

By: Flaggs

To: Ways and Means

## HOUSE BILL NO. 782

1 AN ACT TO BE ENTITLED THE ECONOMIC DEVELOPMENT ACT OF 2000;  
2 TO CREATE THE CHILD DAY CARE LOAN GUARANTEE FUND FOR THE PURPOSE  
3 OF 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 (DECD) SHALL  
7 ADMINISTER THE LOAN GUARANTEE PROGRAM; TO PROVIDE THAT LOANS OR AN  
8 ENTITY DESIGNATED BY SUCH DEPARTMENT THAT ARE ELIGIBLE FOR  
9 GUARANTEES MAY BE MADE ONLY FOR CERTAIN PURPOSES; TO LIMIT THE  
10 AMOUNT OF THE LOAN GUARANTEES MADE UNDER SUCH PROGRAM; TO  
11 PRESCRIBE CERTAIN CRITERIA THAT SHALL BE USED IN THE DETERMINATION  
12 OF WHETHER TO GRANT CERTAIN LOAN GUARANTEES; TO PRESCRIBE THE  
13 INFORMATION THAT AN APPLICANT FOR A LOAN GUARANTEE MUST PROVIDE;  
14 TO ESTABLISH A GRANT PROGRAM FOR COMMUNITY DEVELOPMENT  
15 CORPORATIONS AND COMMUNITY COLLEGES; TO ESTABLISH A SPECIAL FUND  
16 IN THE STATE TREASURY DESIGNATED AS THE "COMMUNITY DEVELOPMENT AND  
17 COMMUNITY COLLEGE GRANT FUND" FROM WHICH SUCH GRANTS SHALL BE  
18 MADE; TO PROVIDE THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY  
19 DEVELOPMENT SHALL ADMINISTER SUCH GRANT PROGRAM; TO PROVIDE THAT  
20 THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT SHALL  
21 ESTABLISH CRITERIA FOR AWARDING GRANTS AND THE AMOUNT OF SUCH  
22 GRANTS; TO CREATE AN INCOME TAX CREDIT FOR EACH NET NEW FULL-TIME  
23 JOB FOR CERTAIN BUSINESSES IN AREAS THAT ARE DESIGNATED BY THE  
24 FEDERAL GOVERNMENT AS EMPOWERMENT ZONES OR ENTERPRISE COMMUNITIES;  
25 TO AMEND SECTION 57-73-21, MISSISSIPPI CODE OF 1972, TO PROVIDE  
26 THAT THE CRITERIA USED TO CLASSIFY COUNTIES AS LESS DEVELOPED,  
27 MODERATELY DEVELOPED AND DEVELOPED FOR PURPOSES OF THE JOB TAX  
28 CREDIT SHALL BE THE UNEMPLOYMENT RATES IN EACH COUNTY; TO INCREASE  
29 THE AMOUNT OF THE JOB TAX CREDIT FOR CERTAIN BUSINESSES IN LESS  
30 DEVELOPED COUNTIES FROM \$2,000.00 TO \$4,000.00 ANNUALLY FOR EACH  
31 NET NEW FULL-TIME EMPLOYEE JOB CREATED ON OR AFTER JULY 1, 2000;  
32 TO AMEND SECTION 57-1-303, MISSISSIPPI CODE OF 1972, TO REVISE THE  
33 INTEREST RATE ON LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL  
34 IMPROVEMENTS REVOLVING LOAN PROGRAM TO PROVIDE THAT THE INTEREST  
35 RATE ON SUCH LOANS SHALL NOT EXCEED ONE PERCENT LESS THAN THE  
36 FEDERAL RESERVE DISCOUNT RATE; TO DECREASE THE PERIOD OF TIME  
37 WITHIN WHICH LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL  
38 IMPROVEMENTS REVOLVING LOAN PROGRAM MUST BE REPAYED; TO AMEND  
39 SECTION 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM

40 \$254,750,000.00 TO \$259,750,000.00 THE AGGREGATE AMOUNT OF BONDS  
41 THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT;  
42 TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF 1972, TO INCREASE  
43 FROM \$5,000,000.00 TO \$8,000,000.00 THE AMOUNT OF BOND PROCEEDS  
44 THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT MAY MAKE  
45 AVAILABLE AS INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF  
46 BUSINESS INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING  
47 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO CREATE A NEW CODE  
48 SECTION TO BE CODIFIED AS SECTION 57-61-45, MISSISSIPPI CODE OF  
49 1972, TO REQUIRE THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY  
50 DEVELOPMENT USE NOT MORE THAN \$2,000,000.00 OF BOND PROCEEDS FOR A  
51 GRANT TO PROVIDE FUNDS FOR THE COMMUNITY DEVELOPMENT AND COMMUNITY  
52 COLLEGE GRANT FUND; AND FOR RELATED PURPOSES.

53

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

55 SECTION 1. This act may be cited as the "Economic

56 Development Act of 2000."

57 SECTION 2. Sections 2 through 13 of this act may be cited as

58 the "Child Day Care Loan Guarantee Act of 2000."

59 SECTION 3. The purpose of Sections 2 through 13 of this act

60 is to encourage lenders to make loans available to child day care

61 providers for the purpose of financing the development and

62 expansion of child day care centers in less developed counties of

63 the state and to increase the quality and availability of child

64 day care and employment opportunities in these areas.

65 SECTION 4. As used in Sections 2 through 13 of this act, the

66 following words and phrases shall have the meanings ascribed in

67 this section unless the context clearly indicates otherwise:

68 (a) "DECD" means the Department of Economic and

69 Community Development.

70 (b) "Designated entity" means an entity designated to

71 administer the Child Day Care Loan Guarantee Fund pursuant to

72 Section 6 of this act.

73 (c) "Child day care provider" means a person providing

74 or planning to provide child day care.

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

78 (e) "Fund" means the Child Day Care Loan Guarantee  
79 Fund.

80 SECTION 5. There is created in the State Treasury a special  
81 fund to be known as the "Child Day Care Loan Guarantee Fund,"  
82 into which shall be deposited such money as the Legislature may  
83 provide by appropriation and any other money received by DECD for  
84 the purposes of Sections 2 through 13 of this act from any other  
85 source. Money in the fund shall be used to guarantee loans made  
86 by lenders to qualifying child day care providers to finance the  
87 development or expansion of child day care centers in less  
88 developed counties. The fund shall be administered by DECD or a  
89 designated entity and money in the fund shall be expended upon  
90 appropriation by the Legislature. Unexpended amounts remaining in  
91 the fund at the end of the state fiscal year shall not lapse into  
92 the State General Fund, and any interest earned on amounts in the  
93 fund shall be deposited to the credit of the fund.

94 SECTION 6. DECD shall:

95 (a) Administer the fund or designate an appropriate  
96 entity to administer the fund.

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

99 (c) Monitor projects to ensure compliance with  
100 applicable state and federal laws, rules and relevant court  
101 decisions.

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

104           SECTION 7. In making loan guarantees under Sections 2  
105 through 13 of this act, DECD or the designated entity shall give  
106 priority to child day care providers that serve or intend to serve  
107 less developed counties that demonstrate the greatest need for  
108 child day care services. DECD or the designated entity shall  
109 attempt to distribute the loan guarantees geographically among  
110 less developed counties.

111           SECTION 8. Loans that are eligible for guarantees under  
112 Sections 2 through 13 of this act may be made only for the  
113 following reasons:

114           (a) The construction, purchase, lease or improvement of  
115 buildings or other facilities.

116           (b) The purchase or improvement of land.

117           (c) The purchase or lease of equipment, including  
118 vehicles.

119           (d) Start-up and operation costs.

120           (e) Initial operating expenses.

121           SECTION 9. Loan guarantees under Sections 2 through 13 of  
122 this act shall be subject to the following restrictions:

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

125           (b) Not more than eighty percent (80%) of a loan may be  
126 guaranteed; and

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

130        SECTION 10. In determining whether to grant a loan guarantee  
131 to a child day care provider who has a history of operating or  
132 owning a child day care center DECD or the designated entity shall  
133 use the following criteria:

134            (a) Quality of programming and staff.

135            (b) Ratio of children to staff.

136            (c) Quality of facilities.

137            (d) Degree of coordination with Head Start or other  
138 programs.

139            (e) Quality of administrative and financial management.

140            (f) History of compliance with child day care licensing  
141 or registration requirements.

142            (g) Ability to repay.

143        SECTION 11. DECD shall formulate criteria to be used in  
144 determining whether to grant a loan guarantee to a child day care  
145 provider that does not have a history of operating or owning a  
146 child day care center.

147        SECTION 12. An applicant for a guarantee under Sections 2  
148 through 13 of this act shall supply DECD or the designated entity  
149 with the following:

150            (a) A detailed description of the project;

151            (b) A disclosure of additional funds, if any, that are  
152 available to the applicant;

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

157            (d) Credit references, if available, for the applicant;

- 158           (e) A five-year projected budget;
- 159           (f) A comprehensive business plan that includes the
- 160 applicant's plans in the areas of:
- 161           (i) Debt reduction;
- 162           (ii) Marketing;
- 163           (iii) Staff training;
- 164           (iv) Facility improvement; and
- 165           (v) Program improvement; and
- 166           (g) Such other information as DECD may require.

167       SECTION 13. Upon default by a borrower, the lender,

168 consistent with its current collections policies, shall exercise

169 reasonable diligence in its collection efforts before the fund

170 shall be liable for the default.

171       SECTION 14. Sections 14 and 15 of this act may be cited as

172 the "Community Development Corporation Grant Act of 2000."

173       SECTION 15. (1) As used in this section, the following

174 words and phrases shall have the meanings ascribed herein unless

175 the context clearly indicates otherwise:

176           (a) "Community development corporation" means a

177 nonprofit corporation:

178           (i) Tax-exempt pursuant to Section 501(c)(3) of

179 the Internal Revenue Code of 1986;

180           (ii) Whose primary mission is to develop and

181 improve low-income communities and neighborhoods through economic

182 and related development;

183           (iii) Whose activities and decisions are

184 initiated, managed and controlled by the constituents of those

185 local communities; and

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

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

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

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

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

213                   SECTION 16. (1) As used in this section, "empowerment

214 zones" or "enterprise communities" shall include those areas in  
215 Mississippi designated as such pursuant to 26 USCS 1391.

216 (2) Permanent business enterprises in areas designated as  
217 empowerment zones and enterprise communities are allowed a tax  
218 credit for taxes imposed by Section 27-7-5 annually for each net  
219 new full-time employee job created by such enterprise for five (5)  
220 years beginning with years two (2) through six (6) after the  
221 creation of the job in the following amounts:

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

225 (b) One Thousand Dollars (\$1,000.00) for employee jobs  
226 that are compensated at twenty-five percent (25%) or more than the  
227 amount of the federal minimum wage but less than fifty percent  
228 (50%) more than the amount of the federal minimum wage;

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

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

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



242           (3) The number of new full-time jobs shall be determined by  
243 comparing the monthly average number of full-time employees of the  
244 permanent business enterprise subject to Mississippi income tax  
245 withholding for the taxable year with the corresponding period of  
246 the prior taxable year. Only those permanent business enterprises  
247 that increase employment by ten (10) or more in empowerment zones  
248 or enterprise communities are eligible for the credit. The credit  
249 shall not be allowed during any of the five (5) years if the net  
250 employment increase falls below ten (10). The Tax Commission  
251 shall adjust the credit allowed each year for the net new  
252 employment fluctuations above the minimum level of ten (10).

253           (4) Tax credits for five (5) years for the taxes imposed by  
254 Section 27-7-5 shall be awarded for additional net new full-time  
255 jobs created by business enterprises qualified under this section.  
256 The Tax Commission shall adjust the credit allowed in the event  
257 of employment fluctuations during the additional five (5) years of  
258 credit.

259           (5) The sale, merger, acquisition, reorganization,  
260 bankruptcy or relocation from one county to another county within  
261 the state of any business enterprise may not create new  
262 eligibility in any succeeding business entity, but any unused tax  
263 credit may be transferred and continued by any transferee of the  
264 business enterprise. The Tax Commission shall determine whether  
265 or not qualifying net increases or decreases have occurred or  
266 proper transfers of credit have been made, and may require  
267 reports, promulgate regulations and hold hearings as needed for  
268 substantiation and qualification.

269           (6) Any tax credit claimed under this section but not used

270 in any taxable year may be carried forward for five (5) years from  
271 the close of the tax year in which the qualified jobs were  
272 established, but the credit established by this section taken in  
273 any one (1) tax year must be limited to an amount not greater than  
274 fifty percent (50%) of the taxpayer's state income tax liability  
275 which is attributable to income derived from operations in the  
276 state of that year.

277 (7) The credit allowed under this section shall not be used  
278 by any business enterprise or corporation other than the business  
279 enterprise actually qualifying for the credit.

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

282 (9) This section shall stand repealed from and after January  
283 1, 2007.

284 SECTION 17. Section 57-73-21, Mississippi Code of 1972, is  
285 amended as follows:

286 57-73-21. (1) Annually by December 31, using the most  
287 current data available from the University Research Center,  
288 Mississippi State Employment Security Commission and the United  
289 States Department of Commerce, the State Tax Commission shall rank  
290 and designate the state's counties as provided in this section.  
291 The twenty-eight (28) counties in this state having \* \* \* the  
292 highest unemployment rate \* \* \* for the most recent  
293 thirty-six-month period, \* \* \* are designated less developed  
294 areas. The twenty-seven (27) counties in the state with \* \* \* the  
295 next highest unemployment rate \* \* \* for the most recent  
296 thirty-six-month period \* \* \* are designated moderately developed  
297 areas. The twenty-seven (27) counties in the state with \* \* \* the

298 lowest unemployment rate \* \* \* for the most recent  
299 thirty-six-month period \* \* \* are designated developed areas.  
300 Counties designated by the Tax Commission qualify for the  
301 appropriate tax credit for jobs as provided in subsections (2),  
302 (3) and (4) of this section. The designation by the Tax  
303 Commission is effective for the tax years of permanent business  
304 enterprises which begin after the date of designation. For  
305 companies which plan an expansion in their labor forces, the Tax  
306 Commission shall prescribe certification procedures to ensure that  
307 the companies can claim credits in future years without regard to  
308 whether or not a particular county is removed from the list of  
309 less developed or moderately developed areas.

310 (2) Permanent business enterprises primarily engaged in  
311 manufacturing, processing, warehousing, distribution, wholesaling  
312 and research and development, or permanent business enterprises  
313 designated by rule and regulation of the Department of Economic  
314 and Community Development as air transportation and maintenance  
315 facilities, final destination or resort hotels having a minimum of  
316 one hundred fifty (150) guest rooms, recreational facilities that  
317 impact tourism, movie industry studios, or telecommunications  
318 enterprises, in counties designated by the Tax Commission as less  
319 developed areas are allowed a job tax credit for taxes imposed by  
320 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually  
321 for each net new full-time employee job for five (5) years  
322 beginning with years two (2) through six (6) after the creation of  
323 the job; provided, however, that the job tax credit allowed under  
324 this subsection (2) for each net new full-time employee job  
325 created on or after July 1, 2000, shall be Four Thousand Dollars

326 (\$4,000.00). The number of new full-time jobs must be determined  
327 by comparing the monthly average number of full-time employees  
328 subject to the Mississippi income tax withholding for the taxable  
329 year with the corresponding period of the prior taxable year.

330 Only those permanent businesses that increase employment by ten  
331 (10) or more in a less developed area are eligible for the credit.

332 Credit is not allowed during any of the five (5) years if the net  
333 employment increase falls below ten (10). The Tax Commission  
334 shall adjust the credit allowed each year for the net new  
335 employment fluctuations above the minimum level of ten (10).

336 (3) Permanent business enterprises primarily engaged in  
337 manufacturing, processing, warehousing, distribution, wholesaling  
338 and research and development, or permanent business enterprises  
339 designated by rule and regulation of the Department of Economic  
340 and Community Development as air transportation and maintenance  
341 facilities, final destination or resort hotels having a minimum of  
342 one hundred fifty (150) guest rooms, recreational facilities that  
343 impact tourism, movie industry studios, or telecommunications  
344 enterprises, in counties that have been designated by the Tax  
345 Commission as moderately developed areas are allowed a job tax  
346 credit for taxes imposed by Section 27-7-5 equal to One Thousand  
347 Dollars (\$1,000.00) annually for each net new full-time employee  
348 job for five (5) years beginning with years two (2) through six  
349 (6) after the creation of the job. The number of new full-time  
350 jobs must be determined by comparing the monthly average number of  
351 full-time employees subject to Mississippi income tax withholding  
352 for the taxable year with the corresponding period of the prior  
353 taxable year. Only those permanent businesses that increase

354 employment by fifteen (15) or more in areas that have not been  
355 designated moderately developed areas are eligible for the credit.

356 The credit is not allowed during any of the five (5) years if the  
357 net employment increase falls below fifteen (15). The Tax  
358 Commission shall adjust the credit allowed each year for the net  
359 new employment fluctuations above the minimum level of fifteen  
360 (15).

361 (4) 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 designated by the Tax Commission as  
370 developed areas are allowed a job tax credit for taxes imposed by  
371 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually  
372 for each net new full-time employee job for five (5) years  
373 beginning with years two (2) through six (6) after the creation of  
374 the job. The number of new full-time jobs must be determined by  
375 comparing the monthly average number of full-time employees  
376 subject to Mississippi income tax withholding for the taxable year  
377 with the corresponding period of the prior taxable year. Only  
378 those permanent businesses that increase employment by twenty (20)  
379 or more in developed areas are eligible for the credit. The  
380 credit is not allowed during any of the five (5) years if the net  
381 employment increase falls below twenty (20). The Tax Commission

382 shall adjust the credit allowed each year for the net new  
383 employment fluctuations above the minimum level of twenty (20).

384 (5) In addition to the credits authorized in subsections  
385 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)  
386 credit for each net new full-time employee shall be allowed for  
387 any company establishing or transferring its national or regional  
388 headquarters from within or outside the State of Mississippi. A  
389 minimum of thirty-five (35) jobs must be created to qualify for  
390 the additional credit. The State Tax Commission shall establish  
391 criteria and prescribe procedures to determine if a company  
392 qualifies as a national or regional headquarters for purposes of  
393 receiving the credit awarded in this subsection.

394 (6) In addition to the credits authorized in subsections  
395 (2), (3), (4) and (5), any job requiring research and development  
396 skills (chemist, engineer, etc.) shall qualify for an additional  
397 Five Hundred Dollars (\$500.00) credit for each net new full-time  
398 employee.

399 (7) Tax credits for five (5) years for the taxes imposed by  
400 Section 27-7-5 shall be awarded for additional net new full-time  
401 jobs created by business enterprises qualified under subsections  
402 (2), (3), (4), (5) and (6) of this section. The Tax Commission  
403 shall adjust the credit allowed in the event of employment  
404 fluctuations during the additional five (5) years of credit.

405 (8) The sale, merger, acquisition, reorganization,  
406 bankruptcy or relocation from one county to another county within  
407 the state of any business enterprise may not create new  
408 eligibility in any succeeding business entity, but any unused job  
409 tax credit may be transferred and continued by any transferee of

410 the business enterprise. The Tax Commission shall determine  
411 whether or not qualifying net increases or decreases have occurred  
412 or proper transfers of credit have been made and may require  
413 reports, promulgate regulations, and hold hearings as needed for  
414 substantiation and qualification.

415 (9) Any tax credit claimed under this section but not used  
416 in any taxable year may be carried forward for five (5) years from  
417 the close of the tax year in which the qualified jobs were  
418 established but the credit established by this section taken in  
419 any one (1) tax year must be limited to an amount not greater than  
420 fifty percent (50%) of the taxpayer's state income tax liability  
421 which is attributable to income derived from operations in the  
422 state for that year.

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

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

429 (12) The tax credits provided for in this section shall be  
430 in addition to any tax credits described in Sections 57-51-13(b),  
431 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official  
432 action by the Department of Economic Development prior to July 1,  
433 1989, to any business enterprise determined prior to July 1, 1989,  
434 by the Department of Economic Development to be a qualified  
435 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
436 a qualified company as described in Section 57-53-1, as the case  
437 may be; however, from and after July 1, 1989, tax credits shall be

438 allowed only under either this section or Sections 57-51-13(b),  
439 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time  
440 employee.

441 (13) As used in this section, the term "telecommunications  
442 enterprises" means entities engaged in the creation, display,  
443 management, storage, processing, transmission or distribution for  
444 compensation of images, text, voice, video or data by wire or by  
445 wireless means, or entities engaged in the construction, design,  
446 development, manufacture, maintenance or distribution for  
447 compensation of devices, products, software or structures used in  
448 the above activities. Companies organized to do business as  
449 commercial broadcast radio stations, television stations or news  
450 organizations primarily serving in-state markets shall not be  
451 included within the definition of the term "telecommunications  
452 enterprises."

453 SECTION 18. Section 57-1-303, Mississippi Code of 1972, is  
454 amended as follows:

455 57-1-303. (1) \* \* \* There is created a special fund in the  
456 State Treasury to be designated as the "Local Governments Capital  
457 Improvements Revolving Loan Fund," which fund shall consist of  
458 such monies as provided in Sections 57-1-307 through 57-1-335.  
459 The fund shall be maintained in perpetuity for the purposes  
460 established in Sections 57-1-301 through 57-1-335. Unexpended  
461 amounts remaining in the fund at the end of a fiscal year shall  
462 not lapse into the State General Fund, and any interest earned on  
463 amounts in the fund shall be deposited to the credit of the fund.  
464 Monies in the fund may not be used or expended for any purpose  
465 except as authorized under Sections 57-1-301 through 57-1-335.



466 \* \* \*

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

471 (3) \* \* \* The Department of Economic and Community  
472 Development shall establish a loan program by which loans, at a  
473 rate of interest not to exceed one percent (1%) less than the  
474 federal reserve discount rate, may be made available to counties  
475 and incorporated municipalities to assist counties and  
476 incorporated municipalities in making capital improvements. Loans  
477 from the revolving fund may be made to counties and municipalities  
478 as set forth in a loan agreement in amounts not to exceed one  
479 hundred percent (100%) of eligible project costs as established by  
480 the Department of Economic and Community Development. The  
481 Department of Economic and Community Development may require  
482 county or municipal participation or funding from other sources,  
483 or otherwise limit the percentage of costs covered by loans from  
484 the revolving fund. The Department of Economic and Community  
485 Development may establish a maximum amount for any loan in order  
486 to provide for broad and equitable participation in the program.

487 \* \* \*

488 (4) A county that receives a loan from the revolving fund  
489 shall pledge for repayment of the loan any part of the homestead  
490 exemption annual tax loss reimbursement to which it may be  
491 entitled under Section 27-33-77. An incorporated municipality  
492 that receives a loan from the revolving fund shall pledge for  
493 repayment of the loan any part of the sales tax revenue

494 distribution to which it may be entitled under Section 27-65-75.  
495 Each loan agreement shall provide for (i) monthly payments, (ii)  
496 semiannual payments, or (iii) other periodic payments, the annual  
497 total of which shall not exceed the annual total for any other  
498 year of the loan by more than fifteen percent (15%). The loan  
499 agreement shall provide for the repayment of all funds received  
500 within not more than fifteen (15) years from the date of project  
501 completion.

502 (5) The State Auditor, upon request of the Department of  
503 Economic and Community Development, shall audit the receipts and  
504 expenditures of a county or an incorporated municipality whose  
505 loan payments appear to be in arrears, and if he finds that the  
506 county or municipality is in arrears in such payments, he shall  
507 immediately notify the Executive Director of the Department of  
508 Finance and Administration who shall withhold all future payments  
509 to the county of homestead exemption reimbursements under Section  
510 27-33-77 and all sums allocated to the county or the municipality  
511 under Section 27-65-75 until such time as the county or the  
512 municipality is again current in its loan payments as certified by  
513 the Department of Economic and Community Development.

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

518 SECTION 19. Section 57-61-25, Mississippi Code of 1972, is  
519 amended as follows:

520 57-61-25. (1) The seller is authorized to borrow, on the  
521 credit of the state upon receipt of a resolution from the

522 department requesting the same, money not exceeding the aggregate  
523 sum of Two Hundred Fifty-nine Million Seven Hundred Fifty Thousand  
524 Dollars (\$259,750,000.00), not including money borrowed to refund  
525 outstanding bonds, notes or replacement notes, as may be necessary  
526 to carry out the purposes of this chapter. The aggregate amount  
527 of bonds issued prior to June 30, 1987, shall not exceed Fifty  
528 Million Dollars (\$50,000,000.00); provided, however, this Fifty  
529 Million Dollar (\$50,000,000.00) limitation shall not be construed  
530 to limit the aggregate amount of grants which may be awarded prior  
531 to June 30, 1987, to less than the full amount authorized under  
532 Section 57-61-15(1), Mississippi Code of 1972. The rate of  
533 interest on any such bonds or notes which are not subject to  
534 taxation shall not exceed the rates set forth in Section  
535 75-17-101, Mississippi Code of 1972, for general obligation bonds.

536 (2) As evidence of indebtedness authorized in this chapter,  
537 general or limited obligation bonds of the state shall be issued  
538 from time to time, to provide monies necessary to carry out the  
539 purposes of this chapter for such total amounts, in such form, in  
540 such denominations payable in such currencies (either domestic or  
541 foreign or both) and subject to such terms and conditions of  
542 issue, redemption and maturity, rate of interest and time of  
543 payment of interest as the seller directs, except that such bonds  
544 shall mature or otherwise be retired in annual installments  
545 beginning not more than five (5) years from date thereof and  
546 extending not more than thirty (30) years from date thereof.

547 (3) All bonds and notes issued under authority of this  
548 chapter shall be signed by the chairman of the seller, or by his  
549 facsimile signature, and the official seal of the seller shall be

550 affixed thereto, attested by the secretary of the seller.

551 (4) All bonds and notes issued under authority of this  
552 chapter may be general or limited obligations of the state, and  
553 the full faith and credit of the State of Mississippi as to  
554 general obligation bonds, or the revenues derived from projects  
555 assisted as to limited obligation bonds, are hereby pledged for  
556 the payment of the principal of and interest on such bonds and  
557 notes.

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

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

564 (7) The seller is authorized to provide, by resolution, for  
565 the issuance of refunding bonds for the purpose of refunding any  
566 debt issued under the provision of this chapter and then  
567 outstanding, either by voluntary exchange with the holders of the  
568 outstanding debt or to provide funds to redeem and the costs of  
569 issuance and retirement of the debt, at maturity or at any call  
570 date. The issuance of the refunding bonds, the maturities and  
571 other details thereof, the rights of the holders thereof and the  
572 duties of the issuing officials in respect to the same shall be  
573 governed by the provisions of this section, insofar as they may be  
574 applicable.

575 (8) As to bonds issued hereunder and designated as taxable  
576 bonds by the seller, any immunity of the state to taxation by the  
577 United States government of interest on bonds or notes issued by

578 the state is hereby waived.

579 SECTION 20. Section 57-61-34, Mississippi Code of 1972, is  
580 amended as follows:

581 57-61-34. Notwithstanding any provision of this chapter to  
582 the contrary, the Department of Economic and Community Development  
583 shall utilize not more than Eight Million Dollars (\$8,000,000.00)  
584 out of the proceeds of bonds authorized to be issued in this  
585 chapter to be made available as interest-bearing loans to  
586 municipalities or private companies to aid in the establishment of  
587 business incubation centers and the creation of new and expanding  
588 technology-based business and industry.

589 In exercising the power given it under this section, the  
590 department shall work in conjunction with the University Research  
591 Center \* \* \*.

592 The requirements of Section 57-61-9 shall not apply to any  
593 loan made under this section. The Department of Economic and  
594 Community Development shall establish criteria and guidelines to  
595 govern loans made pursuant to this section.

596 SECTION 21. The following shall be codified as Section  
597 57-61-45, Mississippi Code of 1972:

598 57-61-45. Notwithstanding any provision of this chapter to  
599 the contrary, the Department of Economic and Community Development  
600 shall utilize not more than Two Million Dollars (\$2,000,000.00)  
601 out of the proceeds of bonds issued in this chapter to provide a  
602 grant to provide funds for the Community Development Grant Fund  
603 established in Section 15 of House Bill No. \_\_\_\_\_, 2000 Regular  
604 Session.

605 The requirements of Section 57-61-9, Mississippi Code of

606 1972, shall not apply to the grant made under this section.

607 SECTION 22. This act shall take effect and be in force from  
608 and after July 1, 2000.