

By: Senator(s) Rayborn

To: Economic Dev, Tourism
and Parks

SENATE BILL NO. 2744

1 AN ACT TO ESTABLISH A PROGRAM UNDER THE MISSISSIPPI BUSINESS
2 INVESTMENT ACT TO PROVIDE GRANTS TO CITIES, WHICH GRANTS SHALL BE
3 UTILIZED TO MAKE GRANTS TO PRIVATE COMPANIES TO SECURE THE
4 LOCATION OF SUCH COMPANIES FOR THE BENEFIT OF SUCH CITIES; TO
5 AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE
6 AMOUNT OF BONDS WHICH CAN BE ISSUED UNDER THE MISSISSIPPI BUSINESS
7 INVESTMENT ACT; AND FOR RELATED PURPOSES. BE IT ENACTED BY THE
8 LEGISLATURE OF THE STATE OF MISSISSIPPI:

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10 SECTION 1. (1) In addition to any other findings of the
11 Legislature declared elsewhere in this chapter, the Legislature
12 hereby finds and declares with respect to the purpose of grants
13 provided for in this section that:

14 (a) Mississippi has continuing needs for the creation
15 of new job opportunities and enhancement of existing job
16 opportunities;

17 (b) It is desirable that economic development take
18 place to stimulate the economy of local and state government;

19 (c) Local government should have the necessary powers
20 to enable it to take the lead in economic development, and local
21 self-determination should be maintained to the maximum extent
22 practical;

23 (d) Enhancement of tax revenues to other local and
24 state governmental entities will occur as a result of successful
25 economic growth;

26 (e) Successful economic development depends on a viable
27 working relationship between the public and private sectors and it
28 is the intent of this act to foster and further that cooperative
29 effort; and

30 (f) For all constitutional and statutory purposes the
31 authority granted by this section is for the public purposes of
32 development and diversification of the economy of the state and an
33 eligible city, the elimination of unemployment or underemployment
34 in the state and an eligible city, and the expansion of commerce
35 in the state, and this section accomplishes those public purposes.

36 (2) Notwithstanding any other provision of this chapter to
37 the contrary, the department shall utilize not more than
38 Twenty-five Million Dollars (\$25,000,000.00) out of the proceeds
39 of bonds authorized to be issued under this chapter to provide
40 grants to cities for use by such cities in awarding grants to
41 private companies to secure the location of projects by such
42 companies for the benefit of such cities. Grants awarded by
43 cities shall be in an amount not to exceed Ten Thousand Dollars
44 (\$10,000.00) per net new full-time equivalent job that will be
45 provided by the location of the private company for the benefit of
46 the city. The amount provided by the department for each such
47 grant shall be matched in an equal amount by the city seeking
48 assistance. In awarding grants under this section, the department
49 shall give priority to cities which are small communities or which
50 are located in counties which are small communities. Grants to
51 private companies by cities shall be expended to defray the cost
52 of projects. Grants shall not be awarded to any company located
53 in Mississippi. Grants may be awarded only if the location of the
54 private company for the benefit of the city will produce at least
55 fifty (50) net new full-time equivalent jobs.

56 (3) For the purpose of this section:

57 (a) "Cost" means the cost of acquisition, construction,
58 reconstruction, improvement and expansion, including the cost of
59 the acquisition of all land, rights-of-way, property rights,
60 easements and interests; the cost of all machinery and equipment;
61 financing charges; inventory, raw materials and other supplies;
62 research and development costs; interest prior to and during

63 construction and for one (1) year after completion of
64 construction, whether or not capitalized; necessary reserve funds;
65 cost of estimates and of engineering and legal services, plans,
66 specifications, surveys, estimates of cost and of revenue, and
67 other expenses necessary or incident to determining the
68 feasibility and practicability of acquiring, constructing,
69 reconstructing, improving and expanding any such project;
70 administrative expense and such other expense as may be necessary
71 or incident to the acquisition, construction, reconstruction,
72 improvement and expansion thereof, the placing of the same in
73 operation, and the financing or refinancing of any such project,
74 including the refunding of any outstanding obligations, mortgages
75 or advances issued, made or given by any person for any of the
76 aforementioned costs.

77 (b) "Project" means the land, buildings, equipment,
78 facilities and improvements (one or more) found by the city to be
79 required or suitable for the promotion of development and
80 expansion of manufacturing and industrial facilities,
81 transportation facilities, sewage or solid waste disposal
82 facilities, recycling facilities, air or water pollution control
83 facilities, facilities for the furnishing of water to the general
84 public, distribution centers, small warehouse facilities capable
85 of serving as decentralized storage and distribution centers, and
86 facilities which are related to any of the foregoing, and in
87 furtherance of the public purposes of this section, irrespective
88 of whether in existence or required to be identified, acquired or
89 constructed thereafter.

90 (c) "City" or "cities" means any incorporated city,
91 town or village.

92 (4) The department shall promulgate rules and regulations
93 for the implementation of this section and shall establish
94 criteria for awarding grants to cities which shall include
95 ensuring that any agreement between a private company and a city

96 pursuant to this section contains provisions which will protect
97 the city and state should the private company fail to operate the
98 project according to the terms of its agreement with the city,
99 such protection to be in the form of a lien on the project in
100 favor of the city or in such other form as the department deems
101 appropriate, or both. Any amounts recovered pursuant to such an
102 agreement shall be divided equally between the city and the state,
103 and the state's share shall be remitted to the department for
104 deposit into the Mississippi Business Investment Sinking Fund.

105 SECTION 2. Section 57-61-25, Mississippi Code of 1972, is
106 amended as follows:

107 57-61-25. (1) The seller is authorized to borrow, on the
108 credit of the state upon receipt of a resolution from the
109 department requesting the same, money not exceeding the aggregate
110 sum of Two Hundred Fifty Million Dollars (\$250,000,000.00), not
111 including money borrowed to refund outstanding bonds, notes or
112 replacement notes, as may be necessary to carry out the purposes
113 of this chapter. The aggregate amount of bonds issued prior to
114 June 30, 1987, shall not exceed Fifty Million Dollars
115 (\$50,000,000.00); provided, however, this Fifty Million Dollar
116 (\$50,000,000.00) limitation shall not be construed to limit the
117 aggregate amount of grants which may be awarded prior to June 30,
118 1987, to less than the full amount authorized under Section
119 57-61-15(1), Mississippi Code of 1972. The rate of interest on
120 any such bonds or notes which are not subject to taxation shall
121 not exceed the rates set forth in Section 75-17-101, Mississippi
122 Code of 1972, for general obligation bonds.

123 (2) As evidence of indebtedness authorized in this chapter,
124 general or limited obligation bonds of the state shall be issued
125 from time to time, to provide monies necessary to carry out the
126 purposes of this chapter for such total amounts, in such form, in
127 such denominations payable in such currencies (either domestic or
128 foreign or both) and subject to such terms and conditions of

129 issue, redemption and maturity, rate of interest and time of
130 payment of interest as the seller directs, except that such bonds
131 shall mature or otherwise be retired in annual installments
132 beginning not more than five (5) years from date thereof and
133 extending not more than thirty (30) years from date thereof.

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

138 (4) All bonds and notes issued under authority of this
139 chapter may be general or limited obligations of the state, and
140 the full faith and credit of the State of Mississippi as to
141 general obligation bonds, or the revenues derived from projects
142 assisted as to limited obligation bonds, are hereby pledged for
143 the payment of the principal of and interest on such bonds and
144 notes.

145 (5) Such bonds and notes and the income therefrom shall be
146 exempt from all taxation in the State of Mississippi.

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

151 (7) The seller is authorized to provide, by resolution, for
152 the issuance of refunding bonds for the purpose of refunding any
153 debt issued under the provision of this chapter and then
154 outstanding, either by voluntary exchange with the holders of the
155 outstanding debt or to provide funds to redeem and the costs of
156 issuance and retirement of the debt, at maturity or at any call
157 date. The issuance of the refunding bonds, the maturities and
158 other details thereof, the rights of the holders thereof and the
159 duties of the issuing officials in respect to the same shall be
160 governed by the provisions of this section, insofar as they may be
161 applicable.

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

166 SECTION 3. Section 1 of this act shall be codified as a
167 separate code section in Chapter 61, Title 57, Mississippi Code of
168 1972.

169 SECTION 4. This act shall take effect and be in force from
170 and after July 1, 1999.