

By: Harden

To: Finance

SENATE BILL NO. 2734

1 AN ACT TO AMEND SECTIONS 57-75-5 AND 57-75-15, MISSISSIPPI
2 CODE OF 1972, TO INCLUDE CERTAIN FORTUNE 500 COMPANIES WITHIN THE
3 DEFINITION OF THE TERM "PROJECT" UNDER THE MISSISSIPPI MAJOR
4 ECONOMIC IMPACT ACT, AND TO AUTHORIZE THE ISSUANCE OF
5 \$25,000,000.00 IN GENERAL OBLIGATION BONDS IN RELATION TO SUCH
6 PROJECTS; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 57-75-5, Mississippi Code of 1972, is
9 amended as follows:

10 57-75-5. Words and phrases used in this chapter shall have
11 meanings as follows, unless the context clearly indicates a
12 different meaning:

13 (a) "Act" means the Mississippi Major Economic Impact
14 Act as originally enacted or as hereafter amended.

15 (b) "Authority" means the Mississippi Major Economic
16 Impact Authority created pursuant to the act.

17 (c) "Bonds" means general obligation bonds, interim
18 notes and other evidences of debt of the State of Mississippi
19 issued pursuant to this chapter.

20 (d) "Facility related to the project" means and
21 includes any of the following, as the same may pertain to the
22 project within the project area: (i) facilities to provide
23 potable and industrial water supply systems, sewage and waste
24 disposal systems and water, natural gas and electric transmission
25 systems to the site of the project; (ii) airports, airfields and
26 air terminals; (iii) rail lines; (iv) port facilities; (v)
27 highways, streets and other roadways; (vi) public school
28 buildings, classrooms and instructional facilities, including any

29 functionally related facilities; (vii) parks, outdoor recreation
30 facilities and athletic facilities; (viii) auditoriums, pavilions,
31 campgrounds, art centers, cultural centers, folklore centers and
32 other public facilities; and (ix) health care facilities, public
33 or private.

34 (e) "Person" means any natural person, corporation,
35 association, partnership, receiver, trustee, guardian, executor,
36 administrator, fiduciary, governmental unit, public agency,
37 political subdivision, or any other group acting as a unit, and
38 the plural as well as the singular.

39 (f) "Project" means:

40 (i) Any industrial, commercial, research and
41 development, warehousing, distribution, transportation,
42 processing, mining, United States government or tourism enterprise
43 together with all real property required for construction,
44 maintenance and operation of the enterprise with an initial
45 capital investment of not less than Three Hundred Million Dollars
46 (\$300,000,000.00) from private or United States government sources
47 together with all buildings, and other supporting land and
48 facilities, structures or improvements of whatever kind required
49 or useful for construction, maintenance and operation of the
50 enterprise; "project" shall also include any addition to or
51 expansion of an existing enterprise if such addition or expansion
52 has an initial capital investment of not less than Three Hundred
53 Million Dollars (\$300,000,000.00) from private or United States
54 government sources.

55 (ii) Any enterprise that directly will employ and
56 maintain a minimum of three thousand five hundred (3,500) people
57 within a three-year period with an initial capital investment from
58 any source of not less than Fifty Million Dollars
59 (\$50,000,000.00). The provisions of this subparagraph (ii) shall
60 be repealed from and after July 1, 1996.

61 (iii) Any major capital project designed to
62 improve, expand or otherwise enhance any active duty United States
63 Air Force or Navy training bases or naval stations, their support
64 areas or their military operations, upon designation by the
65 authority that any such base was or is at risk to be recommended

66 for closure or realignment pursuant to the Defense Base Closure
67 and Realignment Act of 1990; or any major development project
68 determined by the authority to be necessary to acquire base
69 properties and to provide employment opportunities through
70 construction of projects as defined in Section 57-3-5, which shall
71 be located on or provide direct support service or access to such
72 military installation property as such property exists on July 1,
73 1993, in the event of closure or reduction of military operations
74 at the installation. From and after July 1, 1997, projects
75 described in this subparagraph (iii) shall not be considered to be
76 within the meaning of the term "project" for purposes of this
77 section, unless such projects are commenced before July 1, 1997,
78 and shall not be eligible for any funding provided under the
79 Mississippi Major Economic Impact Act.

80 (iv) Any enterprise to be maintained, improved or
81 constructed in Tishomingo County by or for a National Aeronautics
82 and Space Administration facility in such county.

83 (v) Any major capital project designed to improve,
84 expand or enhance any state-owned port facility located on the
85 Gulf of Mexico, which project will support and attract a two
86 million (2,000,000) ton increase in cargo and three hundred fifty
87 (350) direct port-related jobs and which is in keeping with a
88 developed and approved master plan, or any major capital project
89 developed under the name "Project Greystone" and/or any major
90 capital project designed to build, construct or develop an
91 automobile or truck assembly facility within the State of
92 Mississippi, which project or facility will create, directly or
93 indirectly, two thousand (2,000) jobs with an initial capital
94 investment from any source of not less than Three Hundred Fifty
95 Million Dollars (\$350,000,000.00). The architectural and
96 engineering fees on any such project shall not exceed four and
97 one-half percent (4-1/2%) of the total construction cost of such
98 project.

99 (vi) Any major capital project designed to
100 construct the corporate headquarters and initial factory, to be
101 located in the Golden Triangle Region of the state, for any
102 Mississippi corporation that develops, constructs and operates
103 automated robotic systems to improve the quality of, and reduce
104 the costs of, manufacturing wire harness assemblies for certain
105 industries, or manufactures thin film polymer lithium-ion
106 rechargeable batteries which project has a ten-year strategic plan
107 of supporting one thousand (1,000) direct project-related jobs for
108 each group of wire harness contracts amounting to Thirty-five
109 Million Dollars (\$35,000,000.00), or which has a ten-year
110 strategic plan of supporting one thousand five hundred (1,500)
111 direct project-related jobs for each group of polymer lithium-ion
112 rechargeable battery contracts amounting to Forty Million Dollars
113 (\$40,000,000.00).

114 (vii) Any real property owned or controlled by the
115 National Aeronautics and Space Administration, the United States
116 government, or any agency thereof, which is legally conveyed to
117 the State of Mississippi or to the State of Mississippi for the
118 benefit of the Mississippi Major Economic Impact Authority, its
119 successors and assigns pursuant to Section 212 of Public Law
120 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

121 (viii) Any major capital project designed to
122 manufacture, produce and transmit electrical power using natural
123 gas as its primary raw material to be constructed and maintained
124 in Panola County, Mississippi, with an initial capital investment
125 of not less than Two Hundred Fifty Million Dollars
126 (\$250,000,000.00).

127 (ix) Any Fortune 500 company which is
128 headquartered and home based in Mississippi with a resident
129 employment level of not less than one thousand 1,000 current or
130 net new full-time jobs, and with not less than fifty thousand
131 (50,000) total employees and Twenty Billion Dollars

132 (\$20,000,000,000.00) in gross revenue.

133 (g) "Project area" means the project site, together
134 with any area or territory within the state lying within
135 sixty-five (65) miles of any portion of the project site whether
136 or not such area or territory be contiguous. The project area
137 shall also include all territory within a county if any portion of
138 such county lies within sixty-five (65) miles of any portion of
139 the project site. "Project site" means the real property on which
140 the principal facilities of the enterprise will operate.

141 (h) "Public agency" means:

142 (i) Any department, board, commission, institution
143 or other agency or instrumentality of the state;

144 (ii) Any city, town, county, political
145 subdivision, school district or other district created or existing
146 under the laws of the state or any public agency of any such city,
147 town, county, political subdivision or district;

148 (iii) Any department, commission, agency or
149 instrumentality of the United States of America; and

150 (iv) Any other state of the United States of
151 America which may be cooperating with respect to location of the
152 project within the state, or any agency thereof.

153 (i) "State" means State of Mississippi.

154 SECTION 2. Section 57-75-15, Mississippi Code of 1972 is
155 amended as follows:

156 57-75-15. (1) Upon notification to the authority by the
157 enterprise that the state has been finally selected as the site
158 for the project, the State Bond Commission shall have the power
159 and is hereby authorized and directed, upon receipt of a
160 declaration from the authority as hereinafter provided, to borrow
161 money and issue general obligation bonds of the state in one or
162 more series for the purposes herein set out. Upon such
163 notification, the authority may thereafter from time to time
164 declare the necessity for the issuance of general obligation bonds

165 as authorized by this section and forward such declaration to the
166 State Bond Commission, provided that before such notification, the
167 authority may enter into agreements with the United States
168 government, private companies and others that will commit the
169 authority to direct the State Bond Commission to issue bonds for
170 eligible undertakings set out in subsection (4) of this section,
171 conditioned on the siting of the project in the state.

172 (2) Upon receipt of any such declaration from the authority,
173 the State Bond Commission shall verify that the state has been
174 selected as the site of the project and shall act as the issuing
175 agent for the series of bonds directed to be issued in such
176 declaration pursuant to authority granted in this section.

177 (3) (a) Bonds issued under the authority of this section
178 for projects as defined in Section 57-75-5(f)(i) shall not exceed
179 an aggregate principal amount in the sum of Sixty-two Million
180 Dollars (\$62,000,000.00).

181 (b) Bonds issued under the authority of this section
182 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
183 Ninety Million Dollars (\$90,000,000.00). The provisions of this
184 paragraph (b) shall be repealed from and after July 1, 1996.

185 (c) Bonds issued under the authority of this section
186 for projects as defined in Section 57-75-5(f)(iii) shall not
187 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds
188 issued for projects related to any single military installation
189 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars
190 (\$16,667,000.00). If any proceeds of bonds issued for projects
191 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
192 used for the development of a water and sewer service system by
193 the City of Meridian, Mississippi, to serve the NAAS and if the
194 City of Meridian annexes any of the territory served by the water
195 and sewer service system, the city shall repay the State of
196 Mississippi the amount of all bond proceeds expended on any
197 portion of the water and sewer service system project; and if

198 there are any monetary proceeds derived from the disposition of
199 any improvements located on real property in Kemper County
200 purchased pursuant to this act for projects related to the NAAS
201 and if there are any monetary proceeds derived from the
202 disposition of any timber located on real property in Kemper
203 County purchased pursuant to this act for projects related to the
204 NAAS, all of such proceeds (both from the disposition of
205 improvements and the disposition of timber) commencing July 1,
206 1996, through June 30, 2010, shall be paid to the Board of
207 Education of Kemper County, Mississippi, for expenditure by such
208 board of education to benefit the public schools of Kemper County.

209 No bonds shall be issued under this paragraph (c) until the State
210 Bond Commission by resolution adopts a finding that the issuance
211 of such bonds will improve, expand or otherwise enhance the
212 military installation, its support areas or military operations,
213 or will provide employment opportunities to replace those lost by
214 closure or reductions in operations at the military installation.
215 From and after July 1, 1997, bonds shall not be issued for any
216 projects, as defined in Section 57-75-5(f)(iii), which are not
217 commenced before July 1, 1997. The proceeds of any bonds issued
218 for projects commenced before July 1, 1997, shall be used for the
219 purposes for which the bonds were issued until completion of the
220 projects.

221 (d) Bonds issued under the authority of this section
222 for projects as defined in Section 57-75-5(f)(iv) shall not exceed
223 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
224 under this paragraph after December 31, 1996.

225 (e) Bonds issued under the authority of this section
226 for projects defined in Section 57-75-5(f)(v) shall not exceed One
227 Hundred Ten Million Dollars (\$110,000,000.00). No bonds shall be
228 issued under this paragraph after June 30, 2001.

229 (f) Bonds issued under the authority of this section
230 for the project defined in Section 57-75-5(f)(vi) shall not exceed

231 Twenty Million Three Hundred Seventy Thousand Dollars
232 (\$20,370,000.00). No bonds shall be issued under this paragraph
233 (f) until the State Bond Commission by resolution adopts a finding
234 that the project has secured wire harness contracts or contracts
235 to manufacture thin film polymer lithium-ion rechargeable
236 batteries, or any combination of such contracts, in the aggregate
237 amount of Twenty Million Dollars (\$20,000,000.00), either from the
238 United States government or the private sector. No bonds shall be
239 issued under this paragraph after June 30, 2001.

240 (g) Bonds issued under the authority of this section
241 for projects defined in Section 57-75-5(f)(viii) shall not exceed
242 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
243 issued after June 30, 2001.

244 (h) Bonds issued under the authority of this section
245 for projects defined in Section 57-75-5(f)(ix) shall not exceed
246 Twenty-five Million Dollars (\$25,000,000.00).

247 (4) The proceeds from the sale of the bonds issued under
248 this section may be applied for the purposes of: (a) defraying
249 all or any designated portion of the costs incurred with respect
250 to acquisition, planning, design, construction, installation,
251 rehabilitation, improvement, relocation and with respect to
252 state-owned property, operation and maintenance of the project and
253 any facility related to the project located within the project
254 area, including costs of design and engineering, all costs
255 incurred to provide land, easements and rights-of-way, relocation
256 costs with respect to the project and with respect to any facility
257 related to the project located within the project area, and costs
258 associated with mitigation of environmental impacts; (b) providing
259 for the payment of interest on the bonds; (c) providing debt
260 service reserves; and (d) paying underwriters' discount, original
261 issue discount, accountants' fees, engineers' fees, attorneys'
262 fees, rating agency fees and other fees and expenses in connection
263 with the issuance of the bonds. Such bonds shall be issued from

264 time to time and in such principal amounts as shall be designated
265 by the authority, not to exceed in aggregate principal amounts the
266 amount authorized in subsection (3) of this section. Proceeds
267 from the sale of the bonds issued under this section may be
268 invested, subject to federal limitations, pending their use, in
269 such securities as may be specified in the resolution authorizing
270 the issuance of the bonds or the trust indenture securing them,
271 and the earning on such investment applied as provided in such
272 resolution or trust indenture.

273 (5) The principal of and the interest on the bonds shall be
274 payable in the manner hereinafter set forth. The bonds shall bear
275 date or dates; be in such denomination or denominations; bear
276 interest at such rate or rates; be payable at such place or places
277 within or without the state; mature absolutely at such time or
278 times; be redeemable before maturity at such time or times and
279 upon such terms, with or without premium; bear such registration
280 privileges; and be substantially in such form; all as shall be
281 determined by resolution of the State Bond Commission except that
282 such bonds shall mature or otherwise be retired in annual
283 installments beginning not more than five (5) years from the date
284 thereof and extending not more than twenty-five (25) years from
285 the date thereof. The bonds shall be signed by the Chairman of
286 the State Bond Commission, or by his facsimile signature, and the
287 official seal of the State Bond Commission shall be imprinted on
288 or affixed thereto, attested by the manual or facsimile signature
289 of the Secretary of the State Bond Commission. Whenever any such
290 bonds have been signed by the officials herein designated to sign
291 the bonds, who were in office at the time of such signing but who
292 may have ceased to be such officers before the sale and delivery
293 of such bonds, or who may not have been in office on the date such
294 bonds may bear, the signatures of such officers upon such bonds
295 shall nevertheless be valid and sufficient for all purposes and
296 have the same effect as if the person so officially signing such

297 bonds had remained in office until the delivery of the same to the
298 purchaser, or had been in office on the date such bonds may bear.

299 (6) All bonds issued under the provisions of this section
300 shall be and are hereby declared to have all the qualities and
301 incidents of negotiable instruments under the provisions of the
302 Uniform Commercial Code and in exercising the powers granted by
303 this chapter, the State Bond Commission shall not be required to
304 and need not comply with the provisions of the Uniform Commercial
305 Code.

306 (7) The State Bond Commission shall sell the bonds on sealed
307 bids at public sale, and for such price as it may determine to be
308 for the best interest of the State of Mississippi, but no such
309 sale shall be made at a price less than par plus accrued interest
310 to date of delivery of the bonds to the purchaser. The bonds
311 shall bear interest at such rate or rates not exceeding the limits
312 set forth in Section 75-17-101 as shall be fixed by the State Bond
313 Commission. All interest accruing on such bonds so issued shall
314 be payable semiannually or annually; provided that the first
315 interest payment may be for any period of not more than one (1)
316 year.

317 Notice of the sale of any bonds shall be published at least
318 one (1) time, the first of which shall be made not less than ten
319 (10) days prior to the date of sale, and shall be so published in
320 one or more newspapers having a general circulation in the City of
321 Jackson and in one or more other newspapers or financial journals
322 with a large national circulation, to be selected by the State
323 Bond Commission.

324 The State Bond Commission, when issuing any bonds under the
325 authority of this section, may provide that the bonds, at the
326 option of the state, may be called in for payment and redemption
327 at the call price named therein and accrued interest on such date
328 or dates named therein.

329 (8) State bonds issued under the provisions of this section

330 shall be the general obligations of the state and backed by the
331 full faith and credit of the state. The Legislature shall
332 appropriate annually an amount sufficient to pay the principal of
333 and the interest on such bonds as they become due. All bonds
334 shall contain recitals on their faces substantially covering the
335 foregoing provisions of this section.

336 (9) The State Treasurer is authorized to certify to the
337 Department of Finance and Administration the necessity for
338 warrants, and the Department of Finance and Administration is
339 authorized and directed to issue such warrants payable out of any
340 funds appropriated by the Legislature under this section for such
341 purpose, in such amounts as may be necessary to pay when due the
342 principal of and interest on all bonds issued under the provisions
343 of this section. The State Treasurer shall forward the necessary
344 amount to the designated place or places of payment of such bonds
345 in ample time to discharge such bonds, or the interest thereon, on
346 the due dates thereof.

347 (10) The bonds may be issued without any other proceedings
348 or the happening of any other conditions or things other than
349 those proceedings, conditions and things which are specified or
350 required by this chapter. Any resolution providing for the
351 issuance of general obligation bonds under the provisions of this
352 section shall become effective immediately upon its adoption by
353 the State Bond Commission, and any such resolution may be adopted
354 at any regular or special meeting of the State Bond Commission by
355 a majority of its members.

356 (11) In anticipation of the issuance of bonds hereunder, the
357 State Bond Commission is authorized to negotiate and enter into
358 any purchase, loan, credit or other agreement with any bank, trust
359 company or other lending institution or to issue and sell interim
360 notes for the purpose of making any payments authorized under this
361 section. All borrowings made under this provision shall be
362 evidenced by notes of the state which shall be issued from time to

363 time, for such amounts not exceeding the amount of bonds
364 authorized herein, in such form and in such denomination and
365 subject to such terms and conditions of sale and issuance,
366 prepayment or redemption and maturity, rate or rates of interest
367 not to exceed the maximum rate authorized herein for bonds, and
368 time of payment of interest as the State Bond Commission shall
369 agree to in such agreement. Such notes shall constitute general
370 obligations of the state and shall be backed by the full faith and
371 credit of the state. Such notes may also be issued for the
372 purpose of refunding previously issued notes; except that no notes
373 shall mature more than three (3) years following the date of
374 issuance of the first note hereunder and provided further, that
375 all outstanding notes shall be retired from the proceeds of the
376 first issuance of bonds hereunder. The State Bond Commission is
377 authorized to provide for the compensation of any purchaser of the
378 notes by payment of a fixed fee or commission and for all other
379 costs and expenses of issuance and service, including paying agent
380 costs. Such costs and expenses may be paid from the proceeds of
381 the notes.

382 (12) The bonds and interim notes authorized under the
383 authority of this section may be validated in the First Judicial
384 District of the Chancery Court of Hinds County, Mississippi, in
385 the manner and with the force and effect provided now or hereafter
386 by Chapter 13, Title 31, Mississippi Code of 1972, for the
387 validation of county, municipal, school district and other bonds.
388 The necessary papers for such validation proceedings shall be
389 transmitted to the state bond attorney, and the required notice
390 shall be published in a newspaper published in the City of
391 Jackson, Mississippi.

392 (13) Any bonds or interim notes issued under the provisions
393 of this chapter, a transaction relating to the sale or securing of
394 such bonds or interim notes, their transfer and the income
395 therefrom shall at all times be free from taxation by the state or

396 any local unit or political subdivision or other instrumentality
397 of the state, excepting inheritance and gift taxes.

398 (14) All bonds issued under this chapter shall be legal
399 investments for trustees, other fiduciaries, savings banks, trust
400 companies and insurance companies organized under the laws of the
401 State of Mississippi; and such bonds shall be legal securities
402 which may be deposited with and shall be received by all public
403 officers and bodies of the state and all municipalities and other
404 political subdivisions thereof for the purpose of securing the
405 deposit of public funds.

406 (15) The Attorney General of the State of Mississippi shall
407 represent the State Bond Commission in issuing, selling and
408 validating bonds herein provided for, and the bond commission is
409 hereby authorized and empowered to expend from the proceeds
410 derived from the sale of the bonds authorized hereunder all
411 necessary administrative, legal and other expenses incidental and
412 related to the issuance of bonds authorized under this chapter.

413 (16) There is hereby created a special fund in the State
414 Treasury to be known as the Mississippi Major Economic Impact
415 Authority Fund wherein shall be deposited the proceeds of the
416 bonds issued under this chapter and all monies received by the
417 authority to carry out the purposes of this chapter. Expenditures
418 authorized herein shall be paid by the State Treasurer upon
419 warrants drawn from the fund, and the Department of Finance and
420 Administration shall issue warrants upon requisitions signed by
421 the director of the authority.

422 (17) (a) There is hereby created the Mississippi Economic
423 Impact Authority Sinking Fund from which the principal of and
424 interest on such bonds shall be paid by appropriation. All monies
425 paid into the sinking fund not appropriated to pay accruing bonds
426 and interest shall be invested by the State Treasurer in such
427 securities as are provided by law for the investment of the
428 sinking funds of the state.

429 (b) In the event that all or any part of the bonds and
430 notes are purchased, they shall be canceled and returned to the
431 loan and transfer agent as canceled and paid bonds and notes and
432 thereafter all payments of interest thereon shall cease and the
433 canceled bonds, notes and coupons, together with any other
434 canceled bonds, notes and coupons, shall be destroyed as promptly
435 as possible after cancellation but not later than two (2) years
436 after cancellation. A certificate evidencing the destruction of
437 the canceled bonds, notes and coupons shall be provided by the
438 loan and transfer agent to the seller.

439 (c) The State Treasurer shall determine and report to
440 the Department of Finance and Administration and Legislative
441 Budget Office by September 1 of each year the amount of money
442 necessary for the payment of the principal of and interest on
443 outstanding obligations for the following fiscal year and the
444 times and amounts of the payments. It shall be the duty of the
445 Governor to include in every executive budget submitted to the
446 Legislature full information relating to the issuance of bonds
447 and notes under the provisions of this chapter and the status of
448 the sinking fund for the payment of the principal of and interest
449 on the bonds and notes.

450 SECTION 3. This act shall take effect and be in force from
451 and after July 1, 2000.