
86 Gulf of Mexico, which project will support and attract a two
87 million (2,000,000) ton increase in cargo and three hundred fifty
88 (350) direct port-related jobs and which is in keeping with a
89 developed and approved master plan, or any major capital project
90 developed under the name "Project Greystone" and/or any major
91 capital project designed to build, construct or develop an
92 automobile or truck assembly facility within the State of
93 Mississippi, which project or facility will create, directly or
94 indirectly, two thousand (2,000) jobs with an initial capital
95 investment from any source of not less than Three Hundred Fifty
96 Million Dollars (\$350,000,000.00). The architectural and
97 engineering fees on any such project shall not exceed four and
98 one-half percent (4-1/2%) of the total construction cost of such

99 project.

100 (vi) Any major capital project designed to
101 construct the corporate headquarters and initial factory, to be
102 located in the Golden Triangle Region of the state, for any
103 Mississippi corporation that develops, constructs and operates
104 automated robotic systems to improve the quality of, and reduce
105 the costs of, manufacturing wire harness assemblies for certain
106 industries, or manufactures thin film polymer lithium-ion
107 rechargeable batteries which project has a ten-year strategic plan
108 of supporting one thousand (1,000) direct project-related jobs for
109 each group of wire harness contracts amounting to Thirty-five
110 Million Dollars (\$35,000,000.00), or which has a ten-year
111 strategic plan of supporting one thousand five hundred (1,500)
112 direct project-related jobs for each group of polymer lithium-ion
113 rechargeable battery contracts amounting to Forty Million Dollars
114 (\$40,000,000.00).

115 (vii) Any real property owned or controlled by the
116 National Aeronautics and Space Administration, the United States
117 Government, or any agency thereof, which is legally conveyed to
118 the State of Mississippi or to the State of Mississippi for the
119 benefit of the Mississippi Major Economic Impact Authority, its
120 successors and assigns pursuant to Section 212 of Public Law
121 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

122 (viii) Any major capital project designed to
123 manufacture, produce and transmit electrical power using natural
124 gas as its primary raw material to be constructed and maintained
125 in Panola County, Mississippi, with an initial capital investment
126 of not less than Two Hundred Fifty Million Dollars
127 (\$250,000,000.00).

128

129 (ix) Any retail development to be maintained,
130 improved or constructed within DeSoto County, Mississippi, which
131 will employ a minimum of three hundred (300) people within a

132 three-year period with an initial capital investment of not less
133 than One Hundred Million Dollars (\$100,000,000.00).

134 (g) "Project area" means the project site, together
135 with any area or territory within the state lying within
136 sixty-five (65) miles of any portion of the project site whether
137 or not such area or territory be contiguous. The project area
138 shall also include all territory within a county if any portion of
139 such county lies within sixty-five (65) miles of any portion of
140 the project site. "Project site" means the real property on which
141 the principal facilities of the enterprise will operate.

142 (h) "Public agency" means:

143 (i) Any department, board, commission, institution
144 or other agency or instrumentality of the state;

145 (ii) Any city, town, county, political
146 subdivision, school district or other district created or existing
147 under the laws of the state or any public agency of any such city,
148 town, county, political subdivision or district;

149 (iii) Any department, commission, agency or
150 instrumentality of the United States of America; and

151 (iv) Any other state of the United States of
152 America which may be cooperating with respect to location of the
153 project within the state, or any agency thereof.

154 (i) "State" means State of Mississippi.

155 SECTION 2. Section 57-75-15, Mississippi Code of 1972, is
156 amended as follows:

157 57-75-15. (1) Upon notification to the authority by the
158 enterprise that the state has been finally selected as the site
159 for the project, the State Bond Commission shall have the power
160 and is hereby authorized and directed, upon receipt of a
161 declaration from the authority as hereinafter provided, to borrow
162 money and issue general obligation bonds of the state in one or
163 more series for the purposes herein set out. Upon such
164 notification, the authority may thereafter from time to time

165 declare the necessity for the issuance of general obligation bonds
166 as authorized by this section and forward such declaration to the
167 State Bond Commission, provided that before such notification, the
168 authority may enter into agreements with the United States
169 Government, private companies and others that will commit the
170 authority to direct the State Bond Commission to issue bonds for
171 eligible undertakings set out in subsection (4) of this section,
172 conditioned on the siting of the project in the state.

173 (2) Upon receipt of any such declaration from the authority,
174 the State Bond Commission shall verify that the state has been
175 selected as the site of the project and shall act as the issuing
176 agent for the series of bonds directed to be issued in such
177 declaration pursuant to authority granted in this section.

178 (3) (a) Bonds issued under the authority of this section
179 for projects as defined in Section 57-75-5(f)(i) shall not exceed
180 an aggregate principal amount in the sum of Sixty-two Million
181 Dollars (\$62,000,000.00).

182 (b) Bonds issued under the authority of this section
183 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
184 Ninety Million Dollars (\$90,000,000.00). The provisions of this
185 paragraph (b) shall be repealed from and after July 1, 1996.

186 (c) Bonds issued under the authority of this section
187 for projects as defined in Section 57-75-5(f)(iii) shall not
188 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds
189 issued for projects related to any single military installation
190 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars
191 (\$16,667,000.00). If any proceeds of bonds issued for projects
192 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
193 used for the development of a water and sewer service system by
194 the City of Meridian, Mississippi, to serve the NAAS and if the
195 City of Meridian annexes any of the territory served by the water
196 and sewer service system, the city shall repay the State of
197 Mississippi the amount of all bond proceeds expended on any

198 portion of the water and sewer service system project; and if
199 there are any monetary proceeds derived from the disposition of
200 any improvements located on real property in Kemper County
201 purchased pursuant to this act for projects related to the NAAS
202 and if there are any monetary proceeds derived from the
203 disposition of any timber located on real property in Kemper
204 County purchased pursuant to this act for projects related to the
205 NAAS, all of such proceeds (both from the disposition of
206 improvements and the disposition of timber) commencing July 1,
207 1996, through June 30, 2010, shall be paid to the Board of
208 Education of Kemper County, Mississippi, for expenditure by such
209 board of education to benefit the public schools of Kemper County.

210 No bonds shall be issued under this paragraph (c) until the State
211 Bond Commission by resolution adopts a finding that the issuance
212 of such bonds will improve, expand or otherwise enhance the
213 military installation, its support areas or military operations,
214 or will provide employment opportunities to replace those lost by
215 closure or reductions in operations at the military installation.
216 From and after July 1, 1997, bonds shall not be issued for any
217 projects, as defined in Section 57-75-5(f)(iii), which are not
218 commenced before July 1, 1997. The proceeds of any bonds issued
219 for projects commenced before July 1, 1997, shall be used for the
220 purposes for which the bonds were issued until completion of the
221 projects.

222 (d) Bonds issued under the authority of this section
223 for projects as defined in Section 57-75-5(f)(iv) shall not exceed
224 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
225 under this paragraph after December 31, 1996.

226 (e) Bonds issued under the authority of this section
227 for projects defined in Section 57-75-5(f)(v) shall not exceed One
228 Hundred Ten Million Dollars (\$110,000,000.00). No bonds shall be
229 issued under this paragraph after June 30, 2001.

230 (f) Bonds issued under the authority of this section

231 for the project defined in Section 57-75-5(f)(vi) shall not exceed
232 Twenty Million Three Hundred Seventy Thousand Dollars
233 (\$20,370,000.00). No bonds shall be issued under this paragraph
234 (f) until the State Bond Commission by resolution adopts a finding
235 that the project has secured wire harness contracts or contracts
236 to manufacture thin film polymer lithium-ion rechargeable
237 batteries, or any combination of such contracts, in the aggregate
238 amount of Twenty Million Dollars (\$20,000,000.00), either from the
239 United States Government or the private sector. No bonds shall be
240 issued under this paragraph after June 30, 2001.

241 (g) Bonds issued under the authority of this section
242 for projects defined in Section 57-75-5(f)(viii) shall not exceed
243 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
244 issued after June 30, 2001.

245 (h) Bonds issued under the authority of this section
246 for projects defined in Section 57-75-5(f)(ix) shall not exceed
247 Ten Million Dollars (\$10,000,000.00), and no such bonds shall be
248 issued after January 1, 2005.

249 (4) The proceeds from the sale of the bonds issued under
250 this section may be applied for the purposes of: (a) defraying
251 all or any designated portion of the costs incurred with respect
252 to acquisition, planning, design, construction, installation,
253 rehabilitation, improvement, relocation and with respect to
254 state-owned property, operation and maintenance of the project and
255 any facility related to the project located within the project
256 area, including costs of design and engineering, all costs
257 incurred to provide land, easements and rights-of-way, relocation
258 costs with respect to the project and with respect to any facility
259 related to the project located within the project area, and costs
260 associated with mitigation of environmental impacts; (b) providing
261 for the payment of interest on the bonds; (c) providing debt
262 service reserves; and (d) paying underwriters' discount, original
263 issue discount, accountants' fees, engineers' fees, attorneys'

264 fees, rating agency fees and other fees and expenses in connection
265 with the issuance of the bonds. Such bonds shall be issued from
266 time to time and in such principal amounts as shall be designated
267 by the authority, not to exceed in aggregate principal amounts the
268 amount authorized in subsection (3) of this section. Proceeds
269 from the sale of the bonds issued under this section may be
270 invested, subject to federal limitations, pending their use, in
271 such securities as may be specified in the resolution authorizing
272 the issuance of the bonds or the trust indenture securing them,
273 and the earning on such investment applied as provided in such
274 resolution or trust indenture.

275 (5) The principal of and the interest on the bonds shall be
276 payable in the manner hereinafter set forth. The bonds shall bear
277 date or dates; be in such denomination or denominations; bear
278 interest at such rate or rates; be payable at such place or places
279 within or without the state; mature absolutely at such time or
280 times; be redeemable before maturity at such time or times and
281 upon such terms, with or without premium; bear such registration
282 privileges; and be substantially in such form; all as shall be
283 determined by resolution of the State Bond Commission except that
284 such bonds shall mature or otherwise be retired in annual
285 installments beginning not more than five (5) years from the date
286 thereof and extending not more than twenty-five (25) years from
287 the date thereof. The bonds shall be signed by the Chairman of
288 the State Bond Commission, or by his facsimile signature, and the
289 official seal of the State Bond Commission shall be imprinted on
290 or affixed thereto, attested by the manual or facsimile signature
291 of the Secretary of the State Bond Commission. Whenever any such
292 bonds have been signed by the officials herein designated to sign
293 the bonds, who were in office at the time of such signing but who
294 may have ceased to be such officers before the sale and delivery
295 of such bonds, or who may not have been in office on the date such
296 bonds may bear, the signatures of such officers upon such bonds

297 shall nevertheless be valid and sufficient for all purposes and
298 have the same effect as if the person so officially signing such
299 bonds had remained in office until the delivery of the same to the
300 purchaser, or had been in office on the date such bonds may bear.

301 (6) All bonds issued under the provisions of this section
302 shall be and are hereby declared to have all the qualities and
303 incidents of negotiable instruments under the provisions of the
304 Uniform Commercial Code and in exercising the powers granted by
305 this chapter, the State Bond Commission shall not be required to
306 and need not comply with the provisions of the Uniform Commercial
307 Code.

308 (7) The State Bond Commission shall sell the bonds on sealed
309 bids at public sale, and for such price as it may determine to be
310 for the best interest of the State of Mississippi, but no such
311 sale shall be made at a price less than par plus accrued interest
312 to date of delivery of the bonds to the purchaser. The bonds
313 shall bear interest at such rate or rates not exceeding the limits
314 set forth in Section 75-17-101 as shall be fixed by the State Bond
315 Commission. All interest accruing on such bonds so issued shall
316 be payable semiannually or annually; provided that the first
317 interest payment may be for any period of not more than one (1)
318 year.

319 Notice of the sale of any bonds shall be published at least
320 one (1) time, the first of which shall be made not less than ten
321 (10) days prior to the date of sale, and shall be so published in
322 one or more newspapers having a general circulation in the City of
323 Jackson and in one or more other newspapers or financial journals
324 with a large national circulation, to be selected by the State
325 Bond Commission.

326 The State Bond Commission, when issuing any bonds under the
327 authority of this section, may provide that the bonds, at the
328 option of the state, may be called in for payment and redemption
329 at the call price named therein and accrued interest on such date

330 or dates named therein.

331 (8) State bonds issued under the provisions of this section
332 shall be the general obligations of the state and backed by the
333 full faith and credit of the state. The Legislature shall
334 appropriate annually an amount sufficient to pay the principal of
335 and the interest on such bonds as they become due. All bonds
336 shall contain recitals on their faces substantially covering the
337 foregoing provisions of this section.

338 (9) The State Treasurer is authorized to certify to the
339 Department of Finance and Administration the necessity for
340 warrants, and the Department of Finance and Administration is
341 authorized and directed to issue such warrants payable out of any
342 funds appropriated by the Legislature under this section for such
343 purpose, in such amounts as may be necessary to pay when due the
344 principal of and interest on all bonds issued under the provisions
345 of this section. The State Treasurer shall forward the necessary
346 amount to the designated place or places of payment of such bonds
347 in ample time to discharge such bonds, or the interest thereon, on
348 the due dates thereof.

349 (10) The bonds may be issued without any other proceedings
350 or the happening of any other conditions or things other than
351 those proceedings, conditions and things which are specified or
352 required by this chapter. Any resolution providing for the
353 issuance of general obligation bonds under the provisions of this
354 section shall become effective immediately upon its adoption by
355 the State Bond Commission, and any such resolution may be adopted
356 at any regular or special meeting of the State Bond Commission by
357 a majority of its members.

358 (11) In anticipation of the issuance of bonds hereunder, the
359 State Bond Commission is authorized to negotiate and enter into
360 any purchase, loan, credit or other agreement with any bank, trust
361 company or other lending institution or to issue and sell interim
362 notes for the purpose of making any payments authorized under this

363 section. All borrowings made under this provision shall be
364 evidenced by notes of the state which shall be issued from time to
365 time, for such amounts not exceeding the amount of bonds
366 authorized herein, in such form and in such denomination and
367 subject to such terms and conditions of sale and issuance,
368 prepayment or redemption and maturity, rate or rates of interest
369 not to exceed the maximum rate authorized herein for bonds, and
370 time of payment of interest as the State Bond Commission shall
371 agree to in such agreement. Such notes shall constitute general
372 obligations of the state and shall be backed by the full faith and
373 credit of the state. Such notes may also be issued for the
374 purpose of refunding previously issued notes; except that no notes
375 shall mature more than three (3) years following the date of
376 issuance of the first note hereunder and provided further, that
377 all outstanding notes shall be retired from the proceeds of the
378 first issuance of bonds hereunder. The State Bond Commission is
379 authorized to provide for the compensation of any purchaser of the
380 notes by payment of a fixed fee or commission and for all other
381 costs and expenses of issuance and service, including paying agent
382 costs. Such costs and expenses may be paid from the proceeds of
383 the notes.

384 (12) The bonds and interim notes authorized under the
385 authority of this section may be validated in the First Judicial
386 District of the Chancery Court of Hinds County, Mississippi, in
387 the manner and with the force and effect provided now or hereafter
388 by Chapter 13, Title 31, Mississippi Code of 1972, for the
389 validation of county, municipal, school district and other bonds.
390 The necessary papers for such validation proceedings shall be
391 transmitted to the state bond attorney, and the required notice
392 shall be published in a newspaper published in the City of
393 Jackson, Mississippi.

394 (13) Any bonds or interim notes issued under the provisions
395 of this chapter, a transaction relating to the sale or securing of

396 such bonds or interim notes, their transfer and the income
397 therefrom shall at all times be free from taxation by the state or
398 any local unit or political subdivision or other instrumentality
399 of the state, excepting inheritance and gift taxes.

400 (14) All bonds issued under this chapter shall be legal
401 investments for trustees, other fiduciaries, savings banks, trust
402 companies and insurance companies organized under the laws of the
403 State of Mississippi; and such bonds shall be legal securities
404 which may be deposited with and shall be received by all public
405 officers and bodies of the state and all municipalities and other
406 political subdivisions thereof for the purpose of securing the
407 deposit of public funds.

408 (15) The Attorney General of the State of Mississippi shall
409 represent the State Bond Commission in issuing, selling and
410 validating bonds herein provided for, and the bond commission is
411 hereby authorized and empowered to expend from the proceeds
412 derived from the sale of the bonds authorized hereunder all
413 necessary administrative, legal and other expenses incidental and
414 related to the issuance of bonds authorized under this chapter.

415 (16) There is hereby created a special fund in the State
416 Treasury to be known as the Mississippi Major Economic Impact
417 Authority Fund wherein shall be deposited the proceeds of the
418 bonds issued under this chapter and all monies received by the
419 authority to carry out the purposes of this chapter. Expenditures
420 authorized herein shall be paid by the State Treasurer upon
421 warrants drawn from the fund, and the Department of Finance and
422 Administration shall issue warrants upon requisitions signed by
423 the director of the authority.

424 (17) (a) There is hereby created the Mississippi Economic
425 Impact Authority Sinking Fund from which the principal of and
426 interest on such bonds shall be paid by appropriation. All monies
427 paid into the sinking fund not appropriated to pay accruing bonds
428 and interest shall be invested by the State Treasurer in such

429 securities as are provided by law for the investment of the
430 sinking funds of the state.

431 (b) In the event that all or any part of the bonds and
432 notes are purchased, they shall be canceled and returned to the
433 loan and transfer agent as canceled and paid bonds and notes and
434 thereafter all payments of interest thereon shall cease and the
435 canceled bonds, notes and coupons, together with any other
436 canceled bonds, notes and coupons, shall be destroyed as promptly
437 as possible after cancellation but not later than two (2) years
438 after cancellation. A certificate evidencing the destruction of
439 the canceled bonds, notes and coupons shall be provided by the
440 loan and transfer agent to the seller.

441 (c) The State Treasurer shall determine and report to
442 the Department of Finance and Administration and Legislative
443 Budget Office by September 1 of each year the amount of money
444 necessary for the payment of the principal of and interest on
445 outstanding obligations for the following fiscal year and the
446 times and amounts of the payments. It shall be the duty of the
447 Governor to include in every executive budget submitted to the
448 Legislature full information relating to the issuance of bonds
449 and notes under the provisions of this chapter and the status of
450 the sinking fund for the payment of the principal of and interest
451 on the bonds and notes.

452 SECTION 3. This act shall take effect and be in force from
453 and after July 1, 1999.