

By: Minor

To: Finance

SENATE BILL NO. 3316  
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 57-1-307, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY BE  
3 ISSUED UNDER THE LOCAL GOVERNMENTS CAPITAL IMPROVEMENTS REVOLVING  
4 LOAN PROGRAM FOR PROJECTS THAT WOULD QUALIFY FOR THE ISSUANCE OF  
5 BONDS WHOSE INTEREST IS EXEMPT FROM INCOME TAXATION UNDER THE  
6 PROVISIONS OF THE INTERNAL REVENUE CODE, FROM \$5,000,000.00 TO  
7 \$13,500,000.00; TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF  
8 1972, TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY  
9 BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FROM  
10 \$254,750,000.00 TO \$256,250,000.00; TO AMEND SECTION 57-61-36,  
11 MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF GRANTS THAT  
12 MAY BE ISSUED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY  
13 DEVELOPMENT UNDER THE DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM  
14 UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FROM \$9,000,000.00  
15 TO \$10,500,000.00; TO AMEND SECTION 65-4-25, MISSISSIPPI CODE OF  
16 1972, TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY  
17 BE ISSUED UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT FROM  
18 \$135,000,000.00 TO \$150,000,000.00; TO AMEND SECTION 69-2-13,  
19 MISSISSIPPI CODE OF 1972, TO EXTEND THE PROGRAM THAT AUTHORIZES  
20 THE MISSISSIPPI BUSINESS FINANCE CORPORATION TO LOAN OR GRANT  
21 FUNDS TO CERTAIN ENTITIES FOR LOAN REVOLVING FUNDS TO ASSIST IN  
22 PROVIDING FINANCING FOR MINORITY ECONOMIC DEVELOPMENT AND TO  
23 INCREASE THE AMOUNT THAT MAY BE DRAWN FOR SUCH PURPOSE FROM THE  
24 EMERGING CROPS FUND FROM \$16,000,000.00 TO \$18,000,000.00; TO  
25 AUTHORIZE THE PROGRAM THAT GUARANTEES CERTAIN BONDS THAT MINORITY  
26 BUSINESSES ARE REQUIRED TO OBTAIN CONTRACTS WITH GOVERNMENTAL  
27 ENTITIES TO APPLY TO CONTRACTS WITH FEDERAL AGENCIES; TO EXTEND  
28 THE DATE OF THE REPEAL OF PROVISIONS CONCERNING THE SMALL FARM  
29 DEVELOPMENT CENTER AT ALCORN STATE UNIVERSITY; TO AMEND SECTION  
30 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF THE  
31 BONDS THAT MAY BE ISSUED GENERALLY FOR THE EMERGING CROPS FUND  
32 FROM \$95,000,000.00 TO \$97,000,000.00 AND TO PROVIDE FOR THE  
33 ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF  
34 \$15,000,000.00 TO PROVIDE FUNDS FOR THE EMERGING CROPS FUND TO BE  
35 LOANED FOR THE CONSTRUCTION OF NEW POULTRY HOUSES; TO AMEND  
36 SECTION 57-75-15, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT  
37 OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI MAJOR ECONOMIC  
38 IMPACT ACT FOR CERTAIN PROJECTS FROM \$62,000,000.00 TO  
39 \$63,000,000.00; TO BRING FORWARD CHAPTER 967, LOCAL AND PRIVATE  
40 LAWS OF 1994, WHICH AUTHORIZES THE CITY OF TUPELO TO LEVY A SALES  
41 TAX; AND FOR RELATED PURPOSES.

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

43 SECTION 1. Section 57-1-307, Mississippi Code of 1972, is  
44 amended as follows:[WAN1]

45 57-1-307. (1) The State Bond Commission, at one time, or

46 from time to time, may declare by resolution the necessity for  
47 issuance of general obligation bonds of the State of Mississippi  
48 to provide funds for all costs incurred or to be incurred for the  
49 purposes described in Section 57-1-303. Upon the adoption of a  
50 resolution by the Department of Economic and Community  
51 Development, declaring the necessity for the issuance of any part  
52 or all of the general obligation bonds authorized by this section,  
53 the Department of Economic and Community Development shall deliver  
54 a certified copy of its resolution or resolutions to the State  
55 Bond Commission. Upon receipt of such resolution, the State Bond  
56 Commission, in its discretion, may act as the issuing agent,  
57 prescribe the form of the bonds, advertise for and accept bids,  
58 issue and sell the bonds so authorized to be sold and do any and  
59 all other things necessary and advisable in connection with the  
60 issuance and sale of such bonds. The total amount of bonds issued  
61 under Sections 57-1-307 through 57-1-335 shall not exceed  
62 Ninety-five Million Dollars (\$95,000,000.00); provided, however,  
63 that an additional amount of bonds may be issued under Sections  
64 57-1-307 and 57-1-335 in an amount not to exceed Thirteen Million  
65 Five Hundred Thousand Dollars (\$13,500,000.00), and the proceeds  
66 of any such additional amount of bonds so issued shall be utilized  
67 solely to provide loans for capital improvements that would  
68 qualify for the issuance of bonds whose interest is exempt from  
69 income taxation under the provisions of the Internal Revenue Code.

70 (2) Proceeds from the sale of bonds shall be deposited in  
71 the special fund created in Section 57-1-303. Any investment  
72 earnings on amounts deposited into the special fund created in  
73 Section 57-1-303 shall be used to pay debt service on bonds issued  
74 under Sections 57-1-307 through 57-1-335, in accordance with the  
75 proceedings authorizing issuance of such bonds.

76 SECTION 2. Section 57-61-25, Mississippi Code of 1972, is  
77 amended as follows:[WAN2]

78 57-61-25. (1) The seller is authorized to borrow, on the

79 credit of the state upon receipt of a resolution from the  
80 department requesting the same, money not exceeding the aggregate  
81 sum of Two Hundred Fifty-six Million Two Hundred Fifty Thousand  
82 Dollars (\$256,250,000.00), not including money borrowed to refund  
83 outstanding bonds, notes or replacement notes, as may be necessary  
84 to carry out the purposes of this chapter. The aggregate amount  
85 of bonds issued prior to June 30, 1987, shall not exceed Fifty  
86 Million Dollars (\$50,000,000.00); provided, however, this Fifty  
87 Million Dollar (\$50,000,000.00) limitation shall not be construed  
88 to limit the aggregate amount of grants which may be awarded prior  
89 to June 30, 1987, to less than the full amount authorized under  
90 Section 57-61-15(1), Mississippi Code of 1972. The rate of  
91 interest on any such bonds or notes which are not subject to  
92 taxation shall not exceed the rates set forth in Section  
93 75-17-101, Mississippi Code of 1972, for general obligation bonds.

94 (2) As evidence of indebtedness authorized in this chapter,  
95 general or limited obligation bonds of the state shall be issued  
96 from time to time, to provide monies necessary to carry out the  
97 purposes of this chapter for such total amounts, in such form, in  
98 such denominations payable in such currencies (either domestic or  
99 foreign or both) and subject to such terms and conditions of  
100 issue, redemption and maturity, rate of interest and time of  
101 payment of interest as the seller directs, except that such bonds  
102 shall mature or otherwise be retired in annual installments  
103 beginning not more than five (5) years from date thereof and  
104 extending not more than thirty (30) years from date thereof.

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

109 (4) All bonds and notes issued under authority of this  
110 chapter may be general or limited obligations of the state, and  
111 the full faith and credit of the State of Mississippi as to

112 general obligation bonds, or the revenues derived from projects  
113 assisted as to limited obligation bonds, are hereby pledged for  
114 the payment of the principal of and interest on such bonds and  
115 notes.

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

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

122 (7) The seller is authorized to provide, by resolution, for  
123 the issuance of refunding bonds for the purpose of refunding any  
124 debt issued under the provision of this chapter and then  
125 outstanding, either by voluntary exchange with the holders of the  
126 outstanding debt or to provide funds to redeem and the costs of  
127 issuance and retirement of the debt, at maturity or at any call  
128 date. The issuance of the refunding bonds, the maturities and  
129 other details thereof, the rights of the holders thereof and the  
130 duties of the issuing officials in respect to the same shall be  
131 governed by the provisions of this section, insofar as they may be  
132 applicable.

133 (8) As to bonds issued hereunder and designated as taxable  
134 bonds by the seller, any immunity of the state to taxation by the  
135 United States government of interest on bonds or notes issued by  
136 the state is hereby waived.

137 SECTION 3. Section 57-61-36, Mississippi Code of 1972, is  
138 amended as follows:[WAN3]

139 57-61-36. (1) Notwithstanding any provision of this chapter  
140 to the contrary, the Department of Economic and Community  
141 Development shall utilize not more than Ten Million Five Hundred  
142 Thousand Dollars (\$10,500,000.00) out of the proceeds of bonds  
143 authorized to be issued in this chapter for the purpose of making  
144 grants to municipalities through a development infrastructure

145 grant fund to complete infrastructure related to new or expanded  
146 industry.

147 (2) Notwithstanding any provision of this chapter to the  
148 contrary, the Department of Economic and Community Development may  
149 utilize not more than Seven Million Dollars (\$7,000,000.00) out of  
150 the proceeds of bonds authorized to be issued in this chapter for  
151 the purpose of making interest-bearing loans to any agency,  
152 department, institution, instrumentality or political subdivision  
153 of the state; or any agency, department, institution or  
154 instrumentality of any political subdivision of the state; or any  
155 business, organization, corporation, association or other legal  
156 entity meeting criteria established by the department, through a  
157 housing development revolving loan fund, to construct or repair  
158 housing for low or moderate income earners; provided, however,  
159 that the department may not utilize any bond proceeds authorized  
160 under this chapter for the purpose of making any loans to the  
161 Mississippi Home Corporation for any purpose whatsoever. No more  
162 than forty percent (40%) of the additional bonds authorized by  
163 this section in House Bill No. 1694, 1998 Regular Session [Laws,  
164 1998, Chapter 559], may be used for multiple family housing  
165 activities. Funds authorized under this subsection may be  
166 deposited in the Mississippi Affordable Housing Development Fund  
167 authorized in Section 43-33-759 and used for purposes authorized  
168 by that section. This subsection (2) shall be repealed from and  
169 after July 1, 2001.

170 (3) Notwithstanding any provision of this chapter to the  
171 contrary, the Department of Economic and Community Development  
172 shall utilize not more than Five Million Dollars (\$5,000,000.00)  
173 out of the proceeds of bonds authorized to be issued in this  
174 chapter for the purpose of making grants to municipalities through  
175 an equipment and public facilities grant fund to aid in  
176 infrastructure-related improvements as determined by the  
177 Department of Economic and Community Development, the purchase of

178 equipment and in the purchase, construction or repair and  
179 renovation of public facilities. Any bonds previously issued for  
180 the Development Infrastructure Revolving Loan Program which have  
181 not been loaned or applied for are eligible to be administered as  
182 grants.

183 The requirements of Section 57-61-9 shall not apply to any  
184 grant made under this subsection. The Department of Economic and  
185 Community Development may establish criteria and guidelines to  
186 govern grants made pursuant to this subsection.

187 SECTION 4. Section 65-4-25, Mississippi Code of 1972, is  
188 amended as follows:[WAN4]

189 65-4-25. The Mississippi Department of Economic and  
190 Community Development, acting through its executive director, is  
191 authorized, at one time or from time to time, to declare by  
192 resolution the necessity for issuance of negotiable general  
193 obligation bonds of the State of Mississippi to provide funds for  
194 the Economic Development Highway Fund established in Section  
195 65-4-15, Mississippi Code of 1972. Upon the adoption of a  
196 resolution by the Executive Director of the Mississippi Department  
197 of Economic and Community Development, declaring the necessity for  
198 the issuance of any part or all of the general obligation bonds  
199 authorized by Sections 65-4-25 through 65-4-45, Mississippi Code  
200 of 1972, the executive director shall deliver a certified copy of  
201 his resolution or resolutions to the State Bond Commission. Upon  
202 receipt of same, the State Bond Commission, in its discretion,  
203 shall act as the issuing agent, prescribe the form of the bonds,  
204 advertise for and accept bids, issue and sell the bonds so  
205 authorized to be sold, and do any and all other things necessary  
206 and advisable in connection with the issuance and sale of such  
207 bonds. The principal amount of bonds issued under Sections  
208 65-4-25 through 65-4-45, Mississippi Code of 1972, shall not  
209 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in the  
210 aggregate. However, an additional amount of bonds may be issued

211 under Sections 65-4-25 through 65-4-45, Mississippi Code of 1972,  
212 in an amount not to exceed Seven Million Dollars (\$7,000,000.00),  
213 and the proceeds of any such additional bonds issued shall be used  
214 to provide funding for a high economic benefit project as defined  
215 in Section 65-4-5(1)(c)(vi), Mississippi Code of 1972.

216 SECTION 5. Section 69-2-13, Mississippi Code of 1972, is  
217 amended as follows:[WAN5]

218 69-2-13 (1) There is hereby established in the State  
219 Treasury a fund to be known as the "Emerging Crops Fund," which  
220 shall be used to pay the interest on loans made to farmers for  
221 nonland capital costs of establishing production of emerging crops  
222 on land in Mississippi, and to make loans and grants which are  
223 authorized under this section to be made from the fund. The fund  
224 shall be administered by the Mississippi Department of Economic  
225 and Community Development. A board comprised of the directors of  
226 the department, the Mississippi Cooperative Extension Service, the  
227 Mississippi Small Farm Development Center and the Mississippi  
228 Agricultural and Forestry Experiment Station, or their designees,  
229 shall develop definitions, guidelines and procedures for the  
230 implementation of this chapter. Funds for the Emerging Crops Fund  
231 shall be provided from the issuance of bonds or notes under  
232 Sections 69-2-19 through 69-2-37 and from repayment of interest  
233 loans made from the fund.

234 (2) (a) The Mississippi Business Finance Corporation shall  
235 develop a program which gives fair consideration to making loans  
236 for the processing and manufacturing of goods and services by  
237 agribusiness and small business concerns. It is the policy of the  
238 State of Mississippi that such corporation shall give due  
239 recognition to and shall aid, counsel, assist and protect, insofar  
240 as is possible, the interests of agribusiness and small business  
241 concerns. To ensure that the purposes of this subsection are  
242 carried out, the corporation shall loan not more than One Million  
243 Dollars (\$1,000,000.00) to finance any single agribusiness or

244 small business concern. Loans made pursuant to this subsection  
245 shall be made in accordance with the criteria established in  
246 Section 57-71-11.

247 (b) The Mississippi Business Finance Corporation may,  
248 out of the total amount of bonds authorized to be issued under  
249 this chapter, make available funds to any planning and development  
250 district in accordance with the criteria established in Section  
251 57-71-11. Planning and development districts which receive monies  
252 pursuant to this provision shall use such monies to make loans to  
253 private companies for purposes consistent with this subsection.

254 (c) The Mississippi Business Finance Corporation is  
255 hereby authorized to engage legal services, financial advisors,  
256 appraisers and consultants if needed to review and close loans  
257 made hereunder and to establish and assess reasonable fees  
258 including, but not limited to, liquidation expenses.

259 (3) The department shall, in addition to the other programs  
260 described in this section, provide for a program of loans to be  
261 made to agribusiness enterprises for the purpose of encouraging  
262 thereby the extension of conventional financing and the issuance  
263 of letters of credit to such agribusiness enterprises by private  
264 institutions. Monies to make such loans by the department shall  
265 be drawn from the Emerging Crops Fund. The amount of a loan to  
266 any single agribusiness enterprise shall not exceed twenty percent  
267 (20%) of the total cost of the project for which financing is  
268 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is  
269 less. No interest shall be charged on such loans, and only the  
270 amount actually loaned shall be required to be repaid. Repayments  
271 shall be deposited into the Emerging Crops Fund.

272 (4) Through June 30, 2002, the Mississippi Business Finance  
273 Corporation may loan or grant to qualified planning and  
274 development districts, and to small business investment  
275 corporations, bank-based community development corporations, the  
276 Recruitment and Training Program, Inc., the City of Jackson



277 Business Development Loan Fund, the Lorman Southwest Mississippi  
278 Development Corporation, the West Jackson Community Development  
279 Corporation, the East Mississippi Development Corporation, and  
280 other entities meeting the criteria established by the Mississippi  
281 Business Corporation (all referred to hereinafter as "qualified  
282 entities"), funds for the purpose of establishing loan revolving  
283 funds to assist in providing financing for minority economic  
284 development. The monies loaned or granted by the Mississippi  
285 Business Finance Corporation shall be drawn from the Emerging  
286 Crops Fund and shall not exceed Eighteen Million Dollars  
287 (\$18,000,000.00) in the aggregate. Planning and development  
288 districts or qualified entities which receive monies pursuant to  
289 this provision shall use such monies to make loans to minority  
290 business enterprises consistent with criteria established by the  
291 Mississippi Business Finance Corporation. Such criteria shall  
292 include, at a minimum, the following:

293 (a) The business enterprise must be a private,  
294 for-profit enterprise.

295 (b) If the business enterprise is a proprietorship, the  
296 borrower must be a resident citizen of the State of Mississippi;  
297 if the business enterprise is a corporation or partnership, at  
298 least fifty percent (50%) of the owners must be resident citizens  
299 of the State of Mississippi.

300 (c) The borrower must have at least five percent (5%)  
301 equity interest in the business enterprise.

302 (d) The borrower must demonstrate ability to repay the  
303 loan.

304 (e) The borrower must not be in default of any previous  
305 loan from the state or federal government.

306 (f) Loan proceeds may be used for financing all project  
307 costs associated with development or expansion of a new small  
308 business, including fixed assets, working capital, start-up costs,  
309 rental payments, interest expense during construction and

310 professional fees related to the project.

311 (g) Loan proceeds shall not be used to pay off existing  
312 debt for loan consolidation purposes; to finance the acquisition,  
313 construction, improvement or operation of real property which is  
314 to be held primarily for sale or investment; to provide for, or  
315 free funds, for speculation in any kind of property; or as a loan  
316 to owners, partners or stockholders of the applicant which do not  
317 change ownership interest by the applicant. However, this does  
318 not apply to ordinary compensation for services rendered in the  
319 course of business.

320 (h) The maximum amount that may be loaned to any one  
321 (1) borrower shall be Two Hundred Fifty Thousand Dollars  
322 (\$250,000.00).

323 (i) The Mississippi Business Finance Corporation shall  
324 review each loan before it is made, and no loan shall be made to  
325 any borrower until the loan has been reviewed and approved by the  
326 Mississippi Business Finance Corporation.

327 For the purpose of this subsection, the term "minority  
328 business enterprise" means a socially and economically  
329 disadvantaged small business concern, organized for profit,  
330 performing a commercially useful function which is owned and  
331 controlled by one or more minorities or minority business  
332 enterprises certified by the Mississippi Business Finance  
333 Corporation, at least fifty percent (50%) of whom are resident  
334 citizens of the State of Mississippi. For purposes of this  
335 subsection, the term "socially and economically disadvantaged  
336 small business concern" shall have the meaning ascribed to such  
337 term under the Small Business Act (15 USCS, Section 637(a)), or  
338 women, and the term "owned and controlled" means a business in  
339 which one or more minorities or minority business enterprises  
340 certified by the Mississippi Business Finance Corporation own  
341 sixty percent (60%) or, in the case of a corporation, sixty  
342 percent (60%) of the voting stock, and control sixty percent (60%)

343 of the management and daily business operations of the business.

344 From and after July 1, 2002, monies not loaned or granted by  
345 the Business Finance Corporation to planning and development  
346 districts or qualified entities under this subsection, and monies  
347 not loaned by planning and development districts or qualified  
348 entities, shall be deposited to the credit of the sinking fund  
349 created and maintained in the State Treasury for the retirement of  
350 bonds issued under Section 69-2-19.

351 (5) The Mississippi Business Finance Corporation shall  
352 develop a program which will assist minority business enterprises  
353 by guaranteeing bid, performance and payment bonds which such  
354 minority businesses are required to obtain in order to contract  
355 with federal agencies, state agencies or political subdivisions of  
356 the state. Monies for such program shall be drawn from the monies  
357 allocated under subsection (4) of this section to assist the  
358 financing of minority economic development and shall not exceed  
359 Two Million Dollars (\$2,000,000.00) in the aggregate. The  
360 Mississippi Business Finance Corporation may promulgate rules and  
361 regulations for the operation of the program established pursuant  
362 to this subsection. For the purpose of this subsection (5) the  
363 term "minority business enterprise" has the meaning assigned such  
364 term in subsection (4) of this section.

365 (6) The Mississippi Business Finance Corporation may loan or  
366 grant to public entities and to nonprofit corporations funds to  
367 defray the expense of financing (or to match any funds available  
368 from other public or private sources for the expense of financing)  
369 projects in this state which are devoted to the study, teaching  
370 and/or promotion of regional crafts and which are deemed by the  
371 corporation to be significant tourist attractions. The monies  
372 loaned or granted shall be drawn from the Emerging Crops Fund and  
373 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
374 in the aggregate.

375 (7) Through June 30, 1998, the Mississippi Business Finance

376 Corporation shall make available to the Mississippi Department of  
377 Agriculture and Commerce funds for the purpose of establishing  
378 loan revolving funds and other methods of financing for  
379 agribusiness programs administered under the Mississippi  
380 Agribusiness Council Act of 1993. The monies made available by  
381 the Mississippi Business Finance Corporation shall be drawn from  
382 the Emerging Crops Fund and shall not exceed Seven Hundred  
383 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi  
384 Department of Agriculture and Commerce shall establish control and  
385 auditing procedures for use of these funds. These funds will be  
386 used primarily for quick payment to farmers for vegetable and  
387 fruit crops processed and sold through vegetable processing plants  
388 associated with the Department of Agriculture and Commerce and the  
389 Mississippi State Extension Service.

390 (8) From and after July 1, 1996, the Mississippi Business  
391 Finance Corporation shall make available to the Mississippi Small  
392 Farm Development Center One Million Dollars (\$1,000,000.00) to be  
393 used by the center to assist small entrepreneurs as provided in  
394 Section 37-101-25, Mississippi Code of 1972. The monies made  
395 available by the Mississippi Business Finance Corporation shall be  
396 drawn from the Emerging Crops Fund.

397 (9) The Mississippi Business Finance Corporation shall make  
398 available to the Mississippi Department of Agriculture and  
399 Commerce for disbursement, upon warrant or warrants issued by the  
400 State Fiscal Officer upon requisitions made by the Commissioner of  
401 Agriculture and Commerce, or his designee, to the Certified Cotton  
402 Growers Organization, as defined in Section 69-37-5, funds on a  
403 one-time basis in a lump sum, an amount not to exceed Two Million  
404 Dollars (\$2,000,000.00) for the purpose of assisting in carrying  
405 out the purposes of the Mississippi Boll Weevil Management Act.  
406 The monies made available by the Mississippi Business Finance  
407 Corporation shall be drawn from the Emerging Crops Fund. This  
408 subsection (9) shall be repealed from and after June 30, 1999.

409           (10) Upon request by resolution of the Board of Directors of  
410 the Institute for Technology Development and the Mississippi  
411 Agribusiness Council, the Mississippi Business Finance Corporation  
412 shall make available to the Institute for Technology Development  
413 on a one-time basis, an amount not to exceed Two Hundred Fifty  
414 Thousand Dollars (\$250,000.00) from the cash balance of the  
415 Emerging Crops Fund to support the development of a cooperative  
416 program for agribusiness development with the Alternative  
417 Agriculture Research and Commercialization Program (AARC) of the  
418 United States Department of Agriculture.

419           (11) The Mississippi Business Finance Corporation shall make  
420 available to the Mississippi Forestry Commission on a lump sum  
421 amount not to exceed Five Hundred Thousand Dollars (\$500,000.00)  
422 to be drawn from the Emerging Crops Fund and used for the  
423 commission's Reforestation Cost-Share Program. This subsection  
424 (11) shall be repealed from and after June 30, 1999.

425           (12) The Mississippi Business Finance Corporation shall make  
426 available to the Mississippi Forestry Commission for fiscal year  
427 1999 a lump sum amount not to exceed Three Million Dollars  
428 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used  
429 for the purpose of replacing fire fighting units/equipment. This  
430 subsection (12) shall be repealed from and after June 30, 1999.

431           (13) In addition to the amount provided in subsection (11)  
432 of this section, the Mississippi Business Finance Corporation  
433 shall make available to the Mississippi Forestry Commission for  
434 fiscal year 1999 a lump sum amount not to exceed Five Hundred  
435 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops  
436 Fund and used for the commission's Reforestation Cost-Share  
437 Program. This subsection (13) shall be repealed from and after  
438 June 30, 1999.

439           (14) The Mississippi Business Finance Corporation shall make  
440 available to the Small Farm Development Center at Alcorn State  
441 University for fiscal year 1999 funds in the amount of Fifty

442 Thousand Dollars (\$50,000.00) and for fiscal year 2000 funds in  
443 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from  
444 the Emerging Crops Fund to support a cooperative program for  
445 agribusiness development in Mississippi. This subsection (14)  
446 shall be repealed from and after June 30, 2002.

447 SECTION 6. Section 69-2-19, Mississippi Code of 1972, is  
448 amended as follows:

449 69-2-19. The State Department of Economic and Community  
450 Development is authorized, at one (1) time or from time to time,  
451 to declare by resolution the necessity for issuance of negotiable  
452 general obligation bonds of the State of Mississippi to provide  
453 funds for the Emerging Crops Fund established in Section 69-2-13.  
454 Upon the adoption of a resolution by the board, declaring the  
455 necessity for the issuance of any part or all of the general  
456 obligation bonds authorized by Sections 69-2-19 through 69-2-39,  
457 the department shall deliver a certified copy of its resolution or  
458 resolutions to the State Bond Commission. Upon receipt of same,  
459 the State Bond Commission, in its discretion, shall act as the  
460 issuing agent, prescribe the form of the bonds, advertise for and  
461 accept bids, issue and sell the bonds so authorized to be sold,  
462 and do any and all other things necessary and advisable in  
463 connection with the issuance and sale of such bonds. The amount  
464 of bonds issued under Sections 69-2-19 through 69-2-39 shall not  
465 exceed Ninety-seven Million Dollars (\$97,000,000.00) in the  
466 aggregate; provided, however, an additional amount of bonds may be  
467 issued under Sections 69-2-19 through 69-2-39 in an amount not to  
468 exceed Fifteen Million Dollars (\$15,000,000.00) to provide funds  
469 for loans issued under Section 69-2-13(3) for new construction of  
470 poultry houses. No bonds may be issued under Sections 69-2-19  
471 through 69-2-39 after October 1, 2003.

472 SECTION 7. Section 57-75-15, Mississippi Code of 1972, is  
473 amended as follows:[CR6]

474 57-75-15. (1) Upon notification to the authority by the

475 enterprise that the state has been finally selected as the site  
476 for the project, the State Bond Commission shall have the power  
477 and is hereby authorized and directed, upon receipt of a  
478 declaration from the authority as hereinafter provided, to borrow  
479 money and issue general obligation bonds of the state in one or  
480 more series for the purposes herein set out. Upon such  
481 notification, the authority may thereafter from time to time  
482 declare the necessity for the issuance of general obligation bonds  
483 as authorized by this section and forward such declaration to the  
484 State Bond Commission, provided that before such notification, the  
485 authority may enter into agreements with the United States  
486 Government, private companies and others that will commit the  
487 authority to direct the State Bond Commission to issue bonds for  
488 eligible undertakings set out in subsection (4) of this section,  
489 conditioned on the siting of the project in the state.

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

495 (3) (a) Bonds issued under the authority of this section  
496 for projects as defined in Section 57-75-5(f)(i) shall not exceed  
497 an aggregate principal amount in the sum of Sixty-three Million  
498 Dollars (\$63,000,000.00).

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

503 (c) Bonds issued under the authority of this section  
504 for projects as defined in Section 57-75-5(f)(iii) shall not  
505 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds  
506 issued for projects related to any single military installation  
507 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars

508 (\$16,667,000.00). If any proceeds of bonds issued for projects  
509 related to the Meridian Naval Auxiliary Air Station ("NAAS") are  
510 used for the development of a water and sewer service system by  
511 the City of Meridian, Mississippi, to serve the NAAS and if the  
512 City of Meridian annexes any of the territory served by the water  
513 and sewer service system, the city shall repay the State of  
514 Mississippi the amount of all bond proceeds expended on any  
515 portion of the water and sewer service system project; and if  
516 there are any monetary proceeds derived from the disposition of  
517 any improvements located on real property in Kemper County  
518 purchased pursuant to this act for projects related to the NAAS  
519 and if there are any monetary proceeds derived from the  
520 disposition of any timber located on real property in Kemper  
521 County purchased pursuant to this act for projects related to the  
522 NAAS, all of such proceeds (both from the disposition of  
523 improvements and the disposition of timber) commencing July 1,  
524 1996, through June 30, 2010, shall be paid to the Board of  
525 Education of Kemper County, Mississippi, for expenditure by such  
526 board of education to benefit the public schools of Kemper County.

527 No bonds shall be issued under this paragraph (c) until the State  
528 Bond Commission by resolution adopts a finding that the issuance  
529 of such bonds will improve, expand or otherwise enhance the  
530 military installation, its support areas or military operations,  
531 or will provide employment opportunities to replace those lost by  
532 closure or reductions in operations at the military installation.

533 From and after July 1, 1997, bonds shall not be issued for any  
534 projects, as defined in Section 57-75-5(f)(iii), which are not  
535 commenced before July 1, 1997. The proceeds of any bonds issued  
536 for projects commenced before July 1, 1997, shall be used for the  
537 purposes for which the bonds were issued until completion of the  
538 projects.

539 (d) Bonds issued under the authority of this section  
540 for projects as defined in Section 57-75-5(f)(iv) shall not exceed



541 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued  
542 under this paragraph after December 31, 1996.

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

547 (f) Bonds issued under the authority of this section  
548 for the project defined in Section 57-75-5(f)(vi) shall not exceed  
549 Twenty Million Three Hundred Seventy Thousand Dollars  
550 (\$20,370,000.00). No bonds shall be issued under this paragraph  
551 (f) until the State Bond Commission by resolution adopts a finding  
552 that the project has secured wire harness contracts or contracts  
553 to manufacture thin film polymer lithium-ion rechargeable  
554 batteries, or any combination of such contracts, in the aggregate  
555 amount of Twenty Million Dollars (\$20,000,000.00), either from the  
556 United States Government or the private sector. No bonds shall be  
557 issued under this paragraph after June 30, 2001.

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

562 (4) The proceeds from the sale of the bonds issued under  
563 this section may be applied for the purposes of: (a) defraying all  
564 or any designated portion of the costs incurred with respect to  
565 acquisition, planning, design, construction, installation,  
566 rehabilitation, improvement, relocation and with respect to  
567 state-owned property, operation and maintenance of the project and  
568 any facility related to the project located within the project  
569 area, including costs of design and engineering, all costs  
570 incurred to provide land, easements and rights-of-way, relocation  
571 costs with respect to the project and with respect to any facility  
572 related to the project located within the project area, and costs  
573 associated with mitigation of environmental impacts; (b) providing

574 for the payment of interest on the bonds; (c) providing debt  
575 service reserves; and (d) paying underwriters' discount, original  
576 issue discount, accountants' fees, engineers' fees, attorneys'  
577 fees, rating agency fees and other fees and expenses in connection  
578 with the issuance of the bonds. Such bonds shall be issued from  
579 time to time and in such principal amounts as shall be designated  
580 by the authority, not to exceed in aggregate principal amounts the  
581 amount authorized in subsection (3) of this section. Proceeds  
582 from the sale of the bonds issued under this section may be  
583 invested, subject to federal limitations, pending their use, in  
584 such securities as may be specified in the resolution authorizing  
585 the issuance of the bonds or the trust indenture securing them,  
586 and the earning on such investment applied as provided in such  
587 resolution or trust indenture.

588 (5) The principal of and the interest on the bonds shall be  
589 payable in the manner hereinafter set forth. The bonds shall bear  
590 date or dates; be in such denomination or denominations; bear  
591 interest at such rate or rates; be payable at such place or places  
592 within or without the state; mature absolutely at such time or  
593 times; be redeemable before maturity at such time or times and  
594 upon such terms, with or without premium; bear such registration  
595 privileges; and be substantially in such form; all as shall be  
596 determined by resolution of the State Bond Commission except that  
597 such bonds shall mature or otherwise be retired in annual  
598 installments beginning not more than five (5) years from the date  
599 thereof and extending not more than twenty-five (25) years from  
600 the date thereof. The bonds shall be signed by the Chairman of  
601 the State Bond Commission, or by his facsimile signature, and the  
602 official seal of the State Bond Commission shall be imprinted on  
603 or affixed thereto, attested by the manual or facsimile signature  
604 of the Secretary of the State Bond Commission. Whenever any such  
605 bonds have been signed by the officials herein designated to sign  
606 the bonds, who were in office at the time of such signing but who

607 may have ceased to be such officers before the sale and delivery  
608 of such bonds, or who may not have been in office on the date such  
609 bonds may bear, the signatures of such officers upon such bonds  
610 shall nevertheless be valid and sufficient for all purposes and  
611 have the same effect as if the person so officially signing such  
612 bonds had remained in office until the delivery of the same to the  
613 purchaser, or had been in office on the date such bonds may bear.

614 (6) All bonds issued under the provisions of this section  
615 shall be and are hereby declared to have all the qualities and  
616 incidents of negotiable instruments under the provisions of the  
617 Uniform Commercial Code and in exercising the powers granted by  
618 this chapter, the State Bond Commission shall not be required to  
619 and need not comply with the provisions of the Uniform Commercial  
620 Code.

621 (7) The State Bond Commission shall sell the bonds on sealed  
622 bids at public sale, and for such price as it may determine to be  
623 for the best interest of the State of Mississippi, but no such  
624 sale shall be made at a price less than par plus accrued interest  
625 to date of delivery of the bonds to the purchaser. The bonds  
626 shall bear interest at such rate or rates not exceeding the limits  
627 set forth in Section 75-17-101 as shall be fixed by the State Bond  
628 Commission. All interest accruing on such bonds so issued shall  
629 be payable semiannually or annually; provided that the first  
630 interest payment may be for any period of not more than one (1)  
631 year.

632 Notice of the sale of any bonds shall be published at least  
633 one (1) time, the first of which shall be made not less than ten  
634 (10) days prior to the date of sale, and shall be so published in  
635 one or more newspapers having a general circulation in the City of  
636 Jackson and in one or more other newspapers or financial journals  
637 with a large national circulation, to be selected by the State  
638 Bond Commission.

639 The State Bond Commission, when issuing any bonds under the

640 authority of this section, may provide that the bonds, at the  
641 option of the state, may be called in for payment and redemption  
642 at the call price named therein and accrued interest on such date  
643 or dates named therein.

644 (8) State bonds issued under the provisions of this section  
645 shall be the general obligations of the state and backed by the  
646 full faith and credit of the state. The Legislature shall  
647 appropriate annually an amount sufficient to pay the principal of  
648 and the interest on such bonds as they become due. All bonds  
649 shall contain recitals on their faces substantially covering the  
650 foregoing provisions of this section.

651 (9) The State Treasurer is authorized to certify to the  
652 Department of Finance and Administration the necessity for  
653 warrants, and the Department of Finance and Administration is  
654 authorized and directed to issue such warrants payable out of any  
655 funds appropriated by the Legislature under this section for such  
656 purpose, in such amounts as may be necessary to pay when due the  
657 principal of and interest on all bonds issued under the provisions  
658 of this section. The State Treasurer shall forward the necessary  
659 amount to the designated place or places of payment of such bonds  
660 in ample time to discharge such bonds, or the interest thereon, on  
661 the due dates thereof.

662 (10) The bonds may be issued without any other proceedings  
663 or the happening of any other conditions or things other than  
664 those proceedings, conditions and things which are specified or  
665 required by this chapter. Any resolution providing for the  
666 issuance of general obligation bonds under the provisions of this  
667 section shall become effective immediately upon its adoption by  
668 the State Bond Commission, and any such resolution may be adopted  
669 at any regular or special meeting of the State Bond Commission by  
670 a majority of its members.

671 (11) In anticipation of the issuance of bonds hereunder, the  
672 State Bond Commission is authorized to negotiate and enter into

673 any purchase, loan, credit or other agreement with any bank, trust  
674 company or other lending institution or to issue and sell interim  
675 notes for the purpose of making any payments authorized under this  
676 section. All borrowings made under this provision shall be  
677 evidenced by notes of the state which shall be issued from time to  
678 time, for such amounts not exceeding the amount of bonds  
679 authorized herein, in such form and in such denomination and  
680 subject to such terms and conditions of sale and issuance,  
681 prepayment or redemption and maturity, rate or rates of interest  
682 not to exceed the maximum rate authorized herein for bonds, and  
683 time of payment of interest as the State Bond Commission shall  
684 agree to in such agreement. Such notes shall constitute general  
685 obligations of the state and shall be backed by the full faith and  
686 credit of the state. Such notes may also be issued for the  
687 purpose of refunding previously issued notes; except that no notes  
688 shall mature more than three (3) years following the date of  
689 issuance of the first note hereunder and provided further, that  
690 all outstanding notes shall be retired from the proceeds of the  
691 first issuance of bonds hereunder. The State Bond Commission is  
692 authorized to provide for the compensation of any purchaser of the  
693 notes by payment of a fixed fee or commission and for all other  
694 costs and expenses of issuance and service, including paying agent  
695 costs. Such costs and expenses may be paid from the proceeds of  
696 the notes.

697 (12) The bonds and interim notes authorized under the  
698 authority of this section may be validated in the First Judicial  
699 District of the Chancery Court of Hinds County, Mississippi, in  
700 the manner and with the force and effect provided now or hereafter  
701 by Chapter 13, Title 31, Mississippi Code of 1972, for the  
702 validation of county, municipal, school district and other bonds.

703 The necessary papers for such validation proceedings shall be  
704 transmitted to the state bond attorney, and the required notice  
705 shall be published in a newspaper published in the City of

706 Jackson, Mississippi.

707           (13) Any bonds or interim notes issued under the provisions  
708 of this chapter, a transaction relating to the sale or securing of  
709 such bonds or interim notes, their transfer and the income  
710 therefrom shall at all times be free from taxation by the state or  
711 any local unit or political subdivision or other instrumentality  
712 of the state, excepting inheritance and gift taxes.

713           (14) All bonds issued under this chapter shall be legal  
714 investments for trustees, other fiduciaries, savings banks, trust  
715 companies and insurance companies organized under the laws of the  
716 State of Mississippi; and such bonds shall be legal securities  
717 which may be deposited with and shall be received by all public  
718 officers and bodies of the state and all municipalities and other  
719 political subdivisions thereof for the purpose of securing the  
720 deposit of public funds.

721           (15) The Attorney General of the State of Mississippi shall  
722 represent the State Bond Commission in issuing, selling and  
723 validating bonds herein provided for, and the bond commission is  
724 hereby authorized and empowered to expend from the proceeds  
725 derived from the sale of the bonds authorized hereunder all  
726 necessary administrative, legal and other expenses incidental and  
727 related to the issuance of bonds authorized under this chapter.

728           (16) There is hereby created a special fund in the State  
729 Treasury to be known as the Mississippi Major Economic Impact  
730 Authority Fund wherein shall be deposited the proceeds of the  
731 bonds issued under this chapter and all monies received by the  
732 authority to carry out the purposes of this chapter. Expenditures  
733 authorized herein shall be paid by the State Treasurer upon  
734 warrants drawn from the fund, and the Department of Finance and  
735 Administration shall issue warrants upon requisitions signed by  
736 the director of the authority.

737           (17) (a) There is hereby created the Mississippi Economic  
738 Impact Authority Sinking Fund from which the principal of and

739 interest on such bonds shall be paid by appropriation. All monies  
740 paid into the sinking fund not appropriated to pay accruing bonds  
741 and interest shall be invested by the State Treasurer in such  
742 securities as are provided by law for the investment of the  
743 sinking funds of the state.

744 (b) In the event that all or any part of the bonds and  
745 notes are purchased, they shall be canceled and returned to the  
746 loan and transfer agent as canceled and paid bonds and notes and  
747 thereafter all payments of interest thereon shall cease and the  
748 canceled bonds, notes and coupons, together with any other  
749 canceled bonds, notes and coupons, shall be destroyed as promptly  
750 as possible after cancellation but not later than two (2) years  
751 after cancellation. A certificate evidencing the destruction of  
752 the canceled bonds, notes and coupons shall be provided by the  
753 loan and transfer agent to the seller.

754 (c) The State Treasurer shall determine and report to  
755 the Department of Finance and Administration and Legislative  
756 Budget Office by September 1 of each year the amount of money  
757 necessary for the payment of the principal of and interest on  
758 outstanding obligations for the following fiscal year and the  
759 times and amounts of the payments. It shall be the duty of the  
760 Governor to include in every executive budget submitted to the  
761 Legislature full information relating to the issuance of bonds and  
762 notes under the provisions of this chapter and the status of the  
763 sinking fund for the payment of the principal of and interest on  
764 the bonds and notes.

765 SECTION 8. Chapter 920, Local and Private Laws of 1988, as  
766 amended by Chapter 967, Local and Private Laws of 1994, is brought  
767 forward as follows:

768 Section 1. Whenever used in this act, unless a different  
769 meaning clearly appears in the context, the following terms shall  
770 be given the following meanings:

771 (a) "Bonds" shall include notes, bonds and other

772 obligations authorized to be issued under this act.

773 (b) "City" means the City of Tupelo, Mississippi.

774 (c) "Cost" as applied to the delivery of water service  
775 to a governmental entity or water association, means an amount  
776 equal to a proportional share of (i) the expenses of construction  
777 and acquisition of the project amortized over the term of the  
778 bonds issued for construction of the project, (ii) the expenses of  
779 construction and acquisition of improvements to the project  
780 amortized over the useful life of such improvements, (iii)  
781 financing cost for the project and the aforesaid capital  
782 improvements including the cost of interest on the bonds and debt  
783 obligations issued to finance such improvements, less the annual  
784 proceeds of the sales tax provided for in Section 5 of this act,  
785 and (iv) operation and maintenance expenses pertaining to the  
786 project as it may be improved from time to time, including a  
787 reasonably required reserve fund for repair and renovation of the  
788 project. The components of cost set forth above shall be  
789 determined by a certified public accounting firm designated by the  
790 district and acceptable to other users of the project. There  
791 shall be deducted from such components of costs set forth above,  
792 the proceeds of the special sales tax which will be used to pay  
793 the principal of and interest on the bonds as provided in Section  
794 12 hereof.

795 (d) "County" means Lee County, Mississippi.

796 (e) "District" means the North East Mississippi  
797 Regional Water Supply District created pursuant to Section 51-8-1  
798 et seq., Mississippi Code of 1972, as said district may be  
799 constituted from time to time. Local governmental units are  
800 entitled to join such district as provided by law.

801 (f) "Governing body" means the Mayor and Board of  
802 Aldermen of the City of Tupelo, Mississippi.

803 (g) "Project" means an intake facility to obtain water  
804 from the Tombigbee River and Tennessee-Tombigbee Waterway,



805 treatment facilities, transmission lines and related facilities,  
806 and the land on which such facilities and improvements are  
807 located.

808 (h) "System" means the combined waterworks and sewerage  
809 system of the city.

810 Section 2. (1) It is hereby determined and declared to be  
811 in the best interest of the people of the city, the county and the  
812 surrounding area to provide an adequate supply of water both for  
813 residential and industrial use. It is in the public interest that  
814 the city's critical water shortage be eliminated and the water  
815 shortage problem which exists in the area be alleviated. The  
816 construction of the project will assure the maintenance and  
817 improvement of the living conditions of the people of northeast  
818 Mississippi, the continuation of industrial, commercial and  
819 economic opportunities in the area and the enhancement of the  
820 health and welfare of the area's people, particularly its heaviest  
821 groundwater users, in the years to come.

822 (2) The city shall endeavor to alleviate the regional water  
823 shortage problem through cooperative efforts and agreements for  
824 the benefit of communities in the surrounding area. If any county  
825 located in whole or in part in the Eutaw-McShan aquifer is  
826 declared by the Department of Environmental Quality to be in an  
827 emergency situation as outlined in paragraph (1) above, such  
828 county may petition the district for access to the project and  
829 shall be granted access by the district. Any additions to the  
830 project shall be paid for with user fees which shall be assessed  
831 equally in all participating counties.

832 Section 3. The governing body is hereby authorized to issue  
833 general obligation bonds of the city in the aggregate principal  
834 amount not to exceed Twenty-three Million Dollars (\$23,000,000.00)  
835 to raise money for the construction and acquisition of the project  
836 and payment of interest on bonds, establishment of reserves to  
837 secure such bonds and payment of expenses incident to the issuance

838 of such bonds and to the implementation of the project. The bonds  
839 shall be general obligations of the city, but shall not be  
840 considered when computing any limitation of indebtedness of the  
841 city established by law.

842 Section 4. Before any bonds are issued pursuant to this act  
843 (a) the Mississippi Department of Environmental Quality shall  
844 determine that a water crisis exists in the county and shall  
845 forward notice of such determination to the city, and (b) the  
846 electors of the county shall have approved the imposition of the  
847 special sales tax provided for in Section 5 of this act. Any  
848 bonds issued pursuant to this act shall be issued in accordance  
849 with the provisions of Title 21, Chapter 33, Article 5,  
850 Mississippi Code of 1972, except that if such provisions conflict  
851 with the provisions of this act, the provisions of this act shall  
852 prevail. The full faith, credit and resources of the city shall  
853 be irrevocably pledged for the payment of the principal of and  
854 interest on the bonds.

855 Section 5. Before any bonds shall be issued pursuant to this  
856 act, the imposition of a special sales tax, in addition to all  
857 other taxes now imposed, at the rate of one-quarter of one percent  
858 (0.25%) upon all sales and services within the city which are  
859 subject to the general rate of state sales tax, which general rate  
860 of tax is six percent (6%) on the effective date of this act,  
861 shall have been approved at an election to be held in the county  
862 in the manner now provided by law for the holding of county  
863 elections, upon at least three (3) weeks notice thereof by  
864 publication of the proposition at least once a week for three (3)  
865 consecutive weeks in some newspaper published in the county or  
866 having a general circulation therein. At such election, all  
867 qualified electors of the county may vote. If a majority of the  
868 qualified electors of the county voting in the election vote in  
869 favor of the proposition, then the special sales tax may be  
870 imposed in accordance with this section and Section 11 of this

871 act. Fifty percent (50%) of the initial cost of the construction  
872 of the project shall come from proceeds received from such special  
873 sales tax and fifty percent (50%) of the initial cost of the  
874 construction of the project shall come from other sources and user  
875 fees. Any bonds issued pursuant to this act shall be issued  
876 within two (2) years of the aforesaid election or within two (2)  
877 years after the final favorable termination of any litigation  
878 affecting the issuance of such bonds.

879 Section 6. Bonds issued under this act may be issued as  
880 registered bonds pursuant to the provisions of Title 31, Chapter  
881 21, Mississippi Code of 1972, or in bearer form either as to  
882 principal or interest or both, and may contain such covenants and  
883 provisions, may be issued as term or serial bonds, in one or more  
884 series, may be executed and delivered at any time, and from time  
885 to time, may be in such form and denomination, may be of such  
886 tenor, may be payable in such installments and at such time or  
887 times, not exceeding twenty-five (25) years from their date, may  
888 be payable at such place or places and evidenced in such manner,  
889 may be callable with or without premium, may bear such rate or  
890 rates of interest and may contain such other provisions not  
891 inconsistent herewith, all as shall be provided in the proceedings  
892 of the governing body whereunder the bonds shall be directed to be  
893 issued. Bonds issued under this act may be sold either at public  
894 sale in the manner provided by Section 31-19-25, Mississippi Code  
895 of 1972, or at private sale, in the discretion of the governing  
896 body.

897 Section 7. No bond issued under this act shall bear a  
898 greater overall maximum interest rate to maturity than that  
899 allowed in Section 75-17-101, Mississippi Code of 1972, and no  
900 bond may bear more than one (1) rate of interest; each bond shall  
901 bear interest from its date to its stated maturity date at the  
902 interest rate specified in the bonds; all bonds of the same  
903 maturity shall bear the same rate of interest from date to

904 maturity. All interest accruing on bonds issued under this act  
905 shall be payable semiannually or annually, except that the first  
906 interest payment for any bond may be for any period not exceeding  
907 one (1) year. No interest payment shall be evidenced by more than  
908 one (1) coupon and neither cancelled nor supplemental coupons  
909 shall be permitted. The lowest interest rate specified for any  
910 bonds sold shall not be less than seventy percent (70%) of the  
911 highest rate specified for the same bond issue.

912 Section 8. Bonds issued under this act shall be executed on  
913 behalf of the city by the manual or facsimile signature of the  
914 mayor and clerk of the city with the manual or facsimile seal of  
915 the city affixed or imprinted thereon. At least one (1) signature  
916 on each bond shall be a manual signature, whether of the mayor,  
917 city clerk or authenticating agent. If the officers whose  
918 signatures or countersignatures appear on the bonds or interest  
919 coupons shall cease to be such officers before delivery of the  
920 bonds, such signatures or countersignatures shall nevertheless be  
921 valid and sufficient for all purposes the same as if they had  
922 remained in the office until such delivery.

923 Section 9. Bonds issued under this act and all interest  
924 coupons applicable thereto shall be construed to be negotiable  
925 instruments, despite the fact that they are payable solely from a  
926 specified source, and shall be securities within the meaning of  
927 Article 8 of the Mississippi Uniform Commercial Code.

928 Section 10. (1) The principal proceeds received upon the  
929 sale of the bonds shall be deposited with a qualified depository  
930 of the city in a special fund in the name of the city from which  
931 there shall be first paid all expenses, premiums, fees and  
932 commissions incurred by the city and deemed necessary or  
933 advantageous by the governing body in connection with the  
934 authorization, issuance, sale, validation and delivery of the  
935 bonds.

936 (2) The balance of such proceeds shall be paid to the

937 district and deposited with a qualified depository of the  
938 district. Such funds shall be held and disbursed for the project  
939 and may be used (a) for the project, (b) to pay interest on the  
940 bonds while the project is being completed and for a maximum of  
941 six (6) months after the estimated date of completion, (c) to pay  
942 engineering, fiscal, trustee, printing, accounting, financial  
943 advisor, construction manager, feasibility consultant and legal  
944 expenses, and development expenses incurred in connection with  
945 such project, and related structures and facilities, and the  
946 issuance of the bonds, (d) to provide for the establishment of a  
947 reasonable reserve fund for the payment of principal of and  
948 interest on the bonds in the event of a deficiency in the revenues  
949 and receipts available for such payments, if such fund is provided  
950 for in the proceedings of the governing body in connection with  
951 the issuance of bonds, (e) to pay the premium or premiums on any  
952 insurance or any form of guarantee obtained from any source to  
953 assure the prompt payment of principal and interest when due, (f)  
954 to pay start-up costs and costs of operation and maintenance of  
955 the project and related structures and facilities while it is  
956 being established, erected, built, constructed, replaced,  
957 remodeled, renovated, added to, equipped or furnished and for a  
958 maximum of thirty-six (36) months after the estimated date of  
959 completion, (g) to provide for the payment of interim indebtedness  
960 incurred prior to the issuance of any bonds under this act and  
961 used for the purposes set forth above and (h) costs related to any  
962 suits and proceedings in connection with the project, including  
963 any costs of settlement thereof.

964 Section 11. (1) On or before the fifteenth day prior to the  
965 imposition of the special sales tax authorized in Section 5 of  
966 this act, the governing body shall give written notification to  
967 the Chairman of the State Tax Commission of the date on which the  
968 special sales tax will become effective.

969 (2) Such tax shall be collected in the same manner as the

970 state sales tax imposed by Title 27, Chapter 65, Mississippi Code  
971 of 1972, and shall be accounted for separately from the amount of  
972 sales tax collected for the state in the city. All provisions of  
973 the State Sales Tax Law applicable to filing of such returns,  
974 discounts to the taxpayer, remittances to the State Tax Commission  
975 and retainage thereby of sums to defray the costs of collection,  
976 collection enforcement, rights of taxpayers, recovery of improper  
977 taxes, refunds of overpaid taxes or other provisions of said  
978 chapter providing for imposition and collection of the sales tax  
979 shall apply to the tax authorized by this act.

980 (3) On or before the fifteenth day of each month, the  
981 revenue from the special sales tax collected under the provisions  
982 of this section during the preceding month shall be paid and  
983 distributed to the trustee provided in Section 12 of this act on  
984 behalf of the city. Such special sales tax shall stand repealed  
985 at the time and in the manner provided in subsection (3) of  
986 Section 12 of this act.

987 (4) If, at any time subsequent to the effective date of this  
988 act, the Legislature, by enactment of a general law, authorizes  
989 the imposition of a sales tax by municipalities, then the rate of  
990 tax authorized thereunder, if imposed by the city, shall be  
991 reduced by the rate of tax levied under this act.

992 Section 12. (1) The bonds shall be secured by a trust  
993 agreement by and between the city and a corporate trustee, which  
994 may be any trust company or bank incorporated under the laws of  
995 the United States or the laws of any state in the United States.  
996 Any such trust agreement shall pledge for the payment of the  
997 principal of, redemption premium, if any, and interest on the  
998 bonds, the proceeds of the special sales tax provided for in this  
999 act and may provide for any other source of payment which may from  
1000 time to time be made available to pay debt service on the bonds,  
1001 including revenues of the project, subject to the provisions of  
1002 subsection (3) of this section. The avails of the special sales

1003 tax shall be used solely for the payment of the principal of,  
1004 redemption premium, if any, and interest on the bonds, and for the  
1005 payment of expenses of issuance thereof or reserve funds therefor  
1006 and shall not be used to lower or offset any user fees which are  
1007 required under this act to pay fifty percent (50%) of the initial  
1008 cost of construction of the project. To the extent the proceeds  
1009 of the special sales tax and any other amounts which may from time  
1010 to time be available for the payment of the principal of,  
1011 redemption premium, if any, and interest on the bonds, including  
1012 any available revenues of the project, are not sufficient for such  
1013 purpose, the governing body shall levy a special ad valorem tax  
1014 upon all of the taxable property within the city which shall be  
1015 sufficient, together with other monies available for such purpose,  
1016 to provide for the payment of the principal of, redemption  
1017 premium, if any, and interest on such bonds according to the terms  
1018 thereof.

1019 (2) Such trust agreement may provide for the creation and  
1020 maintenance of such reserve funds as the governing body shall  
1021 determine are reasonable and proper, including such sinking fund  
1022 or funds as may be necessary to provide for the payment of the  
1023 principal of, redemption premium, if any, and interest on the  
1024 bonds, subject to the provisions of subsection (3) of this  
1025 section. Any such trust agreement or any resolution directing the  
1026 issuance of bonds may contain such provisions for protecting and  
1027 enforcing the rights and remedies of the registered owners thereof  
1028 as may be reasonable and proper and not in violation of law,  
1029 including the duties of the city in relation to the acquisition of  
1030 property and the construction, improvement, equipping, furnishing,  
1031 maintenance, repair, operation and insurance of the project and  
1032 the custody, safeguarding and application of all monies.

1033 (3) Such trust agreement shall provide for the creation of a  
1034 fund which is separate and apart from any other fund authorized  
1035 under this section. The trustee shall deposit into such fund all

1036 special sales tax revenues imposed and collected under this act.  
1037 The special sales tax revenues deposited into the fund shall be  
1038 invested in the manner provided by law for the investment of  
1039 public funds. Such special sales tax revenues, including interest  
1040 earned thereon, shall be used to pay not more than fifty percent  
1041 (50%) of the principal of and interest on such bonds as they  
1042 become due and payable on any payment date. The trustee shall  
1043 determine when the special sales taxes which it has actually  
1044 received, together with any income actually realized from the  
1045 investment of such special sales tax revenues, are sufficient to  
1046 pay fifty percent (50%) of the principal of and interest on bonds  
1047 then outstanding, as such bonds and the interest thereon mature  
1048 and accrue to the final maturity date; and, to the extent not  
1049 needed for such purposes, the avails of the special sales tax may  
1050 be used to pay the costs of any additions to the project. The  
1051 authority to levy such special sales tax shall stand repealed on  
1052 the first day of the month immediately succeeding the payment in  
1053 full of the principal of and interest on all bonds issued pursuant  
1054 to Section 3 of this act. The balance of any funds remaining in  
1055 the fund described in this subsection after final payment of all  
1056 principal of and interest on the bonds as herein provided shall be  
1057 remitted to the district. It is the intent of the Legislature  
1058 that not more than fifty percent (50%) of the principal of and  
1059 interest on the bonds issued under this act and any costs incident  
1060 thereto shall be paid from the special sales tax, and the interest  
1061 earned thereon.

1062 (4) Any such trust agreement may set forth the rights and  
1063 remedies of the registered owners of the bonds and of the trustee,  
1064 and may restrict the individual right of action by such registered  
1065 owners as is customary in trust agreements or trust indentures  
1066 securing bonds and debentures of corporations. Further, any such  
1067 trust agreement may contain such provisions as the city may deem  
1068 reasonable and proper for the security of such registered owners



1069 and may also contain provisions governing the issuance of bonds to  
1070 replace lost, stolen or mutilated bonds.

1071 (5) Any such trust agreement may contain a provision that,  
1072 in the event of a default in the payment of the principal of,  
1073 redemption premium, if any, or the interest on the bonds issued in  
1074 accordance with or relating to, such agreement or in the  
1075 performance of any agreement contained in the proceedings, trust  
1076 agreement or instruments relating to such bonds, such payment and  
1077 performance may be enforced by mandamus or by the appointment of a  
1078 receiver in equity.

1079 (6) All expenses incurred by the city in carrying out the  
1080 provisions of any such trust agreement may be treated as a part of  
1081 the cost of the operation of the project.

1082 (7) Any surplus funds, excluding special sales tax revenues  
1083 and interest earned thereon, received by the trustee after payment  
1084 in full of the principal of, redemption premium, if any, and  
1085 interest on the bonds, or provision therefor having been made,  
1086 shall be paid over to the city and expended for improvements,  
1087 repairs and extensions to the project.

1088 Section 13. (1) Bonds issued under this act and the income  
1089 therefrom shall be exempt from all taxation in the State of  
1090 Mississippi, excepting inheritance and gift taxes.

1091 (2) Bonds issued under this act shall be legal investments  
1092 for commercial banks, savings and loan associations and insurance  
1093 companies organized under the laws of this state.

1094 Section 14. Bonds issued under this act shall be submitted  
1095 to validation as provided by Title 31, Chapter 13, Mississippi  
1096 Code of 1972, and to that end the city clerk shall be directed to  
1097 make up a transcript of all legal papers and proceedings relating  
1098 to the bonds and to certify and forward the same to the state's  
1099 bond attorney for the institution of validation proceedings.

1100 Section 15. The governing body is authorized to exercise  
1101 such powers of eminent domain as are required by the public

1102 convenience and necessity to acquire property, or interests  
1103 therein, whether real, personal or mixed, on which to construct  
1104 the project.

1105         Section 16. (1) The project shall be owned by the district.  
1106 The district is authorized to contract with any agency, department  
1107 or other office of government or any individual, partnership,  
1108 corporation, utility or water management district, county or  
1109 municipality, and each of those entities are authorized to  
1110 contract with the district for the acquisition, treatment or  
1111 furnishing of water or providing of property, equipment or  
1112 services by or to the district regarding the construction, funding  
1113 or operation of the project and to contract for the management of  
1114 the project or any part thereof by any individual, partnership or  
1115 corporation or governmental entity. The district is further  
1116 authorized, to the extent that the governing body determines to be  
1117 in the best interest of the city and the surrounding area, to  
1118 sell, lease or otherwise convey any of the facilities or property  
1119 constituting a part of or pertaining to the project and to  
1120 contract with any of the above entities regarding such sale, lease  
1121 or conveyance. The authority to levy and collect the special  
1122 taxes provided for in this act shall not be adversely affected by  
1123 any such contract, agreement, sale, lease or conveyance.

1124         (2) Such agreement may contain a provision whereby the  
1125 entity contracting with the district agrees to take an established  
1126 amount of water at an established rate or to pay an amount if it  
1127 does not require the established amount or if the project is not  
1128 able to provide water in such amounts in the applicable time  
1129 periods. The district is further authorized to lease any of the  
1130 facilities or property constituting a part of or pertaining to the  
1131 project and to contract with any of the above entities regarding  
1132 such lease. The authority to levy and collect the special tax  
1133 provided for in this act shall not be adversely affected by any  
1134 agreement entered into pursuant to this section. The revenues and

1135 expenses of the project shall be accounted for so that the cost of  
1136 water service can be determined as provided in this act. The  
1137 district shall sell water from the project to each governmental  
1138 entity or water association within the district at the cost of  
1139 such water service.

1140 Section 17. The district shall pledge a sufficient portion  
1141 of its revenues received from the sale of water from the project  
1142 after payment of the expense of operation and maintenance of the  
1143 project, to the payment of principal of and interest on any bonds  
1144 as the same comes due to the extent the same is not paid with the  
1145 proceeds of the sales tax referenced in Section 5 herein. The  
1146 proceedings of the governing body in connection with the issuance  
1147 of bonds, pursuant to agreement with the district, may provide for  
1148 the payment of a sufficient portion of such revenues to the  
1149 trustee provided for herein, and may contain such other provision  
1150 regarding the priority of such pledge as shall be contained  
1151 therein and in any agreements between the district and any other  
1152 contracting party, including the city.

1153 Section 18. This act, without reference to any other  
1154 statute, shall be deemed to be full and complete authority for the  
1155 issuance of bonds under this act, and shall be construed as an  
1156 additional and alternative method therefor, and none of the  
1157 present restrictions, requirements, conditions or limitations of  
1158 law applicable to the issuance or sale of bonds, notes or other  
1159 obligations by municipalities of this state shall apply to the  
1160 issuance and sale of bonds under this act, and no proceedings  
1161 shall be required for the issuance of such bonds other than those  
1162 provided for and required herein. All other powers and authority  
1163 provided for or granted in this act, other than the levy of taxes  
1164 authorized under this act, may be exercised whether or not bonds  
1165 are issued pursuant to this act. All powers necessary to be  
1166 exercised in order to carry out the provisions of this act are  
1167 hereby conferred.

1168           Section 19. Nothing in this act shall prohibit other  
1169 political subdivisions from obtaining water from the Tombigbee  
1170 River and the Tennessee-Tombigbee Waterway as provided by state  
1171 law.

1172           Section 20. No member of the Legislature, elected official  
1173 or appointed official, or any partner or associate of any member  
1174 of the Legislature, elected official or appointed official shall  
1175 derive any income from the issuance of any bonds under this act.

1176           SECTION 9. This act shall take effect and be in force from  
1177 and after July 1, 2000.