

By: Minor

To: Finance

SENATE BILL NO. 3316
(As Sent to Governor)

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 \$13,000,000.00; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF
8 1972, TO INCREASE THE AMOUNT OF GRANTS THAT MAY BE ISSUED BY THE
9 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT UNDER THE
10 DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM UNDER THE MISSISSIPPI
11 BUSINESS INVESTMENT ACT FROM \$9,000,000.00 TO \$10,500,000.00; TO
12 AUTHORIZE THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO
13 UTILIZE NOT MORE THAN \$750,000.00 OF THE BOND PROCEEDS UNDER THE
14 MISSISSIPPI BUSINESS INVESTMENT ACT TO MATCH FEDERAL FUNDS
15 AVAILABLE FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR THE
16 PURPOSE OF ESTABLISHING AN INTERMEDIARY RELENDING PROGRAM TO BE
17 ADMINISTERED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY
18 DEVELOPMENT; TO AMEND SECTION 65-4-25, MISSISSIPPI CODE OF 1972,
19 TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS THAT MAY BE
20 ISSUED UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT FROM
21 \$135,000,000.00 TO \$150,000,000.00; TO AMEND SECTION 69-2-13,
22 MISSISSIPPI CODE OF 1972, TO EXTEND THE PROGRAM THAT AUTHORIZES
23 THE MISSISSIPPI BUSINESS FINANCE CORPORATION TO LOAN OR GRANT
24 FUNDS TO CERTAIN ENTITIES FOR LOAN REVOLVING FUNDS TO ASSIST IN
25 PROVIDING FINANCING FOR MINORITY ECONOMIC DEVELOPMENT AND TO
26 INCREASE THE AMOUNT THAT MAY BE DRAWN FOR SUCH PURPOSE FROM THE
27 EMERGING CROPS FUND FROM \$16,000,000.00 TO \$18,000,000.00; TO
28 AUTHORIZE THE PROGRAM THAT GUARANTEES CERTAIN BONDS THAT MINORITY
29 BUSINESSES ARE REQUIRED TO OBTAIN CONTRACTS WITH GOVERNMENTAL
30 ENTITIES TO APPLY TO CONTRACTS WITH FEDERAL AGENCIES; TO EXTEND
31 THE DATE OF THE REPEAL OF PROVISIONS CONCERNING THE SMALL FARM
32 DEVELOPMENT CENTER AT ALCORN STATE UNIVERSITY; TO AMEND SECTION
33 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF THE
34 BONDS THAT MAY BE ISSUED FOR THE EMERGING CROPS FUND FROM
35 \$95,000,000.00 TO \$97,000,000.00; TO AMEND SECTION 57-75-15,
36 MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF BONDS THAT MAY
37 BE ISSUED UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT FOR
38 CERTAIN PROJECTS FROM \$62,000,000.00 TO \$64,250,000.00; AND FOR
39 RELATED PURPOSES.

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

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

43 57-1-307. (1) The State Bond Commission, at one time, or
44 from time to time, may declare by resolution the necessity for

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

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

74 SECTION 2. Section 57-61-36, Mississippi Code of 1972, is
75 amended as follows:[WAN2]

76 57-61-36. (1) Notwithstanding any provision of this chapter
77 to the contrary, the Department of Economic and Community
78 Development shall utilize not more than Ten Million Five Hundred
79 Thousand Dollars (\$10,500,000.00) out of the proceeds of bonds
80 authorized to be issued in this chapter for the purpose of making
81 grants to municipalities through a development infrastructure

82 grant fund to complete infrastructure related to new or expanded
83 industry.

84 (2) Notwithstanding any provision of this chapter to the
85 contrary, the Department of Economic and Community Development may
86 utilize not more than Seven Million Dollars (\$7,000,000.00) out of
87 the proceeds of bonds authorized to be issued in this chapter for
88 the purpose of making interest-bearing loans to any agency,
89 department, institution, instrumentality or political subdivision
90 of the state; or any agency, department, institution or
91 instrumentality of any political subdivision of the state; or any
92 business, organization, corporation, association or other legal
93 entity meeting criteria established by the department, through a
94 housing development revolving loan fund, to construct or repair
95 housing for low or moderate income earners; provided, however,
96 that the department may not utilize any bond proceeds authorized
97 under this chapter for the purpose of making any loans to the
98 Mississippi Home Corporation for any purpose whatsoever. No more
99 than forty percent (40%) of the additional bonds authorized by
100 this section in House Bill No. 1694, 1998 Regular Session [Laws,
101 1998, Chapter 559], may be used for multiple family housing
102 activities. Funds authorized under this subsection may be
103 deposited in the Mississippi Affordable Housing Development Fund
104 authorized in Section 43-33-759 and used for purposes authorized
105 by that section. This subsection (2) shall be repealed from and
106 after July 1, 2001.

107 (3) Notwithstanding any provision of this chapter to the
108 contrary, the Department of Economic and Community Development
109 shall utilize not more than Five Million Dollars (\$5,000,000.00)
110 out of the proceeds of bonds authorized to be issued in this
111 chapter for the purpose of making grants to municipalities through
112 an equipment and public facilities grant fund to aid in
113 infrastructure-related improvements as determined by the
114 Department of Economic and Community Development, the purchase of

115 equipment and in the purchase, construction or repair and
116 renovation of public facilities. Any bonds previously issued for
117 the Development Infrastructure Revolving Loan Program which have
118 not been loaned or applied for are eligible to be administered as
119 grants.

120 The requirements of Section 57-61-9 shall not apply to any
121 grant made under this subsection. The Department of Economic and
122 Community Development may establish criteria and guidelines to
123 govern grants made pursuant to this subsection.

124 (4) Notwithstanding any provision of this chapter to the
125 contrary, the Department of Economic and Community Development may
126 utilize not more than Seven Hundred Fifty Thousand Dollars
127 (\$750,000.00) out of the proceeds of bonds authorized to be issued
128 in this chapter in order to match federal funds available from the
129 United States Department of Agriculture for the purpose of
130 establishing an intermediary relending program to be administered
131 by the Department of Economic and Community Development. The
132 Department of Economic and Community Development may establish
133 criteria and guidelines to govern loans made under such program.

134 SECTION 3. Section 65-4-25, Mississippi Code of 1972, is
135 amended as follows:[WAN3]

136 65-4-25. The Mississippi Department of Economic and
137 Community Development, acting through its executive director, is
138 authorized, at one time or from time to time, to declare by
139 resolution the necessity for issuance of negotiable general
140 obligation bonds of the State of Mississippi to provide funds for
141 the Economic Development Highway Fund established in Section
142 65-4-15, Mississippi Code of 1972. Upon the adoption of a
143 resolution by the Executive Director of the Mississippi Department
144 of Economic and Community Development, declaring the necessity for
145 the issuance of any part or all of the general obligation bonds
146 authorized by Sections 65-4-25 through 65-4-45, Mississippi Code
147 of 1972, the executive director shall deliver a certified copy of

148 his resolution or resolutions to the State Bond Commission. Upon
149 receipt of same, the State Bond Commission, in its discretion,
150 shall act as the issuing agent, prescribe the form of the bonds,
151 advertise for and accept bids, issue and sell the bonds so
152 authorized to be sold, and do any and all other things necessary
153 and advisable in connection with the issuance and sale of such
154 bonds. The principal amount of bonds issued under Sections
155 65-4-25 through 65-4-45, Mississippi Code of 1972, shall not
156 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in the
157 aggregate. However, an additional amount of bonds may be issued
158 under Sections 65-4-25 through 65-4-45, Mississippi Code of 1972,
159 in an amount not to exceed Seven Million Dollars (\$7,000,000.00),
160 and the proceeds of any such additional bonds issued shall be used
161 to provide funding for a high economic benefit project as defined
162 in Section 65-4-5(1)(c)(vi), Mississippi Code of 1972.

163 SECTION 4. Section 69-2-13, Mississippi Code of 1972, is
164 amended as follows:[WAN4]

165 69-2-13 (1) There is hereby established in the State
166 Treasury a fund to be known as the "Emerging Crops Fund," which
167 shall be used to pay the interest on loans made to farmers for
168 nonland capital costs of establishing production of emerging crops
169 on land in Mississippi, and to make loans and grants which are
170 authorized under this section to be made from the fund. The fund
171 shall be administered by the Mississippi Department of Economic
172 and Community Development. A board comprised of the directors of
173 the department, the Mississippi Cooperative Extension Service, the
174 Mississippi Small Farm Development Center and the Mississippi
175 Agricultural and Forestry Experiment Station, or their designees,
176 shall develop definitions, guidelines and procedures for the
177 implementation of this chapter. Funds for the Emerging Crops Fund
178 shall be provided from the issuance of bonds or notes under
179 Sections 69-2-19 through 69-2-37 and from repayment of interest
180 loans made from the fund.

181 (2) (a) The Mississippi Business Finance Corporation shall
182 develop a program which gives fair consideration to making loans
183 for the processing and manufacturing of goods and services by
184 agribusiness and small business concerns. It is the policy of the
185 State of Mississippi that such corporation shall give due
186 recognition to and shall aid, counsel, assist and protect, insofar
187 as is possible, the interests of agribusiness and small business
188 concerns. To ensure that the purposes of this subsection are
189 carried out, the corporation shall loan not more than One Million
190 Dollars (\$1,000,000.00) to finance any single agribusiness or
191 small business concern. Loans made pursuant to this subsection
192 shall be made in accordance with the criteria established in
193 Section 57-71-11.

194 (b) The Mississippi Business Finance Corporation may,
195 out of the total amount of bonds authorized to be issued under
196 this chapter, make available funds to any planning and development
197 district in accordance with the criteria established in Section
198 57-71-11. Planning and development districts which receive monies
199 pursuant to this provision shall use such monies to make loans to
200 private companies for purposes consistent with this subsection.

201 (c) The Mississippi Business Finance Corporation is
202 hereby authorized to engage legal services, financial advisors,
203 appraisers and consultants if needed to review and close loans
204 made hereunder and to establish and assess reasonable fees
205 including, but not limited to, liquidation expenses.

206 (3) The department shall, in addition to the other programs
207 described in this section, provide for a program of loans to be
208 made to agribusiness enterprises for the purpose of encouraging
209 thereby the extension of conventional financing and the issuance
210 of letters of credit to such agribusiness enterprises by private
211 institutions. Monies to make such loans by the department shall
212 be drawn from the Emerging Crops Fund. The amount of a loan to
213 any single agribusiness enterprise shall not exceed twenty percent

214 (20%) of the total cost of the project for which financing is
215 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is
216 less. No interest shall be charged on such loans, and only the
217 amount actually loaned shall be required to be repaid. Repayments
218 shall be deposited into the Emerging Crops Fund.

219 (4) Through June 30, 2002, the Mississippi Business Finance
220 Corporation may loan or grant to qualified planning and
221 development districts, and to small business investment
222 corporations, bank-based community development corporations, the
223 Recruitment and Training Program, Inc., the City of Jackson
224 Business Development Loan Fund, the Lorman Southwest Mississippi
225 Development Corporation, the West Jackson Community Development
226 Corporation, the East Mississippi Development Corporation, and
227 other entities meeting the criteria established by the Mississippi
228 Business Corporation (all referred to hereinafter as "qualified
229 entities"), funds for the purpose of establishing loan revolving
230 funds to assist in providing financing for minority economic
231 development. The monies loaned or granted by the Mississippi
232 Business Finance Corporation shall be drawn from the Emerging
233 Crops Fund and shall not exceed Eighteen Million Dollars
234 (\$18,000,000.00) in the aggregate. Planning and development
235 districts or qualified entities which receive monies pursuant to
236 this provision shall use such monies to make loans to minority
237 business enterprises consistent with criteria established by the
238 Mississippi Business Finance Corporation. Such criteria shall
239 include, at a minimum, the following:

240 (a) The business enterprise must be a private,
241 for-profit enterprise.

242 (b) If the business enterprise is a proprietorship, the
243 borrower must be a resident citizen of the State of Mississippi;
244 if the business enterprise is a corporation or partnership, at
245 least fifty percent (50%) of the owners must be resident citizens
246 of the State of Mississippi.

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

249 (d) The borrower must demonstrate ability to repay the
250 loan.

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

253 (f) Loan proceeds may be used for financing all project
254 costs associated with development or expansion of a new small
255 business, including fixed assets, working capital, start-up costs,
256 rental payments, interest expense during construction and
257 professional fees related to the project.

258 (g) Loan proceeds shall not be used to pay off existing
259 debt for loan consolidation purposes; to finance the acquisition,
260 construction, improvement or operation of real property which is
261 to be held primarily for sale or investment; to provide for, or
262 free funds, for speculation in any kind of property; or as a loan
263 to owners, partners or stockholders of the applicant which do not
264 change ownership interest by the applicant. However, this does
265 not apply to ordinary compensation for services rendered in the
266 course of business.

267 (h) The maximum amount that may be loaned to any one
268 (1) borrower shall be Two Hundred Fifty Thousand Dollars
269 (\$250,000.00).

270 (i) The Mississippi Business Finance Corporation shall
271 review each loan before it is made, and no loan shall be made to
272 any borrower until the loan has been reviewed and approved by the
273 Mississippi Business Finance Corporation.

274 For the purpose of this subsection, the term "minority
275 business enterprise" means a socially and economically
276 disadvantaged small business concern, organized for profit,
277 performing a commercially useful function which is owned and
278 controlled by one or more minorities or minority business
279 enterprises certified by the Mississippi Business Finance

280 Corporation, at least fifty percent (50%) of whom are resident
281 citizens of the State of Mississippi. For purposes of this
282 subsection, the term "socially and economically disadvantaged
283 small business concern" shall have the meaning ascribed to such
284 term under the Small Business Act (15 USCS, Section 637(a)), or
285 women, and the term "owned and controlled" means a business in
286 which one or more minorities or minority business enterprises
287 certified by the Mississippi Business Finance Corporation own
288 sixty percent (60%) or, in the case of a corporation, sixty
289 percent (60%) of the voting stock, and control sixty percent (60%)
290 of the management and daily business operations of the business.

291 From and after July 1, 2002, monies not loaned or granted by
292 the Business Finance Corporation to planning and development
293 districts or qualified entities under this subsection, and monies
294 not loaned by planning and development districts or qualified
295 entities, shall be deposited to the credit of the sinking fund
296 created and maintained in the State Treasury for the retirement of
297 bonds issued under Section 69-2-19.

298 (5) The Mississippi Business Finance Corporation shall
299 develop a program which will assist minority business enterprises
300 by guaranteeing bid, performance and payment bonds which such
301 minority businesses are required to obtain in order to contract
302 with federal agencies, state agencies or political subdivisions of
303 the state. Monies for such program shall be drawn from the monies
304 allocated under subsection (4) of this section to assist the
305 financing of minority economic development and shall not exceed
306 Two Million Dollars (\$2,000,000.00) in the aggregate. The
307 Mississippi Business Finance Corporation may promulgate rules and
308 regulations for the operation of the program established pursuant
309 to this subsection. For the purpose of this subsection (5) the
310 term "minority business enterprise" has the meaning assigned such
311 term in subsection (4) of this section.

312 (6) The Mississippi Business Finance Corporation may loan or

313 grant to public entities and to nonprofit corporations funds to
314 defray the expense of financing (or to match any funds available
315 from other public or private sources for the expense of financing)
316 projects in this state which are devoted to the study, teaching
317 and/or promotion of regional crafts and which are deemed by the
318 corporation to be significant tourist attractions. The monies
319 loaned or granted shall be drawn from the Emerging Crops Fund and
320 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
321 in the aggregate.

322 (7) Through June 30, 1998, the Mississippi Business Finance
323 Corporation shall make available to the Mississippi Department of
324 Agriculture and Commerce funds for the purpose of establishing
325 loan revolving funds and other methods of financing for
326 agribusiness programs administered under the Mississippi
327 Agribusiness Council Act of 1993. The monies made available by
328 the Mississippi Business Finance Corporation shall be drawn from
329 the Emerging Crops Fund and shall not exceed Seven Hundred
330 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi
331 Department of Agriculture and Commerce shall establish control and
332 auditing procedures for use of these funds. These funds will be
333 used primarily for quick payment to farmers for vegetable and
334 fruit crops processed and sold through vegetable processing plants
335 associated with the Department of Agriculture and Commerce and the
336 Mississippi State Extension Service.

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

344 (9) The Mississippi Business Finance Corporation shall make
345 available to the Mississippi Department of Agriculture and

346 Commerce for disbursement, upon warrant or warrants issued by the
347 State Fiscal Officer upon requisitions made by the Commissioner of
348 Agriculture and Commerce, or his designee, to the Certified Cotton
349 Growers Organization, as defined in Section 69-37-5, funds on a
350 one-time basis in a lump sum, an amount not to exceed Two Million
351 Dollars (\$2,000,000.00) for the purpose of assisting in carrying
352 out the purposes of the Mississippi Boll Weevil Management Act.
353 The monies made available by the Mississippi Business Finance
354 Corporation shall be drawn from the Emerging Crops Fund. This
355 subsection (9) shall be repealed from and after June 30, 1999.

356 (10) Upon request by resolution of the Board of Directors of
357 the Institute for Technology Development and the Mississippi
358 Agribusiness Council, the Mississippi Business Finance Corporation
359 shall make available to the Institute for Technology Development
360 on a one-time basis, an amount not to exceed Two Hundred Fifty
361 Thousand Dollars (\$250,000.00) from the cash balance of the
362 Emerging Crops Fund to support the development of a cooperative
363 program for agribusiness development with the Alternative
364 Agriculture Research and Commercialization Program (AARC) of the
365 United States Department of Agriculture.

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

372 (12) The Mississippi Business Finance Corporation shall make
373 available to the Mississippi Forestry Commission for fiscal year
374 1999 a lump sum amount not to exceed Three Million Dollars
375 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used
376 for the purpose of replacing fire fighting units/equipment. This
377 subsection (12) shall be repealed from and after June 30, 1999.

378 (13) In addition to the amount provided in subsection (11)

379 of this section, the Mississippi Business Finance Corporation
380 shall make available to the Mississippi Forestry Commission for
381 fiscal year 1999 a lump sum amount not to exceed Five Hundred
382 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops
383 Fund and used for the commission's Reforestation Cost-Share
384 Program. This subsection (13) shall be repealed from and after
385 June 30, 1999.

386 (14) The Mississippi Business Finance Corporation shall make
387 available to the Small Farm Development Center at Alcorn State
388 University for fiscal year 1999 funds in the amount of Fifty
389 Thousand Dollars (\$50,000.00) for fiscal year 2000 funds in the
390 amount of Fifty Thousand Dollars (\$50,000.00) and for fiscal year
391 2001 funds in the amount of Fifty Thousand Dollars (\$50,000.00) to
392 be drawn from the Emerging Crops Fund to support a cooperative
393 program for agribusiness development in Mississippi. This
394 subsection (14) shall be repealed from and after June 30, 2002.

395 SECTION 5. Section 69-2-19, Mississippi Code of 1972, is
396 amended as follows:

397 69-2-19. The State Department of Economic and Community
398 Development is authorized, at one (1) time or from time to time,
399 to declare by resolution the necessity for issuance of negotiable
400 general obligation bonds of the State of Mississippi to provide
401 funds for the Emerging Crops Fund established in Section 69-2-13.
402 Upon the adoption of a resolution by the board, declaring the
403 necessity for the issuance of any part or all of the general
404 obligation bonds authorized by Sections 69-2-19 through 69-2-39,
405 the department shall deliver a certified copy of its resolution or
406 resolutions to the State Bond Commission. Upon receipt of same,
407 the State Bond Commission, in its discretion, shall act as the
408 issuing agent, prescribe the form of the bonds, advertise for and
409 accept bids, issue and sell the bonds so authorized to be sold,
410 and do any and all other things necessary and advisable in
411 connection with the issuance and sale of such bonds. The amount

412 of bonds issued under Sections 69-2-19 through 69-2-39 shall not
413 exceed Ninety-seven Million Dollars (\$97,000,000.00) in the
414 aggregate. No bonds may be issued under Sections 69-2-19 through
415 69-2-39 after October 1, 2003.

416 SECTION 6. Section 57-75-15, Mississippi Code of 1972, is
417 amended as follows:[CR5]

418 57-75-15. (1) Upon notification to the authority by the
419 enterprise that the state has been finally selected as the site
420 for the project, the State Bond Commission shall have the power
421 and is hereby authorized and directed, upon receipt of a
422 declaration from the authority as hereinafter provided, to borrow
423 money and issue general obligation bonds of the state in one or
424 more series for the purposes herein set out. Upon such
425 notification, the authority may thereafter from time to time
426 declare the necessity for the issuance of general obligation bonds
427 as authorized by this section and forward such declaration to the
428 State Bond Commission, provided that before such notification, the
429 authority may enter into agreements with the United States
430 Government, private companies and others that will commit the
431 authority to direct the State Bond Commission to issue bonds for
432 eligible undertakings set out in subsection (4) of this section,
433 conditioned on the siting of the project in the state.

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

439 (3) (a) Bonds issued under the authority of this section
440 for projects as defined in Section 57-75-5(f)(i) shall not exceed
441 an aggregate principal amount in the sum of Sixty-four Million Two
442 Hundred Fifty Thousand Dollars (\$64,250,000.00).

443 (b) Bonds issued under the authority of this section
444 for projects as defined in Section 57-75-5(f)(ii) shall not exceed

445 Ninety Million Dollars (\$90,000,000.00). The provisions of this
446 paragraph (b) shall be repealed from and after July 1, 1996.

447 (c) Bonds issued under the authority of this section
448 for projects as defined in Section 57-75-5(f)(iii) shall not
449 exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds
450 issued for projects related to any single military installation
451 exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars
452 (\$16,667,000.00). If any proceeds of bonds issued for projects
453 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
454 used for the development of a water and sewer service system by
455 the City of Meridian, Mississippi, to serve the NAAS and if the
456 City of Meridian annexes any of the territory served by the water
457 and sewer service system, the city shall repay the State of
458 Mississippi the amount of all bond proceeds expended on any
459 portion of the water and sewer service system project; and if
460 there are any monetary proceeds derived from the disposition of
461 any improvements located on real property in Kemper County
462 purchased pursuant to this act for projects related to the NAAS
463 and if there are any monetary proceeds derived from the
464 disposition of any timber located on real property in Kemper
465 County purchased pursuant to this act for projects related to the
466 NAAS, all of such proceeds (both from the disposition of
467 improvements and the disposition of timber) commencing July 1,
468 1996, through June 30, 2010, shall be paid to the Board of
469 Education of Kemper County, Mississippi, for expenditure by such
470 board of education to benefit the public schools of Kemper County.

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

477 From and after July 1, 1997, bonds shall not be issued for any

478 projects, as defined in Section 57-75-5(f)(iii), which are not
479 commenced before July 1, 1997. The proceeds of any bonds issued
480 for projects commenced before July 1, 1997, shall be used for the
481 purposes for which the bonds were issued until completion of the
482 projects.

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

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

491 (f) Bonds issued under the authority of this section
492 for the project defined in Section 57-75-5(f)(vi) shall not exceed
493 Twenty Million Three Hundred Seventy Thousand Dollars
494 (\$20,370,000.00). No bonds shall be issued under this paragraph
495 (f) until the State Bond Commission by resolution adopts a finding
496 that the project has secured wire harness contracts or contracts
497 to manufacture thin film polymer lithium-ion rechargeable
498 batteries, or any combination of such contracts, in the aggregate
499 amount of Twenty Million Dollars (\$20,000,000.00), either from the
500 United States Government or the private sector. No bonds shall be
501 issued under this paragraph after June 30, 2001.

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

506 (4) The proceeds from the sale of the bonds issued under
507 this section may be applied for the purposes of: (a) defraying all
508 or any designated portion of the costs incurred with respect to
509 acquisition, planning, design, construction, installation,
510 rehabilitation, improvement, relocation and with respect to

511 state-owned property, operation and maintenance of the project and
512 any facility related to the project located within the project
513 area, including costs of design and engineering, all costs
514 incurred to provide land, easements and rights-of-way, relocation
515 costs with respect to the project and with respect to any facility
516 related to the project located within the project area, and costs
517 associated with mitigation of environmental impacts; (b) providing
518 for the payment of interest on the bonds; (c) providing debt
519 service reserves; and (d) paying underwriters' discount, original
520 issue discount, accountants' fees, engineers' fees, attorneys'
521 fees, rating agency fees and other fees and expenses in connection
522 with the issuance of the bonds. Such bonds shall be issued from
523 time to time and in such principal amounts as shall be designated
524 by the authority, not to exceed in aggregate principal amounts the
525 amount authorized in subsection (3) of this section. Proceeds
526 from the sale of the bonds issued under this section may be
527 invested, subject to federal limitations, pending their use, in
528 such securities as may be specified in the resolution authorizing
529 the issuance of the bonds or the trust indenture securing them,
530 and the earning on such investment applied as provided in such
531 resolution or trust indenture.

532 (5) The principal of and the interest on the bonds shall be
533 payable in the manner hereinafter set forth. The bonds shall bear
534 date or dates; be in such denomination or denominations; bear
535 interest at such rate or rates; be payable at such place or places
536 within or without the state; mature absolutely at such time or
537 times; be redeemable before maturity at such time or times and
538 upon such terms, with or without premium; bear such registration
539 privileges; and be substantially in such form; all as shall be
540 determined by resolution of the State Bond Commission except that
541 such bonds shall mature or otherwise be retired in annual
542 installments beginning not more than five (5) years from the date
543 thereof and extending not more than twenty-five (25) years from

544 the date thereof. The bonds shall be signed by the Chairman of
545 the State Bond Commission, or by his facsimile signature, and the
546 official seal of the State Bond Commission shall be imprinted on
547 or affixed thereto, attested by the manual or facsimile signature
548 of the Secretary of the State Bond Commission. Whenever any such
549 bonds have been signed by the officials herein designated to sign
550 the bonds, who were in office at the time of such signing but who
551 may have ceased to be such officers before the sale and delivery
552 of such bonds, or who may not have been in office on the date such
553 bonds may bear, the signatures of such officers upon such bonds
554 shall nevertheless be valid and sufficient for all purposes and
555 have the same effect as if the person so officially signing such
556 bonds had remained in office until the delivery of the same to the
557 purchaser, or had been in office on the date such bonds may bear.

558 (6) All bonds issued under the provisions of this section
559 shall be and are hereby declared to have all the qualities and
560 incidents of negotiable instruments under the provisions of the
561 Uniform Commercial Code and in exercising the powers granted by
562 this chapter, the State Bond Commission shall not be required to
563 and need not comply with the provisions of the Uniform Commercial
564 Code.

565 (7) The State Bond Commission shall sell the bonds on sealed
566 bids at public sale, and for such price as it may determine to be
567 for the best interest of the State of Mississippi, but no such
568 sale shall be made at a price less than par plus accrued interest
569 to date of delivery of the bonds to the purchaser. The bonds
570 shall bear interest at such rate or rates not exceeding the limits
571 set forth in Section 75-17-101 as shall be fixed by the State Bond
572 Commission. All interest accruing on such bonds so issued shall
573 be payable semiannually or annually; provided that the first
574 interest payment may be for any period of not more than one (1)
575 year.

576 Notice of the sale of any bonds shall be published at least

577 one (1) time, the first of which shall be made not less than ten
578 (10) days prior to the date of sale, and shall be so published in
579 one or more newspapers having a general circulation in the City of
580 Jackson and in one or more other newspapers or financial journals
581 with a large national circulation, to be selected by the State
582 Bond Commission.

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

588 (8) State bonds issued under the provisions of this section
589 shall be the general obligations of the state and backed by the
590 full faith and credit of the state. The Legislature shall
591 appropriate annually an amount sufficient to pay the principal of
592 and the interest on such bonds as they become due. All bonds
593 shall contain recitals on their faces substantially covering the
594 foregoing provisions of this section.

595 (9) The State Treasurer is authorized to certify to the
596 Department of Finance and Administration the necessity for
597 warrants, and the Department of Finance and Administration is
598 authorized and directed to issue such warrants payable out of any
599 funds appropriated by the Legislature under this section for such
600 purpose, in such amounts as may be necessary to pay when due the
601 principal of and interest on all bonds issued under the provisions
602 of this section. The State Treasurer shall forward the necessary
603 amount to the designated place or places of payment of such bonds
604 in ample time to discharge such bonds, or the interest thereon, on
605 the due dates thereof.

606 (10) The bonds may be issued without any other proceedings
607 or the happening of any other conditions or things other than
608 those proceedings, conditions and things which are specified or
609 required by this chapter. Any resolution providing for the

610 issuance of general obligation bonds under the provisions of this
611 section shall become effective immediately upon its adoption by
612 the State Bond Commission, and any such resolution may be adopted
613 at any regular or special meeting of the State Bond Commission by
614 a majority of its members.

615 (11) In anticipation of the issuance of bonds hereunder, the
616 State Bond Commission is authorized to negotiate and enter into
617 any purchase, loan, credit or other agreement with any bank, trust
618 company or other lending institution or to issue and sell interim
619 notes for the purpose of making any payments authorized under this
620 section. All borrowings made under this provision shall be
621 evidenced by notes of the state which shall be issued from time to
622 time, for such amounts not exceeding the amount of bonds
623 authorized herein, in such form and in such denomination and
624 subject to such terms and conditions of sale and issuance,
625 prepayment or redemption and maturity, rate or rates of interest
626 not to exceed the maximum rate authorized herein for bonds, and
627 time of payment of interest as the State Bond Commission shall
628 agree to in such agreement. Such notes shall constitute general
629 obligations of the state and shall be backed by the full faith and
630 credit of the state. Such notes may also be issued for the
631 purpose of refunding previously issued notes; except that no notes
632 shall mature more than three (3) years following the date of
633 issuance of the first note hereunder and provided further, that
634 all outstanding notes shall be retired from the proceeds of the
635 first issuance of bonds hereunder. The State Bond Commission is
636 authorized to provide for the compensation of any purchaser of the
637 notes by payment of a fixed fee or commission and for all other
638 costs and expenses of issuance and service, including paying agent
639 costs. Such costs and expenses may be paid from the proceeds of
640 the notes.

641 (12) The bonds and interim notes authorized under the
642 authority of this section may be validated in the First Judicial

643 District of the Chancery Court of Hinds County, Mississippi, in
644 the manner and with the force and effect provided now or hereafter
645 by Chapter 13, Title 31, Mississippi Code of 1972, for the
646 validation of county, municipal, school district and other bonds.

647 The necessary papers for such validation proceedings shall be
648 transmitted to the state bond attorney, and the required notice
649 shall be published in a newspaper published in the City of
650 Jackson, Mississippi.

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

657 (14) All bonds issued under this chapter shall be legal
658 investments for trustees, other fiduciaries, savings banks, trust
659 companies and insurance companies organized under the laws of the
660 State of Mississippi; and such bonds shall be legal securities
661 which may be deposited with and shall be received by all public
662 officers and bodies of the state and all municipalities and other
663 political subdivisions thereof for the purpose of securing the
664 deposit of public funds.

665 (15) The Attorney General of the State of Mississippi shall
666 represent the State Bond Commission in issuing, selling and
667 validating bonds herein provided for, and the bond commission is
668 hereby authorized and empowered to expend from the proceeds
669 derived from the sale of the bonds authorized hereunder all
670 necessary administrative, legal and other expenses incidental and
671 related to the issuance of bonds authorized under this chapter.

672 (16) There is hereby created a special fund in the State
673 Treasury to be known as the Mississippi Major Economic Impact
674 Authority Fund wherein shall be deposited the proceeds of the
675 bonds issued under this chapter and all monies received by the

676 authority to carry out the purposes of this chapter. Expenditures
677 authorized herein shall be paid by the State Treasurer upon
678 warrants drawn from the fund, and the Department of Finance and
679 Administration shall issue warrants upon requisitions signed by
680 the director of the authority.

681 (17) (a) There is hereby created the Mississippi Economic
682 Impact Authority Sinking Fund from which the principal of and
683 interest on such bonds shall be paid by appropriation. All monies
684 paid into the sinking fund not appropriated to pay accruing bonds
685 and interest shall be invested by the State Treasurer in such
686 securities as are provided by law for the investment of the
687 sinking funds of the state.

688 (b) In the event that all or any part of the bonds and
689 notes are purchased, they shall be canceled and returned to the
690 loan and transfer agent as canceled and paid bonds and notes and
691 thereafter all payments of interest thereon shall cease and the
692 canceled bonds, notes and coupons, together with any other
693 canceled bonds, notes and coupons, shall be destroyed as promptly
694 as possible after cancellation but not later than two (2) years
695 after cancellation. A certificate evidencing the destruction of
696 the canceled bonds, notes and coupons shall be provided by the
697 loan and transfer agent to the seller.

698 (c) The State Treasurer shall determine and report to
699 the Department of Finance and Administration and Legislative
700 Budget Office by September 1 of each year the amount of money
701 necessary for the payment of the principal of and interest on
702 outstanding obligations for the following fiscal year and the
703 times and amounts of the payments. It shall be the duty of the
704 Governor to include in every executive budget submitted to the
705 Legislature full information relating to the issuance of bonds and
706 notes under the provisions of this chapter and the status of the
707 sinking fund for the payment of the principal of and interest on
708 the bonds and notes.

709 SECTION 7. This act shall take effect and be in force from
710 and after its passage.