

By: Representative West

To: Ways and Means

HOUSE BILL NO. 1471

1 AN ACT TO CREATE THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE
2 ACT; TO ESTABLISH UNDER THE DIRECTION OF THE DEPARTMENT OF
3 ECONOMIC AND COMMUNITY DEVELOPMENT THE SOUTHWEST MISSISSIPPI
4 EMPOWERMENT ZONE GRANT PROGRAM FOR THE PURPOSE OF MAKING GRANTS TO
5 ELIGIBLE BUSINESSES FOR THE PURPOSE OF STIMULATING BUSINESS AND
6 INDUSTRIAL GROWTH IN THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE;
7 TO ESTABLISH CERTAIN CRITERIA THAT A BUSINESS MUST MEET IN ORDER
8 TO BE ELIGIBLE FOR ASSISTANCE UNDER THIS ACT; TO REQUIRE THAT
9 UNDER CERTAIN CIRCUMSTANCES A BUSINESS RECEIVING ASSISTANCE SHALL
10 BE REQUIRED TO REPAY ALL OR A PORTION OF SUCH ASSISTANCE; TO
11 CREATE A SPECIAL FUND KNOWN AS THE SOUTHWEST MISSISSIPPI
12 EMPOWERMENT ZONE GRANT FUND INTO WHICH ALL MONEY RECEIVED FROM THE
13 ISSUANCE OF BONDS PURSUANT TO THIS ACT SHALL BE DEPOSITED; TO
14 PROVIDE FOR THE ISSUANCE OF \$35,000,000.00 IN STATE GENERAL
15 OBLIGATION BONDS TO FUND THE SOUTHWEST MISSISSIPPI EMPOWERMENT
16 ZONE GRANT PROGRAM; AND FOR RELATED PURPOSES.

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

18 SECTION 1. This act shall be known and may be cited as the
19 "Southwest Mississippi Empowerment Zone Act."

20 SECTION 2. As used in this act, the following words shall
21 have the meanings ascribed herein unless the context clearly
22 requires otherwise:

23 (a) "Accreted value" of any bond means, as of any date
24 of computation, an amount equal to the sum of (i) the stated
25 initial value of such bond, plus (ii) the interest accrued thereon
26 from the issue date to the date of computation at the rate,
27 compounded semiannually, that is necessary to produce the
28 approximate yield to maturity shown for bonds of the same
29 maturity.

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

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

32 (d) "Eligible business" means any enterprise that will
33 employ and maintain a minimum of three hundred (300) people on a
34 full-time basis with an average hourly wage of at least Eight

35 Dollars (\$8.00) per hour, or any existing enterprise that expands
36 or will expand which, with such expansion, will create a minimum
37 number of one hundred fifty (150) new full-time jobs with an
38 average hourly wage of at least Eight Dollars (\$8.00) per hour;
39 except that new full-time jobs created in Adams County,
40 Mississippi, by a new enterprise or by the expansion of an
41 existing enterprise, must have an average hourly wage of at least
42 Nine Dollars (\$9.00) per hour.

43 (e) "Southwest Mississippi Empowerment Zone" means the
44 area comprised of the following counties in Mississippi: Adams
45 County, Jefferson County, Amite County, Franklin County, Claiborne
46 County and Wilkinson County.

47 SECTION 3. There is established under the direction of the
48 Department of Economic and Community Development, a program to be
49 known as the "Southwest Mississippi Empowerment Zone Grant
50 Program" for the purpose of stimulating business and industrial
51 growth in the Southwest Mississippi Empowerment Zone by providing
52 financial assistance in the form of grants to businesses in the
53 empowerment zone.

54 SECTION 4. There is created a special fund in the State
55 Treasury to be designated as the "Southwest Mississippi
56 Empowerment Zone Grant Fund," which shall consist of monies from
57 the proceeds of bonds authorized to be issued under Sections 6
58 through 19 of this act. Unexpended amounts remaining in the fund
59 at the end of a fiscal year shall not lapse into the State General
60 Fund, and any interest earned on amounts in the fund shall be
61 deposited to the fund.

62 SECTION 5. (1) The Department of Economic and Community
63 Development shall use monies in the Southwest Mississippi
64 Empowerment Zone Grant Fund to provide grants to eligible
65 businesses in the empowerment zone. No more than Twenty-five
66 Million Dollars (\$25,000,000) may be disbursed from the fund to
67 provide grants during the state's 2000 fiscal year and no more
68 than Five Million Dollars (\$5,000,000.00) may be disbursed as
69 grants during any subsequent fiscal year. Any business desiring
70 assistance under this act may apply to the Department of Economic
71 and Community Development for a grant under the Southwest
72 Mississippi Empowerment Zone Grant Program. The application from

73 the business shall include:

74 (a) A description of the business and the type of
75 industry in which it is engaged;

76 (b) The number of employees the business employs or
77 intends to employ and the hourly wage for each employee;

78 (c) The amount of initial capital investment the
79 business intends to make in the empowerment zone;

80 (d) A letter of intent from the business indicating
81 that it is committed to remaining in the empowerment zone for at
82 least five (5) years; and

83 (e) Any other information required by the Department of
84 Economic and Community Development.

85 (2) If the Executive Director of the Department of Economic
86 and Community Development determines that the applicant is an
87 eligible business, the executive director shall authorize a grant
88 to the eligible business in the amount of One Million Dollars
89 (\$1,000,000.00) for each Ten Million Dollars (\$10,000,000.00) of
90 capital investment made by the eligible business.

91 (3) If an eligible business receives a grant under the
92 Southwest Mississippi Empowerment Zone Grant Program and the
93 business leaves the empowerment zone within five (5) years after
94 receiving the grant or if within such period of time the eligible
95 business's number of employees or the average hourly wage of its
96 employees falls below the level required to be an eligible
97 business, the business shall be required to repay the grant in the
98 proportionate amount that the number of years, or part of a year,
99 remaining until the expiration of five (5) years bears to five (5)
100 years.

101 SECTION 6. (1) The commission, at one time, or from time to
102 time, may declare by resolution the necessity for issuance of
103 general obligation bonds of the State of Mississippi to provide
104 funds for all costs incurred or to be incurred for the purposes
105 described in Sections 3 through 5 of this act. Upon the adoption
106 of a resolution by the Department of Economic and Community

107 Development, declaring the necessity for the issuance of any part
108 or all of the general obligation bonds authorized by this section,
109 the Department of Economic and Community Development shall deliver
110 a certified copy of its resolution or resolutions to the
111 commission. Upon receipt of such resolution, the commission, in
112 its discretion, may act as the issuing agent, prescribe the form
113 of the bonds, advertise for and accept bids, issue and sell the
114 bonds so authorized to be sold and do any and all other things
115 necessary and advisable in connection with the issuance and sale
116 of such bonds. The total amount of bonds issued under Sections 6
117 through 19 of this act shall not exceed Thirty-five Million
118 Dollars (\$35,000,000.00).

119 SECTION 7. The principal of and interest on the bonds
120 authorized under Sections 6 through 19 of this act shall be
121 payable in the manner provided in this section. Such bonds shall
122 bear such date or dates, be in such denomination or denominations,
123 bear interest at such rate or rates (not to exceed the limits set
124 forth in Section 75-17-101, Mississippi Code of 1972), be payable
125 at such place or places within or without the State of
126 Mississippi, shall mature absolutely at such time or times not to
127 exceed twenty-five (25) years from date of issue, be redeemable
128 before maturity at such time or times and upon such terms, with or
129 without premium, shall bear such registration privileges, and
130 shall be substantially in such form, all as shall be determined by
131 resolution of the commission.

132 SECTION 8. The bonds authorized by Sections 6 through 19 of
133 this act shall be signed by the chairman of the commission, or by
134 his facsimile signature, and the official seal of the commission
135 shall be affixed thereto, attested by the secretary of the
136 commission. The interest coupons, if any, to be attached to such
137 bonds may be executed by the facsimile signatures of such
138 officers. Whenever any such bonds shall have been signed by the
139 officials designated to sign the bonds who were in office at the
140 time of such signing but who may have ceased to be such officers

141 before the sale and delivery of such bonds, or who may not have
142 been in office on the date such bonds may bear, the signatures of
143 such officers upon such bonds and coupons shall nevertheless be
144 valid and sufficient for all purposes and have the same effect as
145 if the person so officially signing such bonds had remained in
146 office until their delivery to the purchaser, or had been in
147 office on the date such bonds may bear. However, notwithstanding
148 anything herein to the contrary, such bonds may be issued as
149 provided in the Registered Bond Act of the State of Mississippi.

150 SECTION 9. All bonds and interest coupons issued under the
151 provisions of Sections 6 through 19 of this act have all the
152 qualities and incidents of negotiable instruments under the
153 provisions of the Uniform Commercial Code, and in exercising the
154 powers granted by this act, the commission shall not be required
155 to and need not comply with the provisions of the Uniform
156 Commercial Code.

157 SECTION 10. The commission shall act as the issuing agent
158 for the bonds authorized under Sections 6 through 19 of this act,
159 prescribe the form of the bonds, advertise for and accept bids,
160 issue and sell the bonds so authorized to be sold, pay all fees
161 and costs incurred in such issuance and sale, and do any and all
162 other things necessary and advisable in connection with the
163 issuance and sale of such bonds. The commission is authorized and
164 empowered to pay the costs that are incident to the sale, issuance
165 and delivery of the bonds authorized under Sections 6 through 19
166 of this act from the proceeds derived from the sale of such bonds.

167 The commission shall sell such bonds on sealed bids at public
168 sale, and for such price as it may determine to be for the best
169 interest of the State of Mississippi, but no such sale shall be
170 made at a price less than par plus accrued interest to the date of
171 delivery of the bonds to the purchaser. All interest accruing on
172 such bonds so issued shall be payable semiannually or annually;
173 however, the first interest payment may be for any period of not
174 more than one (1) year.

175 Notice of the sale of any such bonds shall be published at
176 least one (1) time, not less than ten (10) days before the date of
177 sale, and shall be so published in one or more newspapers
178 published or having a general circulation in the City of Jackson,
179 Mississippi, and in one or more other newspapers or financial
180 journals with a national circulation, to be selected by the
181 commission.

182 The commission, when issuing any bonds under the authority of
183 Sections 6 through 19 of this act, may provide that bonds, at the
184 option of the State of Mississippi, may be called in for payment
185 and redemption at the call price named therein and accrued
186 interest on such date or dates named therein.

187 SECTION 11. The bonds issued under the provisions of
188 Sections 6 through 19 of this act are general obligations of the
189 State of Mississippi, and for the payment thereof the full faith
190 and credit of the State of Mississippi is irrevocably pledged. If
191 the funds appropriated by the Legislature are insufficient to pay
192 the principal of and the interest on such bonds as they become
193 due, then the deficiency shall be paid by the State Treasurer from
194 any funds in the State Treasury not otherwise appropriated. All
195 such bonds shall contain recitals on their faces substantially
196 covering the provisions of this section.

197 SECTION 12. Upon the issuance and sale of bonds under the
198 provisions of Sections 6 through 19 of this act, the commission
199 shall transfer the proceeds of any such sale or sales to the
200 special fund created in Section 4 of this act. The proceeds of
201 such bonds shall be disbursed solely upon the order of the
202 Department of Economic and Community Development under such
203 restrictions, if any, as may be contained in the resolution
204 providing for the issuance of the bonds.

205 SECTION 13. The bonds authorized under Sections 6 through 19
206 of this act may be issued without any other proceedings or the
207 happening of any other conditions or things other than those
208 proceedings, conditions and things which are specified or required

209 by Sections 6 through 19 of this act. Any resolution providing
210 for the issuance of bonds under the provisions of Sections 6
211 through 19 of this act shall become effective immediately upon its
212 adoption by the commission, and any such resolution may be adopted
213 at any regular or special meeting of the commission by a majority
214 of its members.

215 SECTION 14. The bonds authorized under the authority of
216 Sections 6 through 19 of this act may be validated in the Chancery
217 Court of the First Judicial District of Hinds County, Mississippi,
218 in the manner and with the force and effect provided by Chapter
219 13, Title 31, Mississippi Code of 1972, for the validation of
220 county, municipal, school district and other bonds. The notice to
221 taxpayers required by such statutes shall be published in a
222 newspaper published or having a general circulation in the City of
223 Jackson, Mississippi.

224 SECTION 15. Any holder of bonds issued under the provisions
225 of Sections 6 through 19 of this act or of any of the interest
226 coupons pertaining thereto may, either at law or in equity, by
227 suit, action, mandamus or other proceeding, protect and enforce
228 any and all rights granted under Sections 6 through 19 of this
229 act, or under such resolution, and may enforce and compel
230 performance of all duties required by Sections 6 through 19 of
231 this act to be performed, in order to provide for the payment of
232 bonds and interest thereon.

233 SECTION 16. All bonds issued under the provisions of
234 Sections 6 through 19 of this act shall be legal investments for
235 trustees and other fiduciaries, and for savings banks, trust
236 companies and insurance companies organized under the laws of the
237 State of Mississippi, and such bonds shall be legal securities
238 which may be deposited with and shall be received by all public
239 officers and bodies of this state and all municipalities and
240 political subdivisions for the purpose of securing the deposit of
241 public funds.

242 SECTION 17. Bonds issued under the provisions of Sections 6

243 through 19 of this act and income therefrom shall be exempt from
244 all taxation in the State of Mississippi.

245 SECTION 18. The proceeds of the bonds issued under Sections
246 6 through 19 of this act shall be used solely for the purposes
247 herein provided, including the costs incident to the issuance and
248 sale of such bonds.

249 SECTION 19. The State Treasurer is authorized, without
250 further process of law, to certify to the Department of Finance
251 and Administration the necessity for warrants, and the Department
252 of Finance and Administration is authorized and directed to issue
253 such warrants, in such amounts as may be necessary to pay when due
254 the principal of, premium, if any, and interest on, or the
255 accreted value of, all bonds issued under Sections 6 through 19 of
256 this act; and the State Treasurer shall forward the necessary
257 amount to the designated place or places of payment of such bonds
258 in ample time to discharge such bonds, or the interest thereon, on
259 the due dates thereof.

260 SECTION 20. This act shall be deemed to be full and complete
261 authority for the exercise of the powers herein granted, but this
262 act shall not be deemed to repeal or to be in derogation of any
263 existing law of this state.

264 SECTION 21. This act shall take effect and be in force from
265 and after its passage.