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To: Ways and Means

HOUSE BILL NO. 861

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 this act.  
58 Unexpended amounts remaining in the fund at the end of a fiscal  
59 year shall not lapse into the State General Fund, and any interest

60 earned on amounts in the fund shall be deposited to the fund.

61 SECTION 5. (1) The Department of Economic and Community  
62 Development shall use monies in the Southwest Mississippi  
63 Empowerment Zone Grant Fund to provide grants to eligible  
64 businesses in the Southwest Mississippi Empowerment Zone. No more  
65 than Twenty-five Million Dollars (\$25,000,000) may be disbursed  
66 from the fund to provide grants during the state's 2001 fiscal  
67 year and no more than Five Million Dollars (\$5,000,000.00) may be  
68 disbursed as grants during any subsequent fiscal year. Any  
69 business desiring assistance under this act may apply to the  
70 Department of Economic and Community Development for a grant under  
71 the Southwest Mississippi Empowerment Zone Grant Program. The  
72 application from the business shall include:

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

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

77 (c) The amount of initial capital investment the  
78 business intends to make in the Southwest Mississippi Empowerment  
79 Zone;

80 (d) A letter of intent from the business indicating  
81 that it is committed to remaining in the Southwest Mississippi  
82 Empowerment Zone for at 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 Southwest Mississippi Empowerment Zone within  
94 five (5) years after receiving the grant or if within such period  
95 of time the eligible business's number of employees or the average  
96 hourly wage of its employees falls below the level required to be  
97 an eligible business, the business shall be required to repay the  
98 grant in the proportionate amount that the number of years, or  
99 part of a year, remaining until the expiration of five (5) years  
100 bears to five (5) 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 this act  
117 shall not exceed Thirty-five Million Dollars (\$35,000,000.00).

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

131 SECTION 8. The bonds authorized by this act shall be signed  
132 by the chairman of the commission, or by his facsimile signature,  
133 and the official seal of the commission shall be affixed thereto,  
134 attested by the secretary of the commission. The interest  
135 coupons, if any, to be attached to such bonds may be executed by  
136 the facsimile signatures of such officers. Whenever any such  
137 bonds shall have been signed by the officials designated to sign  
138 the bonds who were in office at the time of such signing but who  
139 may have ceased to be such officers before the sale and delivery  
140 of such bonds, or who may not have been in office on the date such  
141 bonds may bear, the signatures of such officers upon such bonds  
142 and coupons shall nevertheless be valid and sufficient for all  
143 purposes and have the same effect as if the person so officially

144 signing such bonds had remained in office until their delivery to  
145 the purchaser, or had been in office on the date such bonds may  
146 bear. However, notwithstanding anything herein to the contrary,  
147 such bonds may be issued as provided in the Registered Bond Act of  
148 the State of Mississippi.

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

155 SECTION 10. The commission shall act as the issuing agent  
156 for the bonds authorized under this act, prescribe the form of the  
157 bonds, advertise for and accept bids, issue and sell the bonds so  
158 authorized to be sold, pay all fees and costs incurred in such  
159 issuance and sale, and do any and all other things necessary and  
160 advisable in connection with the issuance and sale of such bonds.

161 The commission is authorized and empowered to pay the costs that  
162 are incident to the sale, issuance and delivery of the bonds  
163 authorized under this act from the proceeds derived from the sale  
164 of such bonds. The commission shall sell such bonds on sealed  
165 bids at public sale, and for such price as it may determine to be  
166 for the best interest of the State of Mississippi, but no such  
167 sale shall be made at a price less than par plus accrued interest  
168 to the date of delivery of the bonds to the purchaser. All  
169 interest accruing on such bonds so issued shall be payable  
170 semiannually or annually; however, the first interest payment may  
171 be for any period of not more than one (1) year.

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

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

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

194 SECTION 12. Upon the issuance and sale of bonds under the  
195 provisions of this act, the commission shall transfer the proceeds  
196 of any such sale or sales to the special fund created in Section 4  
197 of this act. The proceeds of such bonds shall be disbursed solely  
198 upon the order of the Department of Economic and Community  
199 Development under such restrictions, if any, as may be contained

200 in the resolution providing for the issuance of the bonds.

201 SECTION 13. The bonds authorized under this act may be  
202 issued without any other proceedings or the happening of any other  
203 conditions or things other than those proceedings, conditions and  
204 things which are specified or required by this act. Any  
205 resolution providing for the issuance of bonds under the  
206 provisions of this act shall become effective immediately upon its  
207 adoption by the commission, and any such resolution may be adopted  
208 at any regular or special meeting of the commission by a majority  
209 of its members.

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

218 SECTION 15. Any holder of bonds issued under the provisions  
219 of this act or of any of the interest coupons pertaining thereto  
220 may, either at law or in equity, by suit, action, mandamus or  
221 other proceeding, protect and enforce any and all rights granted  
222 under this act, or under such resolution, and may enforce and  
223 compel performance of all duties required by this act to be  
224 performed, in order to provide for the payment of bonds and  
225 interest thereon.

226 SECTION 16. All bonds issued under the provisions of this  
227 act shall be legal investments for trustees and other fiduciaries,



228 and for savings banks, trust companies and insurance companies  
229 organized under the laws of the State of Mississippi, and such  
230 bonds shall be legal securities which may be deposited with and  
231 shall be received by all public officers and bodies of this state  
232 and all municipalities and political subdivisions for the purpose  
233 of securing the deposit of public funds.

234 SECTION 17. Bonds issued under the provisions of this act  
235 and income therefrom shall be exempt from all taxation in the  
236 State of Mississippi.

237 SECTION 18. The proceeds of the bonds issued under this act  
238 shall be used solely for the purposes herein provided, including  
239 the costs incident to the issuance and sale of such bonds.

240 SECTION 19. The State Treasurer is authorized, without  
241 further process of law, to certify to the Department of Finance  
242 and Administration the necessity for warrants, and the Department  
243 of Finance and Administration is authorized and directed to issue  
244 such warrants, in such amounts as may be necessary to pay when due  
245 the principal of, premium, if any, and interest on, or the  
246 accreted value of, all bonds issued under this act; and the State  
247 Treasurer shall forward the necessary amount to the designated  
248 place or places of payment of such bonds in ample time to  
249 discharge such bonds, or the interest thereon, on the due dates  
250 thereof.

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

255 SECTION 21. This act shall take effect and be in force from

256 and after its passage.