

By: Representative West

To: Ways and Means

HOUSE BILL NO. 1525

1 AN ACT TO CREATE THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE
 2 ACT; TO ESTABLISH UNDER THE DIRECTION OF THE MISSISSIPPI
 3 DEVELOPMENT AUTHORITY THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE
 4 GRANT PROGRAM FOR THE PURPOSE OF MAKING GRANTS TO ELIGIBLE
 5 BUSINESSES FOR THE PURPOSE OF STIMULATING BUSINESS AND INDUSTRIAL
 6 GROWTH IN THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE; TO ESTABLISH
 7 CERTAIN CRITERIA THAT A BUSINESS MUST MEET IN ORDER TO BE ELIGIBLE
 8 FOR ASSISTANCE UNDER THIS ACT; TO REQUIRE THAT UNDER CERTAIN
 9 CIRCUMSTANCES A BUSINESS RECEIVING ASSISTANCE SHALL BE REQUIRED TO
 10 REPAY ALL OR A PORTION OF SUCH ASSISTANCE; TO CREATE A SPECIAL
 11 FUND KNOWN AS THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE GRANT
 12 FUND INTO WHICH ALL MONEY RECEIVED FROM THE ISSUANCE OF BONDS
 13 PURSUANT TO THIS ACT SHALL BE DEPOSITED; TO PROVIDE FOR THE
 14 ISSUANCE OF \$35,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO
 15 FUND THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE GRANT PROGRAM; AND
 16 FOR RELATED PURPOSES.

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

18 SECTION 1. This act shall be known and may be cited as the
 19 "Southwest Mississippi Empowerment Zone Act."

20 SECTION 2. As used in this act, the following words shall
 21 have the meanings ascribed herein unless the context clearly
 22 requires otherwise:

23 (a) "Accreted value" of any bond means, as of any date
 24 of computation, an amount equal to the sum of (i) the stated
 25 initial value of such bond, plus (ii) the interest accrued thereon
 26 from the issue date to the date of computation at the rate,
 27 compounded semiannually, that is necessary to produce the
 28 approximate yield to maturity shown for bonds of the same
 29 maturity.

30 (b) "State" means the State of Mississippi.

31 (c) "Commission" means the State Bond Commission.

32 (d) "Eligible business" means any enterprise that will
33 employ and maintain a minimum of three hundred (300) people on a
34 full-time basis with an average hourly wage of at least Eight
35 Dollars (\$8.00) per hour, or any existing enterprise that expands
36 or will expand which, with such expansion, will create a minimum
37 number of one hundred fifty (150) new full-time jobs with an
38 average hourly wage of at least Eight Dollars (\$8.00) per hour;
39 except that new full-time jobs created in Adams County,
40 Mississippi, by a new enterprise or by the expansion of an
41 existing enterprise, must have an average hourly wage of at least
42 Nine Dollars (\$9.00) per hour.

43 (e) "Southwest Mississippi Empowerment Zone" means the
44 area comprised of the following counties in Mississippi: Adams
45 County, Jefferson County, Amite County, Franklin County, Claiborne
46 County and Wilkinson County.

47 SECTION 3. There is established under the direction of the
48 Mississippi Development Authority, a program to be known as the
49 "Southwest Mississippi Empowerment Zone Grant Program" for the
50 purpose of stimulating business and industrial growth in the
51 Southwest Mississippi Empowerment Zone by providing financial
52 assistance in the form of grants to businesses in the empowerment
53 zone.

54 SECTION 4. There is created a special fund in the State
55 Treasury to be designated as the "Southwest Mississippi
56 Empowerment Zone Grant Fund," which shall consist of monies from
57 the proceeds of bonds authorized to be issued under this act.
58 Unexpended amounts remaining in the fund at the end of a fiscal
59 year shall not lapse into the State General Fund, and any interest
60 earned or investment earnings on amounts in the fund shall be
61 deposited to the fund.

62 SECTION 5. (1) The Mississippi Development Authority shall
63 use monies in the Southwest Mississippi Empowerment Zone Grant
64 Fund to provide grants to eligible businesses in the Southwest

65 Mississippi Empowerment Zone. No more than Twenty-five Million
66 Dollars (\$25,000,000.00) may be disbursed from the fund to provide
67 grants during the state's 2002 fiscal year and no more than Five
68 Million Dollars (\$5,000,000.00) may be disbursed as grants during
69 any subsequent fiscal year. Any business desiring assistance
70 under this act may apply to the Mississippi Development Authority
71 for a grant under the Southwest Mississippi Empowerment Zone Grant
72 Program. The application from the business shall include:

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

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

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

80 (d) A letter of intent from the business indicating
81 that it is committed to remaining in the Southwest Mississippi
82 Empowerment Zone for at least five (5) years; and

83 (e) Any other information required by the Mississippi
84 Development Authority.

85 (2) If the Executive Director of the Mississippi Development
86 Authority determines that the applicant is an eligible business,
87 the executive director shall authorize a grant to the eligible
88 business in the amount of One Million Dollars (\$1,000,000.00) for
89 each Ten Million Dollars (\$10,000,000.00) of capital investment
90 made by the eligible business.

91 (3) If an eligible business receives a grant under the
92 Southwest Mississippi Empowerment Zone Grant Program and the
93 business leaves the Southwest Mississippi Empowerment Zone within
94 five (5) years after receiving the grant or if within such period
95 of time the eligible business's number of employees or the average
96 hourly wage of its employees falls below the level required to be
97 an eligible business, the business shall be required to repay the

98 grant in the proportionate amount that the number of years, or
99 part of a year, remaining until the expiration of five (5) years
100 bears to five (5) years.

101 SECTION 6. (1) The commission, at one time, or from time to
102 time, may declare by resolution the necessity for issuance of
103 general obligation bonds of the State of Mississippi to provide
104 funds for all costs incurred or to be incurred for the purposes
105 described in Sections 3 through 5 of this act. Upon the adoption
106 of a resolution by the Mississippi Development Authority,
107 declaring the necessity for the issuance of any part or all of the
108 general obligation bonds authorized by this section, the
109 Mississippi Development Authority shall deliver a certified copy
110 of its resolution or resolutions to the commission. Upon receipt
111 of such resolution, the commission, in its discretion, may act as
112 the issuing agent, prescribe the form of the bonds, advertise for
113 and accept bids, issue and sell the bonds so authorized to be sold
114 and do any and all other things necessary and advisable in
115 connection with the issuance and sale of such bonds. The total
116 amount of bonds issued under this act shall not exceed Thirty-five
117 Million Dollars (\$35,000,000.00).

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

131 SECTION 8. The bonds authorized by this act shall be signed
132 by the chairman of the commission, or by his facsimile signature,
133 and the official seal of the commission shall be affixed thereto,
134 attested by the secretary of the commission. The interest
135 coupons, if any, to be attached to such bonds may be executed by
136 the facsimile signatures of such officers. Whenever any such
137 bonds shall have been signed by the officials designated to sign
138 the bonds who were in office at the time of such signing but who
139 may have ceased to be such officers before the sale and delivery
140 of such bonds, or who may not have been in office on the date such
141 bonds may bear, the signatures of such officers upon such bonds
142 and coupons shall nevertheless be valid and sufficient for all
143 purposes and have the same effect as if the person so officially
144 signing such bonds had remained in office until their delivery to
145 the purchaser, or had been in office on the date such bonds may
146 bear. However, notwithstanding anything herein to the contrary,
147 such bonds may be issued as provided in the Registered Bond Act of
148 the State of Mississippi.

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

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

164 of such bonds. The commission shall sell such bonds on sealed
165 bids at public sale, and for such price as it may determine to be
166 for the best interest of the State of Mississippi, but no such
167 sale shall be made at a price less than par plus accrued interest
168 to the date of delivery of the bonds to the purchaser. All
169 interest accruing on such bonds so issued shall be payable
170 semiannually or annually; however, the first interest payment may
171 be for any period of not more than one (1) year.

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

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

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

194 SECTION 12. Upon the issuance and sale of bonds under the
195 provisions of this act, the commission shall transfer the proceeds
196 of any such sale or sales to the special fund created in Section 4

197 of this act. The proceeds of such bonds shall be disbursed solely
198 upon the order of the Mississippi Development Authority under such
199 restrictions, if any, as may be contained in the resolution
200 providing for the issuance of the bonds.

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

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

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

226 SECTION 16. All bonds issued under the provisions of this
227 act shall be legal investments for trustees and other fiduciaries,
228 and for savings banks, trust companies and insurance companies
229 organized under the laws of the State of Mississippi, and such

230 bonds shall be legal securities which may be deposited with and
231 shall be received by all public officers and bodies of this state
232 and all municipalities and political subdivisions for the purpose
233 of securing the deposit of public funds.

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

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

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

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

255 SECTION 21. This act shall take effect and be in force from
256 and after its passage.