

By: Senator(s) Simmons

To: Economic Dev, Tourism  
and Parks; Finance

SENATE BILL NO. 2423

1 AN ACT TO BE ENTITLED THE ECONOMIC DEVELOPMENT ACT OF 1999 TO  
2 CREATE THE CHILD DAY CARE LOAN GUARANTEE FUND FOR THE PURPOSE OF  
3 ENCOURAGING LENDERS TO MAKE LOANS AVAILABLE FOR THE PURPOSE OF  
4 FINANCING THE DEVELOPMENT AND EXPANSION OF CHILD DAY CARE CENTERS  
5 IN THE LESS DEVELOPED COUNTIES OF THE STATE; TO PROVIDE THAT THE  
6 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT SHALL ADMINISTER  
7 THE LOAN GUARANTEE PROGRAM; TO PROVIDE THAT LOANS OR AN ENTITY  
8 DESIGNATED BY SUCH DEPARTMENT THAT ARE ELIGIBLE FOR GUARANTEES MAY  
9 BE MADE ONLY FOR CERTAIN PURPOSES; TO LIMIT THE AMOUNT OF THE LOAN  
10 GUARANTEES MADE UNDER THIS ACT; TO PRESCRIBE CERTAIN CRITERIA THAT  
11 SHALL BE USED IN THE DETERMINATION OF WHETHER TO GRANT CERTAIN  
12 LOAN GUARANTEES; TO PRESCRIBE THE INFORMATION THAT AN APPLICANT  
13 FOR A LOAN GUARANTEE MUST PROVIDE; TO ESTABLISH A GRANT PROGRAM  
14 FOR COMMUNITY DEVELOPMENT CORPORATIONS AND COMMUNITY COLLEGES; TO  
15 ESTABLISH A SPECIAL FUND IN THE STATE TREASURY DESIGNATED AS THE  
16 "COMMUNITY DEVELOPMENT AND COMMUNITY COLLEGE GRANT FUND" FROM  
17 WHICH SUCH GRANTS SHALL BE MADE; TO PROVIDE THAT DECD SHALL  
18 ADMINISTER THE GRANT PROGRAM ESTABLISHED PURSUANT TO THIS ACT; TO  
19 PROVIDE THAT DECD SHALL ESTABLISH CRITERIA FOR AWARDING GRANTS AND  
20 THE AMOUNT OF SUCH GRANTS; TO REQUIRE THE DEPARTMENT OF ECONOMIC  
21 AND COMMUNITY DEVELOPMENT TO ESTABLISH A JOB RECRUITMENT,  
22 TRAINING, DEVELOPMENT, COUNSELING, MOTIVATION AND REFERRAL  
23 SERVICES PROGRAM FOR LESS DEVELOPED COUNTIES OF THE STATE TO  
24 ASSIST CHRONICALLY UNEMPLOYED PERSONS IN OVERCOMING BARRIERS THAT  
25 MAY BLOCK SUCCESSFUL EMPLOYMENT; TO CREATE AN INCOME TAX CREDIT  
26 FOR EACH NET NEW FULL-TIME JOB FOR CERTAIN BUSINESSES IN AREAS  
27 THAT ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS EMPOWERMENT ZONES  
28 OR ENTERPRISE COMMUNITIES; TO AMEND SECTION 57-73-21, MISSISSIPPI  
29 CODE OF 1972, TO PROVIDE THAT THE CRITERIA USED TO CLASSIFY  
30 COUNTIES AS LESS DEVELOPED, MODERATELY DEVELOPED AND DEVELOPED FOR  
31 PURPOSES OF THE JOB TAX CREDIT SHALL BE THE UNEMPLOYMENT RATES IN  
32 EACH COUNTY; TO INCREASE THE AMOUNT OF THE JOB TAX CREDIT FOR  
33 CERTAIN BUSINESSES IN LESS DEVELOPED COUNTIES FROM \$2,000.00 TO  
34 \$4,000.00 ANNUALLY FOR EACH NET NEW FULL-TIME EMPLOYEE JOB CREATED  
35 ON OR AFTER JULY 1, 1999; TO AMEND SECTION 57-1-303, MISSISSIPPI  
36 CODE OF 1972, TO REVISE THE INTEREST RATE ON LOANS MADE UNDER THE  
37 LOCAL GOVERNMENTS CAPITAL IMPROVEMENTS REVOLVING LOAN PROGRAM TO  
38 PROVIDE THAT THE INTEREST RATE ON SUCH LOANS SHALL NOT EXCEED ONE  
39 PERCENT LESS THAN THE FEDERAL RESERVE DISCOUNT RATE; TO DECREASE

40 THE PERIOD OF TIME WITHIN WHICH LOANS MADE UNDER THE LOCAL  
41 GOVERNMENTS CAPITAL IMPROVEMENTS REVOLVING LOAN PROGRAM MUST BE  
42 REPAYED; TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972, TO  
43 INCREASE FROM \$254,750,000.00 TO \$259,750,000.00 THE AGGREGATE  
44 AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS  
45 INVESTMENT ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF  
46 1972, TO INCREASE FROM \$5,000,000.00 TO \$8,000,000.00 THE AMOUNT  
47 OF BOND PROCEEDS THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY  
48 DEVELOPMENT MAY MAKE AVAILABLE AS INTEREST BEARING LOANS TO AID IN  
49 THE ESTABLISHMENT OF BUSINESS INCUBATION CENTERS AND THE CREATION  
50 OF NEW AND EXPANDING TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO  
51 CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION 57-61-45,  
52 MISSISSIPPI CODE OF 1972, TO REQUIRE THAT NOT MORE THAN  
53 \$2,000,000.00 OF CERTAIN BOND PROCEEDS FOR A GRANT TO PROVIDE  
54 FUNDS FOR THE COMMUNITY DEVELOPMENT AND COMMUNITY COLLEGE GRANT  
55 FUND; TO REPEAL SECTION 57-61-42, MISSISSIPPI CODE OF 1972, WHICH  
56 REQUIRES THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO  
57 UTILIZE NOT MORE THAN \$3,500,000.00 OF THE BONDS ISSUED UNDER THE  
58 MISSISSIPPI BUSINESS INVESTMENT ACT TO PROVIDE FUNDS FOR A JOB  
59 RECRUITMENT, TRAINING, DEVELOPMENT, COUNSELING, MOTIVATION AND  
60 REFERRAL SERVICES PROGRAM FOR THE LESS DEVELOPED COUNTIES OF THIS  
61 STATE; AND FOR RELATED PURPOSES.

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

63 SECTION 1. This act may be cited as the Economic Development  
64 Act of 1999.

65 SECTION 2. Sections 2 through 13 of this act may be cited as  
66 the Child Day Care Loan Guarantee Act of 1999.

67 SECTION 3. The purpose of this act is to encourage lenders  
68 to make loans available to child day care providers for the  
69 purpose of financing the development and expansion of child day  
70 care centers in less developed counties of the state and to  
71 increase the quality and availability of child day care and  
72 employment opportunities in these areas.

73 SECTION 4. As used in this act:

74 (a) "DECD" means the Department of Economic and  
75 Community Development.

76 (b) "Designated entity" means an entity designated to  
77 administer the Child Day Care Loan Guarantee Fund pursuant to  
78 Section 6 of this act.

79           (c) "Child day care provider" means a person providing  
80 or planning to provide child day care.

81           (d) "Less developed counties" means those counties  
82 designated as less developed as provided for in Section 57-73-21,  
83 Mississippi Code of 1972.

84           (e) "Fund" means the Child Day Care Loan Guarantee  
85 Fund.

86       SECTION 5. There is created in the State Treasury a special  
87 fund to be known as the "Child Day Care Loan Guarantee Fund,"  
88 into which shall be deposited such money as the Legislature may  
89 provide by appropriation and any other money received by DECD for  
90 the purposes of this act from any other source. Money in the fund  
91 shall be used to guarantee loans made by lenders to qualifying  
92 child day care providers to finance the development or expansion  
93 of child day care centers in less developed counties. The fund  
94 shall be administered by DECD or a designated entity and money in  
95 the fund shall be expended upon appropriation by the Legislature.  
96 Unexpended amounts remaining in the fund at the end of the state  
97 fiscal year shall not lapse into the State General Fund, and any  
98 interest earned on amount in the fund shall be deposited to the  
99 credit of the fund.

100       SECTION 6. DECD shall:

101           (a) Administer the fund or designate an appropriate  
102 entity to administer the fund.

103           (b) Develop a loan approval process and such process  
104 shall be managed in accordance with the policies DECD establishes.

105           (c) Monitor projects to ensure compliance with  
106 applicable state and federal laws, rules and relevant court

107 decisions.

108 (d) Develop procedures for managing defaults and for  
109 enforcing the obligations of borrowers to repay loans.

110 SECTION 7. In making loan guarantees under this act, DECD or  
111 the designated entity shall give priority to child day care  
112 providers that serve or intend to serve less developed counties  
113 that demonstrate the greatest need for child day care services.  
114 DECD or the designated entity shall attempt to distribute the loan  
115 guarantees geographically among less developed counties.

116 SECTION 8. Loans that are eligible for guarantees under this  
117 act may be made only for the following reasons:

118 (a) The construction, purchase, lease or improvement of  
119 buildings or other facilities.

120 (b) The purchase or improvement of land.

121 (c) The purchase or lease of equipment, including  
122 vehicles.

123 (d) Start-up and operation costs.

124 (e) Initial operating expenses.

125 SECTION 9. Loan guarantees under this act shall be subject  
126 to the following restrictions:

127 (a) A loan guarantee shall not be granted in an amount  
128 greater than Seventy-five Thousand Dollars (\$75,000.00).

129 (b) Not more than eighty percent (80%) of a loan shall  
130 be guaranteed.

131 (c) The aggregate amount of loan guarantees issued  
132 pursuant to this act shall not exceed five (5) times the amount  
133 deposited in the fund.

134 SECTION 10. In determining whether to grant a loan guarantee

135 to a child day care provider who has a history of operating or  
136 owning a child day care center DECD or the designated entity shall  
137 use the following criteria:

138 (a) Quality of programming and staff.

139 (b) Ratio of children to staff.

140 (c) Quality of facilities.

141 (d) Degree of coordination with Head Start or other  
142 programs.

143 (e) Quality of administrative and financial management.

144 (f) History of compliance with child day care licensing  
145 or registration requirements.

146 (g) Ability to repay.

147 SECTION 11. DECD shall formulate criteria to be utilized in  
148 determining whether to grant a loan guarantee to a child day care  
149 provider that does not have a history of operating or owning a  
150 child day care center.

151 SECTION 12. An applicant for a guarantee under this act  
152 shall supply DECD or the designated entity with the following:

153 (a) A detailed description of the project.

154 (b) A disclosure of additional funds, if any, that are  
155 available to the applicant.

156 (c) Information that relates to the inability of the  
157 applicant to obtain adequate financing on reasonable terms through  
158 normal lending channels, such as a letter from a lender certifying  
159 that it would not grant credit without the loan guarantee.

160 (d) Credit references, if available, for the applicant.

161 (e) A five-year projected budget.

162 (f) A comprehensive business plan that includes the

163 applicant's plans in the areas of:

164 (i) Debt reduction;

165 (ii) Marketing;

166 (iii) Staff training;

167 (iv) Facility improvement; and

168 (v) Program improvement.

169 (g) Such other information as DECD may require.

170 SECTION 13. Upon default by a borrower, the lender,  
171 consistent with its current collections policies, shall exercise  
172 reasonable diligence in its collection efforts before the fund  
173 shall be liable for the default.

174 SECTION 14. Sections 14 and 15 of this act may be cited as  
175 the "Community Development Corporation Grant Act of 1999."

176 SECTION 15. (1) As used in this section:

177 (a) "Community development corporation" means a  
178 nonprofit corporation:

179 (i) Tax-exempt pursuant to Section 501(c)(3) of  
180 the Internal Revenue Code of 1986;

181 (ii) Whose primary mission is to develop and  
182 improve low-income communities and neighborhoods through economic  
183 and related development;

184 (iii) Whose activities and decisions are  
185 initiated, managed and controlled by the constituents of those  
186 local communities; and

187 (iv) Whose primary function is to act as  
188 deal-maker and packager of opportunities to become owners,  
189 managers and producers of small businesses, affordable housing and  
190 jobs designed to produce positive cash flow and curb blight in the

191 target community.

192 (b) "DECD" means the Department of Economic and  
193 Community Development.

194 (c) "Fund" means the Community Development Grant Fund.

195 (2) There is created in the State Treasury a special fund to  
196 be known as the "Community Development Grant Fund" into which  
197 shall be deposited such money as the Legislature shall provide by  
198 appropriation and any money received by DECD from any other source  
199 for the purpose of providing grants pursuant to this section.  
200 Money in the fund shall be used to provide grants to community  
201 development corporations. The fund shall be administered by DECD,  
202 and money in the fund shall be expended upon appropriation by the  
203 Legislature. Unexpended amounts remaining in the fund and the end  
204 of the state fiscal year shall not lapse into the State General  
205 Fund, and any interest earned on amounts in the fund shall be  
206 deposited to the credit of the fund.

207 (3) DECD shall award grants to community development  
208 corporations from the fund to support the operations and  
209 activities of community development corporations. All community  
210 development corporations shall be eligible for grants. DECD shall  
211 establish and implement performance-based criteria for determining  
212 which community development corporations and public community  
213 colleges shall receive a grant and the amount of grants awarded.

214 SECTION 16. The Department of Economic and Community  
215 Development shall establish and maintain a job recruitment,  
216 training, development, counseling, motivation and referral  
217 services program for less developed counties of this state. The  
218 focus of such program shall be to assist chronically unemployed

219 persons in less developed counties in overcoming barriers that may  
220 block successful employment. The services provided under this  
221 program shall include, but not be limited to, the following:

- 222 (a) Recruitment for available positions;
- 223 (b) Job orientation;
- 224 (c) Job related counseling;
- 225 (d) Motivational services;
- 226 (e) Tutoring of job applicants when appropriate;
- 227 (f) Training;
- 228 (g) Job placement;
- 229 (h) Follow-up services to ensure successful employment;
- 230 (i) Referrals to social services where appropriate.

231 (2) The Department of Economic and Community Development may  
232 contract with a public or private entity to administer the program  
233 authorized in subsection (1) of this section.

234 (3) As used in this section the term "less developed  
235 counties" shall mean the counties designated as such under Section  
236 57-73-21, Mississippi Code of 1972.

237 SECTION 17. (1) As used in this section, "empowerment  
238 zones" or "enterprise communities" shall include those areas in  
239 Mississippi designated as such pursuant to 26 USCA 1391.

240 (2) Permanent business enterprises in areas designated as  
241 empowerment zones and enterprise communities are allowed a tax  
242 credit for taxes imposed by Section 27-7-5, Mississippi Code of  
243 1972, annually for each net new full-time employee job created by  
244 such enterprise for five (5) years beginning with years two (2)  
245 through six (6) after the creation of the job in the following  
246 amounts:



247           (a) Five Hundred Dollars (\$500.00) for employee jobs  
248 that are compensated at less than twenty-five percent (25%) more  
249 than the amount of the federal minimum wage;

250           (b) One Thousand Dollars (\$1,000.00) for employee jobs  
251 that are compensated at twenty-five percent (25%) or more than the  
252 amount of the federal minimum wage but less than fifty percent  
253 (50%) more than the amount federal minimum wage;

254           (c) One Thousand Five Hundred Dollars (\$1,500.00) for  
255 employee jobs that are compensated at fifty percent (50%) or more  
256 than the amount of the federal minimum wage but less than  
257 seventy-five percent (75%) more than the amount federal minimum  
258 wage;

259           (d) Two Thousand Dollars (\$2,000.00) for employee jobs  
260 that are compensated at seventy-five percent (75%) or more than  
261 the amount of the federal minimum wage but less than one hundred  
262 percent (100%) more than the amount federal minimum wage; and

263           (e) Two Thousand Five Hundred Dollars (\$2,500.00) for  
264 employee jobs that are compensated at one hundred percent (100%)  
265 or more than the amount federal minimum wage.

266           (3) The number of new full-time jobs shall be determined by  
267 comparing the monthly average number of full-time employees of the  
268 permanent business enterprise subject to Mississippi income tax  
269 withholding for the taxable year with the corresponding period of  
270 the prior taxable year. Only those permanent business enterprises  
271 that increase employment by ten (10) or more in empowerment zones  
272 or enterprise communities are eligible for the credit. The credit  
273 shall not be allowed during any of the five (5) years if the net  
274 employment increase falls below ten (10). The tax commission

275 shall adjust the credit allowed each year for the net new  
276 employment fluctuations above the minimum level of ten (10).

277 (4) Tax credits for five (5) years for the taxes imposed by  
278 Section 27-7-5 shall be awarded for additional net new full-time  
279 jobs created by business enterprises qualified under this section.

280 The tax commission shall adjust the credit allowed in the event  
281 of employment fluctuations during the additional five (5) years of  
282 credit.

283 (5) The sale, merger, acquisition, reorganization,  
284 bankruptcy or relocation from one county to another county within  
285 the state of any business enterprise may not create new  
286 eligibility in any succeeding business entity, but any unused tax  
287 credit may be transferred and continued by any transferee of the  
288 business enterprise. The tax commission shall determine whether  
289 or not qualifying net increases or decreases have occurred or  
290 proper transfers of credit have been made, and may require  
291 reports, promulgate regulations and hold hearings as needed for  
292 substantiation and qualification.

293 (6) Any tax credit claimed under this section but not used  
294 in any taxable year may be carried forward for five (5) years from  
295 the close of the tax year in which the qualified jobs were  
296 established, but the credit established by this section taken in  
297 any one (1) tax year must be limited to an amount not greater than  
298 fifty percent (50%) of the taxpayer's state income tax liability  
299 which is attributable to income derived from operations in the  
300 state of that year.

301 (7) The credit allowed under this section shall not be used  
302 by any business enterprise or corporation other than the business

303 enterprise actually qualifying for the credit.

304 (8) The tax credit provided for in this section shall be in  
305 addition to any tax credits provided for in Section 57-73-21.

306 (9) This section shall stand repealed from and after January  
307 1, 2006.

308 SECTION 18. Section 57-73-21, Mississippi Code of 1972, is  
309 amended as follows:

310 57-73-21. (1) Annually by December 31, using the most  
311 current data available from the University Research Center,  
312 Mississippi State Employment Security Commission and the United  
313 States Department of Commerce, the State Tax Commission shall rank  
314 and designate the state's counties as provided in this section.  
315 The twenty-eight (28) counties in this state having \* \* \* the  
316 highest unemployment rate \* \* \* for the most recent  
317 thirty-six-month period, \* \* \* are designated less developed  
318 areas. The twenty-seven (27) counties in the state with \* \* \* the  
319 next highest unemployment rate \* \* \* for the most recent  
320 thirty-six-month period \* \* \* are designated moderately developed  
321 areas. The twenty-seven (27) counties in the state with \* \* \* the  
322 lowest unemployment rate \* \* \* for the most recent  
323 thirty-six-month period \* \* \* are designated developed areas.  
324 Counties designated by the Tax Commission qualify for the  
325 appropriate tax credit for jobs as provided in subsections (2),  
326 (3) and (4) of this section. The designation by the Tax  
327 Commission is effective for the tax years of permanent business  
328 enterprises which begin after the date of designation. For  
329 companies which plan an expansion in their labor forces, the Tax  
330 Commission shall prescribe certification procedures to ensure that

331 the companies can claim credits in future years without regard to  
332 whether or not a particular county is removed from the list of  
333 less developed or moderately developed areas.

334 (2) Permanent business enterprises primarily engaged in  
335 manufacturing, processing, warehousing, distribution, wholesaling  
336 and research and development, or permanent business enterprises  
337 designated by rule and regulation of the Department of Economic  
338 and Community Development as air transportation and maintenance  
339 facilities, final destination or resort hotels having a minimum of  
340 one hundred fifty (150) guest rooms, recreational facilities that  
341 impact tourism, movie industry studios, or telecommunications  
342 enterprises, in counties designated by the Tax Commission as less  
343 developed areas are allowed a job tax credit for taxes imposed by  
344 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually  
345 for each net new full-time employee job for five (5) years  
346 beginning with years two (2) through six (6) after the creation of  
347 the job; provided, however, that the job tax credit allowed  
348 pursuant to this subsection for each net new full-time employee  
349 job created on or after July 1, 1999, shall be Four Thousand  
350 Dollars (\$4,000.00). The number of new full-time jobs must be  
351 determined by comparing the monthly average number of full-time  
352 employees subject to the Mississippi income tax withholding for  
353 the taxable year with the corresponding period of the prior  
354 taxable year. Only those permanent businesses that increase  
355 employment by ten (10) or more in a less developed area are  
356 eligible for the credit. Credit is not allowed during any of the  
357 five (5) years if the net employment increase falls below ten  
358 (10). The Tax Commission shall adjust the credit allowed each

359 year for the net new employment fluctuations above the minimum  
360 level of ten (10).

361 (3) Permanent business enterprises primarily engaged in  
362 manufacturing, processing, warehousing, distribution, wholesaling  
363 and research and development, or permanent business enterprises  
364 designated by rule and regulation of the Department of Economic  
365 and Community Development as air transportation and maintenance  
366 facilities, final destination or resort hotels having a minimum of  
367 one hundred fifty (150) guest rooms, recreational facilities that  
368 impact tourism, movie industry studios, or telecommunications  
369 enterprises, in counties that have been designated by the Tax  
370 Commission as moderately developed areas are allowed a job tax  
371 credit for taxes imposed by Section 27-7-5 equal to One Thousand  
372 Dollars (\$1,000.00) annually for each net new full-time employee  
373 job for five (5) years beginning with years two (2) through six  
374 (6) after the creation of the job. The number of new full-time  
375 jobs must be determined by comparing the monthly average number of  
376 full-time employees subject to Mississippi income tax withholding  
377 for the taxable year with the corresponding period of the prior  
378 taxable year. Only those permanent businesses that increase  
379 employment by fifteen (15) or more in areas that have not been  
380 designated less developed areas are eligible for the credit. The  
381 credit is not allowed during any of the five (5) years if the net  
382 employment increase falls below fifteen (15). The Tax Commission  
383 shall adjust the credit allowed each year for the net new  
384 employment fluctuations above the minimum level of fifteen (15).

385 (4) Permanent business enterprises primarily engaged in  
386 manufacturing, processing, warehousing, distribution, wholesaling

387 and research and development, or permanent business enterprises  
388 designated by rule and regulation of the Department of Economic  
389 and Community Development as air transportation and maintenance  
390 facilities, final destination or resort hotels having a minimum of  
391 one hundred fifty (150) guest rooms, recreational facilities that  
392 impact tourism, movie industry studios, or telecommunications  
393 enterprises, in counties designated by the Tax Commission as  
394 developed areas are allowed a job tax credit for taxes imposed by  
395 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually  
396 for each net new full-time employee job for five (5) years  
397 beginning with years two (2) through six (6) after the creation of  
398 the job. The number of new full-time jobs must be determined by  
399 comparing the monthly average number of full-time employees  
400 subject to Mississippi income tax withholding for the taxable year  
401 with the corresponding period of the prior taxable year. Only  
402 those permanent businesses that increase employment by twenty (20)  
403 or more in developed areas are eligible for the credit. The  
404 credit is not allowed during any of the five (5) years if the net  
405 employment increase falls below twenty (20). The Tax Commission  
406 shall adjust the credit allowed each year for the net new  
407 employment fluctuations above the minimum level of twenty (20).

408 (5) In addition to the credits authorized in subsections  
409 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)  
410 credit for each net new full-time employee shall be allowed for  
411 any company establishing or transferring its national or regional  
412 headquarters from within or outside the State of Mississippi. A  
413 minimum of thirty-five (35) jobs must be created to qualify for  
414 the additional credit. The State Tax Commission shall establish

415 criteria and prescribe procedures to determine if a company  
416 qualifies as a national or regional headquarters for purposes of  
417 receiving the credit awarded in this subsection.

418 (6) In addition to the credits authorized in subsections  
419 (2), (3), (4) and (5), any job requiring research and development  
420 skills (chemist, engineer, etc.) shall qualify for an additional  
421 Five Hundred Dollars (\$500.00) credit for each net new full-time  
422 employee.

423 (7) Tax credits for five (5) years for the taxes imposed by  
424 Section 27-7-5 shall be awarded for additional net new full-time  
425 jobs created by business enterprises qualified under subsections  
426 (2), (3), (4), (5) and (6) of this section. The Tax Commission  
427 shall adjust the credit allowed in the event of employment  
428 fluctuations during the additional five (5) years of credit.

429 (8) The sale, merger, acquisition, reorganization,  
430 bankruptcy or relocation from one county to another county within  
431 the state of any business enterprise may not create new  
432 eligibility in any succeeding business entity, but any unused job  
433 tax credit may be transferred and continued by any transferee of  
434 the business enterprise. The Tax Commission shall determine  
435 whether or not qualifying net increases or decreases have occurred  
436 or proper transfers of credit have been made and may require  
437 reports, promulgate regulations, and hold hearings as needed for  
438 substantiation and qualification.

439 (9) Any tax credit claimed under this section but not used  
440 in any taxable year may be carried forward for five (5) years from  
441 the close of the tax year in which the qualified jobs were  
442 established but the credit established by this section taken in

443 any one (1) tax year must be limited to an amount not greater than  
444 fifty percent (50%) of the taxpayer's state income tax liability  
445 which is attributable to income derived from operations in the  
446 state for that year.

447 (10) No business enterprise for the transportation,  
448 handling, storage, processing or disposal of hazardous waste is  
449 eligible to receive the tax credits provided in this section.

450 (11) The credits allowed under this section shall not be  
451 used by any business enterprise or corporation other than the  
452 business enterprise actually qualifying for the credits.

453 (12) The tax credits provided for in this section shall be  
454 in addition to any tax credits described in Sections 57-51-13(b),  
455 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official  
456 action by the Department of Economic Development prior to July 1,  
457 1989, to any business enterprise determined prior to July 1, 1989,  
458 by the Department of Economic Development to be a qualified  
459 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
460 a qualified company as described in Section 57-53-1, as the case  
461 may be; however, from and after July 1, 1989, tax credits shall be  
462 allowed only under either this section or Sections 57-51-13(b),  
463 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time  
464 employee.

465 (13) As used in this section, the term "telecommunications  
466 enterprises" means entities engaged in the creation, display,  
467 management, storage, processing, transmission or distribution for  
468 compensation of images, text, voice, video or data by wire or by  
469 wireless means, or entities engaged in the construction, design,  
470 development, manufacture, maintenance or distribution for



471 compensation of devices, products, software or structures used in  
472 the above activities. Companies organized to do business as  
473 commercial broadcast radio stations, television stations or news  
474 organizations primarily serving in-state markets shall not be  
475 included within the definition of the term "telecommunications  
476 enterprises."

477 SECTION 19. Section 57-1-303, Mississippi Code of 1972, is  
478 amended as follows:

479 57-1-303. (1) \* \* \* There is created a special fund in the  
480 State Treasury to be designated as the "Local Governments Capital  
481 Improvements Revolving Loan Fund," which fund shall consist of  
482 such monies as provided in Sections 57-1-307 through 57-1-335.  
483 The fund shall be maintained in perpetuity for the purposes  
484 established in Sections 57-1-301 through 57-1-335. Unexpended  
485 amounts remaining in the fund at the end of a fiscal year shall  
486 not lapse into the State General Fund, and any interest earned on  
487 amounts in the fund shall be deposited to the credit of the fund.  
488 Monies in the fund may not be used or expended for any purpose  
489 except as authorized under Sections 57-1-301 through 57-1-335.

490 \* \* \*

491 (2) A county or an incorporated municipality may apply to  
492 the Department of Economic and Community Development for a loan  
493 under the local governments capital improvements revolving loan  
494 program established under Sections 57-1-301 through 57-1-335.

495 (3) \* \* \* The Department of Economic and Community  
496 Development shall establish a loan program by which loans, at a  
497 rate of interest not to exceed one percent (1%) less than the  
498 federal reserve discount rate, may be made available to counties

499 and incorporated municipalities to assist counties and  
500 incorporated municipalities in making capital improvements. Loans  
501 from the revolving fund may be made to counties and municipalities  
502 as set forth in a loan agreement in amounts not to exceed one  
503 hundred percent (100%) of eligible project costs as established by  
504 the Department of Economic and Community Development. The  
505 Department of Economic and Community Development may require  
506 county or municipal participation or funding from other sources,  
507 or otherwise limit the percentage of costs covered by loans from  
508 the revolving fund. The Department of Economic and Community  
509 Development may establish a maximum amount for any loan in order  
510 to provide for broad and equitable participation in the program.

511 \* \* \*

512 (4) A county that receives a loan from the revolving fund  
513 shall pledge for repayment of the loan any part of the homestead  
514 exemption annual tax loss reimbursement to which it may be  
515 entitled under Section 27-33-77. An incorporated municipality  
516 that receives a loan from the revolving fund shall pledge for  
517 repayment of the loan any part of the sales tax revenue  
518 distribution to which it may be entitled under Section 27-65-75.  
519 Each loan agreement shall provide for (i) monthly payments, (ii)  
520 semiannual payments, or (iii) other periodic payments, the annual  
521 total of which shall not exceed the annual total for any other  
522 year of the loan by more than fifteen percent (15%). The loan  
523 agreement shall provide for the repayment of all funds received  
524 within not more than fifteen (15) years from the date of project  
525 completion.

526 (5) The State Auditor, upon request of the Department of

527 Economic and Community Development, shall audit the receipts and  
528 expenditures of a county or an incorporated municipality whose  
529 loan payments appear to be in arrears, and if he finds that the  
530 county or municipality is in arrears in such payments, he shall  
531 immediately notify the Executive Director of the Department of  
532 Finance and Administration who shall withhold all future payments  
533 to the county of homestead exemption reimbursements under Section  
534 27-33-77 and all sums allocated to the county or the municipality  
535 under Section 27-65-75 until such time as the county or the  
536 municipality is again current in its loan payments as certified by  
537 the Department of Economic and Community Development.

538 (6) Evidences of indebtedness which are issued pursuant to  
539 this chapter shall not be deemed indebtedness within the meaning  
540 specified in Section 21-33-303 with regard to cities or  
541 incorporated towns, and in Section 19-9-5 with regard to counties.

542 SECTION 20. Section 57-61-25, Mississippi Code of 1972, is  
543 amended as follows:

544 57-61-25. (1) The seller is authorized to borrow, on the  
545 credit of the state upon receipt of a resolution from the  
546 department requesting the same, money not exceeding the aggregate  
547 sum of Two Hundred Fifty-nine Million Seven Hundred Fifty Thousand  
548 Dollars (\$259,750,000.00), not including money borrowed to refund  
549 outstanding bonds, notes or replacement notes, as may be necessary  
550 to carry out the purposes of this chapter. The aggregate amount  
551 of bonds issued prior to June 30, 1987, shall not exceed Fifty  
552 Million Dollars (\$50,000,000.00); provided, however, this Fifty  
553 Million Dollar (\$50,000,000.00) limitation shall not be construed  
554 to limit the aggregate amount of grants which may be awarded prior

555 to June 30, 1987, to less than the full amount authorized under  
556 Section 57-61-15(1), Mississippi Code of 1972. The rate of  
557 interest on any such bonds or notes which are not subject to  
558 taxation shall not exceed the rates set forth in Section  
559 75-17-101, Mississippi Code of 1972, for general obligation bonds.

560 (2) As evidence of indebtedness authorized in this chapter,  
561 general or limited obligation bonds of the state shall be issued  
562 from time to time, to provide monies necessary to carry out the  
563 purposes of this chapter for such total amounts, in such form, in  
564 such denominations payable in such currencies (either domestic or  
565 foreign or both) and subject to such terms and conditions of  
566 issue, redemption and maturity, rate of interest and time of  
567 payment of interest as the seller directs, except that such bonds  
568 shall mature or otherwise be retired in annual installments  
569 beginning not more than five (5) years from date thereof and  
570 extending not more than thirty (30) years from date thereof.

571 (3) All bonds and notes issued under authority of this  
572 chapter shall be signed by the chairman of the seller, or by his  
573 facsimile signature, and the official seal of the seller shall be  
574 affixed thereto, attested by the secretary of the seller.

575 (4) All bonds and notes issued under authority of this  
576 chapter may be general or limited obligations of the state, and  
577 the full faith and credit of the State of Mississippi as to  
578 general obligation bonds, or the revenues derived from projects  
579 assisted as to limited obligation bonds, are hereby pledged for  
580 the payment of the principal of and interest on such bonds and  
581 notes.

582 (5) Such bonds and notes and the income therefrom shall be

583 exempt from all taxation in the State of Mississippi.

584 (6) The bonds may be issued as coupon bonds or registered as  
585 to both principal and interest, as the seller may determine. If  
586 interest coupons are attached, they shall contain the facsimile  
587 signature of the chairman and secretary of the seller.

588 (7) The seller is authorized to provide, by resolution, for  
589 the issuance of refunding bonds for the purpose of refunding any  
590 debt issued under the provision of this chapter and then  
591 outstanding, either by voluntary exchange with the holders of the  
592 outstanding debt or to provide funds to redeem and the costs of  
593 issuance and retirement of the debt, at maturity or at any call  
594 date. The issuance of the refunding bonds, the maturities and  
595 other details thereof, the rights of the holders thereof and the  
596 duties of the issuing officials in respect to the same shall be  
597 governed by the provisions of this section, insofar as they may be  
598 applicable.

599 (8) As to bonds issued hereunder and designated as taxable  
600 bonds by the seller, any immunity of the state to taxation by the  
601 United States Government of interest on bonds or notes issued by  
602 the state is hereby waived.

603 SECTION 21. Section 57-61-34, Mississippi Code of 1972, is  
604 amended as follows:

605 57-61-34. Notwithstanding any provision of this chapter to  
606 the contrary, the Department of Economic and Community Development  
607 shall utilize not more than Eight Million Dollars (\$8,000,000.00)  
608 out of the proceeds of bonds authorized to be issued in this  
609 chapter to be made available as interest-bearing loans to  
610 municipalities or private companies to aid in the establishment of

611 business incubation centers and the creation of new and expanding  
612 technology-based business and industry.

613 In exercising the power given it under this section, the  
614 department shall work in conjunction with the University Research  
615 Center \* \* \*.

616 The requirements of Section 57-61-9 shall not apply to any  
617 loan made under this section. The Department of Economic and  
618 Community Development shall establish criteria and guidelines to  
619 govern loans made pursuant to this section.

620 SECTION 22. The following provision shall be codified as  
621 Section 51-61-45, Mississippi Code of 1972:

622 57-61-45. Notwithstanding any provision of this chapter to  
623 the contrary, the Department of Economic and Community Development  
624 shall utilize not more than Two Million Dollars (\$2,000,000.00)  
625 out of the proceeds of bonds issued in this chapter to provide a  
626 grant to provide funds for the Community Development and Community  
627 College Grant Fund established in Section 15 of Senate Bill No.  
628 \_\_\_\_\_, 1999 Regular Session.

629 The requirements of Section 57-61-9, Mississippi Code of  
630 1972, shall not apply to the grant made under this section.

631 SECTION 23. Section 57-61-9, Mississippi Code of 1972, which  
632 requires the Department of Economic and Community Development to  
633 utilize not more than \$3,500,000.00 of the bonds issued under the  
634 Mississippi Business Investment Act to provide funds for a job  
635 recruitment, training, development, counseling, motivation and  
636 referral services program for the less developed counties of this  
637 state, is repealed.

638 SECTION 24. This act shall take effect and be in force from

639 and after July 1, 1999.