

By: Representative Robinson (63rd)

To: Ways and Means

HOUSE BILL NO. 1535

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

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

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

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

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14 Act as originally enacted or as hereafter amended.

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

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

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

29 facilities and equipment, including any functionally related
30 facilities; (vii) parks, outdoor recreation facilities and
31 athletic facilities; (viii) auditoriums, pavilions, campgrounds,
32 art centers, cultural centers, folklore centers and other public
33 facilities; (ix) health care facilities, public or private; and
34 (x) fire protection facilities, equipment and elevated water
35 tanks.

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

41 (f) "Project" means:

42 (i) Any industrial, commercial, research and
43 development, warehousing, distribution, transportation,
44 processing, mining, United States government or tourism enterprise
45 together with all real property required for construction,
46 maintenance and operation of the enterprise with an initial
47 capital investment of not less than Three Hundred Million Dollars
48 (\$300,000,000.00) from private or United States government sources
49 together with all buildings, and other supporting land and
50 facilities, structures or improvements of whatever kind required
51 or useful for construction, maintenance and operation of the
52 enterprise; or with an initial capital investment of not less than
53 One Hundred Fifty Million Dollars (\$150,000,000.00) from private
54 or United States government sources together with all buildings
55 and other supporting land and facilities, structures or
56 improvements of whatever kind required or useful for construction,
57 maintenance and operation of the enterprise and which creates at
58 least one thousand (1,000) net new full-time jobs; or which
59 creates at least one thousand (1,000) net new full-time jobs which
60 provides an average salary, excluding benefits which are not
61 subject to Mississippi income taxation, of at least one hundred

62 twenty-five percent (125%) of the most recently published average
63 annual wage of the state as determined by the Mississippi
64 Employment Security Commission. "Project" shall include any
65 addition to or expansion of an existing enterprise if such
66 addition or expansion has an initial capital investment of not
67 less than Three Hundred Million Dollars (\$300,000,000.00) from
68 private or United States government sources, or has an initial
69 capital investment of not less than One Hundred Fifty Million
70 Dollars (\$150,000,000.00) from private or United States government
71 sources together with all buildings and other supporting land and
72 facilities, structures or improvements of whatever kind required
73 or useful for construction, maintenance and operation of the
74 enterprise and which creates at least one thousand (1,000) net new
75 full-time jobs; or which creates at least one thousand (1,000) net
76 new full-time jobs which provides an average salary, excluding
77 benefits which are not subject to Mississippi income taxation, of
78 at least one hundred twenty-five percent (125%) of the most
79 recently published average annual wage of the state as determined
80 by the Mississippi Employment Security Commission. "Project"
81 shall also include any ancillary development or business resulting
82 from the enterprise, of which the authority is notified, within
83 three (3) years from the date that the enterprise entered into
84 commercial production, that the project area has been selected as
85 the site for the ancillary development or business.

86 (ii) Any major capital project designed to
87 improve, expand or otherwise enhance any active duty United States
88 Air Force or Navy training bases or naval stations, their support
89 areas or their military operations, upon designation by the
90 authority that any such base was or is at risk to be recommended
91 for closure or realignment pursuant to the Defense Base Closure
92 and Realignment Act of 1990; or any major development project
93 determined by the authority to be necessary to acquire base
94 properties and to provide employment opportunities through

95 construction of projects as defined in Section 57-3-5, which shall
96 be located on or provide direct support service or access to such
97 military installation property as such property exists on July 1,
98 1993, in the event of closure or reduction of military operations
99 at the installation. From and after July 1, 1997, projects
100 described in this subparagraph (ii) shall not be considered to be
101 within the meaning of the term "project" for purposes of this
102 section, unless such projects are commenced before July 1, 1997,
103 and shall not be eligible for any funding provided under the
104 Mississippi Major Economic Impact Act.

105 (iii) Any enterprise to be maintained, improved or
106 constructed in Tishomingo County by or for a National Aeronautics
107 and Space Administration facility in such county.

108 (iv) 1. Any major capital project with an initial
109 capital investment from private sources of not less than Seven
110 Hundred Fifty Million Dollars (\$750,000,000.00) which will create
111 at least three thousand (3,000) new direct jobs as defined in
112 Section 26, Chapter 1, Laws of 2000, Second Extraordinary Session.

113 2. "Project" shall also include any ancillary
114 development or business resulting from an enterprise operating a
115 project as defined in item 1 of this paragraph (f)(iv), of which
116 the authority is notified, within three (3) years from the date
117 that the enterprise entered into commercial production, that the
118 state has been selected as the site for the ancillary development
119 or business.

120 (v) Any major capital project designed to
121 construct the corporate headquarters and initial factory, to be
122 located in the Golden Triangle Region of the state, for any
123 Mississippi corporation that develops, constructs and operates
124 automated robotic systems to improve the quality of, and reduce
125 the costs of, manufacturing wire harness assemblies for certain
126 industries, or manufactures thin film polymer lithium-ion
127 rechargeable batteries which project has a ten-year strategic plan

128 of supporting one thousand (1,000) direct project-related jobs for
129 each group of wire harness contracts amounting to Thirty-five
130 Million Dollars (\$35,000,000.00), or which has a ten-year
131 strategic plan of supporting one thousand five hundred (1,500)
132 direct project-related jobs for each group of polymer lithium-ion
133 rechargeable battery contracts amounting to Forty Million Dollars
134 (\$40,000,000.00).

135 (vi) Any real property owned or controlled by the
136 National Aeronautics and Space Administration, the United States
137 government, or any agency thereof, which is legally conveyed to
138 the State of Mississippi or to the State of Mississippi for the
139 benefit of the Mississippi Major Economic Impact Authority, its
140 successors and assigns pursuant to Section 212 of Public Law
141 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

142 (vii) Any major capital project designed to
143 manufacture, produce and transmit electrical power using natural
144 gas as its primary raw material to be constructed and maintained
145 in Panola County, Mississippi, with an initial capital investment
146 of not less than Two Hundred Fifty Million Dollars
147 (\$250,000,000.00).

148 (viii) Any Fortune 500 company which is
149 headquartered and home-based in Mississippi with a resident
150 employment level of not less than one thousand (1,000) current or
151 net new full-time jobs, and with not less than fifty thousand
152 (50,000) total employees and Twenty Billion Dollars
153 (\$20,000,000,000.00) in gross revenue.

154 (g) "Project area" means the project site, together
155 with any area or territory within the state lying within
156 sixty-five (65) miles of any portion of the project site whether
157 or not such area or territory be contiguous; provided, however,
158 that for the project defined in paragraph (f)(iv) of this section
159 the term "project area" means any area or territory within the
160 state. The project area shall also include all territory within a

161 county if any portion of such county lies within sixty-five (65)
162 miles of any portion of the project site. "Project site" means
163 the real property on which the principal facilities of the
164 enterprise will operate.

165 (h) "Public agency" means:

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

168 (ii) Any city, town, county, political
169 subdivision, school district or other district created or existing
170 under the laws of the state or any public agency of any such city,
171 town, county, political subdivision or district or any other
172 public entity created or existing under local and private
173 legislation;

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

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

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

180 (j) "Fee-in-lieu" means a negotiated fee to be paid by
181 the project in lieu of any franchise taxes imposed on the project
182 by Chapter 13, Title 27, Mississippi Code of 1972. The
183 fee-in-lieu shall not be less than Twenty-five Thousand Dollars
184 (\$25,000.00) annually. A fee-in-lieu shall not be negotiated for
185 existing enterprises that fall within the definition of the term
186 "project."

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

189 57-75-15. (1) Upon notification to the authority by the
190 enterprise that the state has been finally selected as the site
191 for the project, the State Bond Commission shall have the power
192 and is hereby authorized and directed, upon receipt of a
193 declaration from the authority as hereinafter provided, to borrow

194 money and issue general obligation bonds of the state in one or
195 more series for the purposes herein set out. Upon such
196 notification, the authority may thereafter from time to time
197 declare the necessity for the issuance of general obligation bonds
198 as authorized by this section and forward such declaration to the
199 State Bond Commission, provided that before such notification, the
200 authority may enter into agreements with the United States
201 government, private companies and others that will commit the
202 authority to direct the State Bond Commission to issue bonds for
203 eligible undertakings set out in subsection (4) of this section,
204 conditioned on the siting of the project in the state.

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

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

214 (b) Bonds issued under the authority of this section
215 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
216 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
217 for projects related to any single military installation exceed
218 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
219 (\$16,667,000.00). If any proceeds of bonds issued for projects
220 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
221 used for the development of a water and sewer service system by
222 the City of Meridian, Mississippi, to serve the NAAS and if the
223 City of Meridian annexes any of the territory served by the water
224 and sewer service system, the city shall repay the State of
225 Mississippi the amount of all bond proceeds expended on any
226 portion of the water and sewer service system project; and if

227 there are any monetary proceeds derived from the disposition of
228 any improvements located on real property in Kemper County
229 purchased pursuant to this act for projects related to the NAAS
230 and if there are any monetary proceeds derived from the
231 disposition of any timber located on real property in Kemper
232 County purchased pursuant to this act for projects related to the
233 NAAS, all of such proceeds (both from the disposition of
234 improvements and the disposition of timber) commencing July 1,
235 1996, through June 30, 2010, shall be paid to the Board of
236 Education of Kemper County, Mississippi, for expenditure by such
237 board of education to benefit the public schools of Kemper County.
238 No bonds shall be issued under this paragraph (b) until the State
239 Bond Commission by resolution adopts a finding that the issuance
240 of such bonds will improve, expand or otherwise enhance the
241 military installation, its support areas or military operations,
242 or will provide employment opportunities to replace those lost by
243 closure or reductions in operations at the military installation.
244 From and after July 1, 1997, bonds shall not be issued for any
245 projects, as defined in Section 57-75-5(f)(ii), which are not
246 commenced before July 1, 1997. The proceeds of any bonds issued
247 for projects commenced before July 1, 1997, shall be used for the
248 purposes for which the bonds were issued until completion of the
249 projects.

250 (c) Bonds issued under the authority of this section
251 for projects as defined in Section 57-75-5(f)(iii) shall not
252 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
253 issued under this paragraph after December 31, 1996.

254 (d) Bonds issued under the authority of this section
255 for projects defined in Section 57-75-5(f)(iv) shall not exceed
256 Two Hundred Ninety-five Million Dollars (\$295,000,000.00). No
257 bonds shall be issued under this paragraph after June 30, 2003.

258 (e) Bonds issued under the authority of this section
259 for the project defined in Section 57-75-5(f)(v) shall not exceed

260 Twenty Million Three Hundred Seventy Thousand Dollars
261 (\$20,370,000.00). No bonds shall be issued under this paragraph
262 (e) until the State Bond Commission by resolution adopts a finding
263 that the project has secured wire harness contracts or contracts
264 to manufacture thin film polymer lithium-ion rechargeable
265 batteries, or any combination of such contracts, in the aggregate
266 amount of Twenty Million Dollars (\$20,000,000.00), either from the
267 United States government or the private sector. No bonds shall be
268 issued under this paragraph after June 30, 2001.

269 (f) Bonds issued under the authority of this section
270 for projects defined in Section 57-75-5(f)(vii) shall not exceed
271 Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be
272 issued after June 30, 2001.

273 (g) Bonds issued under the authority of this section
274 for projects defined in Section 57-75-5(f)(viii) shall not exceed
275 Twenty-five Million Dollars (\$25,000,000.00).

276 (4) The proceeds from the sale of the bonds issued under
277 this section may be applied for the purposes of: (a) defraying
278 all or any designated portion of the costs incurred with respect
279 to acquisition, planning, design, construction, installation,
280 rehabilitation, improvement, relocation and with respect to
281 state-owned property, operation and maintenance of the project and
282 any facility related to the project located within the project
283 area, including costs of design and engineering, all costs
284 incurred to provide land, easements and rights-of-way, relocation
285 costs with respect to the project and with respect to any facility
286 related to the project located within the project area, and costs
287 associated with mitigation of environmental impacts and
288 environmental impact studies; (b) defraying the cost of providing
289 for the recruitment, screening, selection, training or retraining
290 of employees, candidates for employment or replacement employees
291 of the project and any related activity; (c) reimbursing the
292 Mississippi Development Authority for expenses it incurred in

293 regard to projects defined in Section 57-75-5(f)(iv) prior to the
294 effective date of House Bill No. 1, 2000 Third Extraordinary
295 Session. The Mississippi Development Authority shall submit an
296 itemized list of expenses it incurred in regard to such projects
297 to the Chairmen of the Finance and Appropriations Committees of
298 the Senate and the Chairmen of the Ways and Means and
299 Appropriations Committees of the House of Representatives; (d)
300 providing grants to enterprises operating projects defined in
301 Section 57-75-5(f)(iv)1; (e) paying any warranty made by the
302 authority regarding site work for a project defined in Section
303 57-75-5(f)(iv)1; (f) defraying the cost of marketing and promotion
304 of a project as defined in Section 57-75-5(f)(iv)1. The authority
305 shall submit an itemized list of costs incurred for marketing and
306 promotion of such project to the Chairmen of the Finance and
307 Appropriations Committees of the Senate and the Chairmen of the
308 Ways and Means and Appropriations Committees of the House of
309 Representatives; (g) providing for the payment of interest on the
310 bonds; (h) providing debt service reserves; and (i) paying
311 underwriters' discount, original issue discount, accountants'
312 fees, engineers' fees, attorneys' fees, rating agency fees and
313 other fees and expenses in connection with the issuance of the
314 bonds. Such bonds shall be issued from time to time and in such
315 principal amounts as shall be designated by the authority, not to
316 exceed in aggregate principal amounts the amount authorized in
317 subsection (3) of this section. Proceeds from the sale of the
318 bonds issued under this section may be invested, subject to
319 federal limitations, pending their use, in such securities as may
320 be specified in the resolution authorizing the issuance of the
321 bonds or the trust indenture securing them, and the earning on
322 such investment applied as provided in such resolution or trust
323 indenture.

324 (5) The principal of and the interest on the bonds shall be
325 payable in the manner hereinafter set forth. The bonds shall bear

326 date or dates; be in such denomination or denominations; bear
327 interest at such rate or rates; be payable at such place or places
328 within or without the state; mature absolutely at such time or
329 times; be redeemable before maturity at such time or times and
330 upon such terms, with or without premium; bear such registration
331 privileges; and be substantially in such form; all as shall be
332 determined by resolution of the State Bond Commission except that
333 such bonds shall mature or otherwise be retired in annual
334 installments beginning not more than five (5) years from the date
335 thereof and extending not more than twenty-five (25) years from
336 the date thereof. The bonds shall be signed by the Chairman of
337 the State Bond Commission, or by his facsimile signature, and the
338 official seal of the State Bond Commission shall be imprinted on
339 or affixed thereto, attested by the manual or facsimile signature
340 of the Secretary of the State Bond Commission. Whenever any such
341 bonds have been signed by the officials herein designated to sign
342 the bonds, who were in office at the time of such signing but who
343 may have ceased to be such officers before the sale and delivery
344 of such bonds, or who may not have been in office on the date such
345 bonds may bear, the signatures of such officers upon such bonds
346 shall nevertheless be valid and sufficient for all purposes and
347 have the same effect as if the person so officially signing such
348 bonds had remained in office until the delivery of the same to the
349 purchaser, or had been in office on the date such bonds may bear.

350 (6) All bonds issued under the provisions of this section
351 shall be and are hereby declared to have all the qualities and
352 incidents of negotiable instruments under the provisions of the
353 Uniform Commercial Code and in exercising the powers granted by
354 this chapter, the State Bond Commission shall not be required to
355 and need not comply with the provisions of the Uniform Commercial
356 Code.

357 (7) The State Bond Commission shall sell the bonds on sealed
358 bids at public sale, and for such price as it may determine to be

359 for the best interest of the State of Mississippi, but no such
360 sale shall be made at a price less than par plus accrued interest
361 to date of delivery of the bonds to the purchaser. The bonds
362 shall bear interest at such rate or rates not exceeding the limits
363 set forth in Section 75-17-101 as shall be fixed by the State Bond
364 Commission. All interest accruing on such bonds so issued shall
365 be payable semiannually or annually; provided that the first
366 interest payment may be for any period of not more than one (1)
367 year.

368 Notice of the sale of any bonds shall be published at least
369 one (1) time, the first of which shall be made not less than ten
370 (10) days prior to the date of sale, and shall be so published in
371 one or more newspapers having a general circulation in the City of
372 Jackson and in one or more other newspapers or financial journals
373 with a large national circulation, to be selected by the State
374 Bond Commission.

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

380 (8) State bonds issued under the provisions of this section
381 shall be the general obligations of the state and backed by the
382 full faith and credit of the state. The Legislature shall
383 appropriate annually an amount sufficient to pay the principal of
384 and the interest on such bonds as they become due. All bonds
385 shall contain recitals on their faces substantially covering the
386 foregoing provisions of this section.

387 (9) The State Treasurer is authorized to certify to the
388 Department of Finance and Administration the necessity for
389 warrants, and the Department of Finance and Administration is
390 authorized and directed to issue such warrants payable out of any
391 funds appropriated by the Legislature under this section for such

392 purpose, in such amounts as may be necessary to pay when due the
393 principal of and interest on all bonds issued under the provisions
394 of this section. The State Treasurer shall forward the necessary
395 amount to the designated place or places of payment of such bonds
396 in ample time to discharge such bonds, or the interest thereon, on
397 the due dates thereof.

398 (10) The bonds may be issued without any other proceedings
399 or the happening of any other conditions or things other than
400 those proceedings, conditions and things which are specified or
401 required by this chapter. Any resolution providing for the
402 issuance of general obligation bonds under the provisions of this
403 section shall become effective immediately upon its adoption by
404 the State Bond Commission, and any such resolution may be adopted
405 at any regular or special meeting of the State Bond Commission by
406 a majority of its members.

407 (11) In anticipation of the issuance of bonds hereunder, the
408 State Bond Commission is authorized to negotiate and enter into
409 any purchase, loan, credit or other agreement with any bank, trust
410 company or other lending institution or to issue and sell interim
411 notes for the purpose of making any payments authorized under this
412 section. All borrowings made under this provision shall be
413 evidenced by notes of the state which shall be issued from time to
414 time, for such amounts not exceeding the amount of bonds
415 authorized herein, in such form and in such denomination and
416 subject to such terms and conditions of sale and issuance,
417 prepayment or redemption and maturity, rate or rates of interest
418 not to exceed the maximum rate authorized herein for bonds, and
419 time of payment of interest as the State Bond Commission shall
420 agree to in such agreement. Such notes shall constitute general
421 obligations of the state and shall be backed by the full faith and
422 credit of the state. Such notes may also be issued for the
423 purpose of refunding previously issued notes; except that no notes
424 shall mature more than three (3) years following the date of

425 issuance of the first note hereunder and provided further, that
426 all outstanding notes shall be retired from the proceeds of the
427 first issuance of bonds hereunder. The State Bond Commission is
428 authorized to provide for the compensation of any purchaser of the
429 notes by payment of a fixed fee or commission and for all other
430 costs and expenses of issuance and service, including paying agent
431 costs. Such costs and expenses may be paid from the proceeds of
432 the notes.

433 (12) The bonds and interim notes authorized under the
434 authority of this section may be validated in the First Judicial
435 District of the Chancery Court of Hinds County, Mississippi, in
436 the manner and with the force and effect provided now or hereafter
437 by Chapter 13, Title 31, Mississippi Code of 1972, for the
438 validation of county, municipal, school district and other bonds.
439 The necessary papers for such validation proceedings shall be
440 transmitted to the state bond attorney, and the required notice
441 shall be published in a newspaper published in the City of
442 Jackson, Mississippi.

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

449 (14) All bonds issued under this chapter shall be legal
450 investments for trustees, other fiduciaries, savings banks, trust
451 companies and insurance companies organized under the laws of the
452 State of Mississippi; and such bonds shall be legal securities
453 which may be deposited with and shall be received by all public
454 officers and bodies of the state and all municipalities and other
455 political subdivisions thereof for the purpose of securing the
456 deposit of public funds.

457 (15) The Attorney General of the State of Mississippi shall
458 represent the State Bond Commission in issuing, selling and
459 validating bonds herein provided for, and the bond commission is
460 hereby authorized and empowered to expend from the proceeds
461 derived from the sale of the bonds authorized hereunder all
462 necessary administrative, legal and other expenses incidental and
463 related to the issuance of bonds authorized under this chapter.

464 (16) There is hereby created a special fund in the State
465 Treasury to be known as the Mississippi Major Economic Impact
466 Authority Fund wherein shall be deposited the proceeds of the
467 bonds issued under this chapter and all monies received by the
468 authority to carry out the purposes of this chapter. Expenditures
469 authorized herein shall be paid by the State Treasurer upon
470 warrants drawn from the fund, and the Department of Finance and
471 Administration shall issue warrants upon requisitions signed by
472 the director of the authority.

473 (17) (a) There is hereby created the Mississippi Economic
474 Impact Authority Sinking Fund from which the principal of and
475 interest on such bonds shall be paid by appropriation. All monies
476 paid into the sinking fund not appropriated to pay accruing bonds
477 and interest shall be invested by the State Treasurer in such
478 securities as are provided by law for the investment of the
479 sinking funds of the state.

480 (b) In the event that all or any part of the bonds and
481 notes are purchased, they shall be canceled and returned to the
482 loan and transfer agent as canceled and paid bonds and notes and
483 thereafter all payments of interest thereon shall cease and the
484 canceled bonds, notes and coupons, together with any other
485 canceled bonds, notes and coupons, shall be destroyed as promptly
486 as possible after cancellation but not later than two (2) years
487 after cancellation. A certificate evidencing the destruction of
488 the canceled bonds, notes and coupons shall be provided by the
489 loan and transfer agent to the seller.

490 (c) The State Treasurer shall determine and report to
491 the Department of Finance and Administration and Legislative
492 Budget Office by September 1 of each year the amount of money
493 necessary for the payment of the principal of and interest on
494 outstanding obligations for the following fiscal year and the
495 times and amounts of the payments. It shall be the duty of the
496 Governor to include in every executive budget submitted to the
497 Legislature full information relating to the issuance of bonds and
498 notes under the provisions of this chapter and the status of the
499 sinking fund for the payment of the principal of and interest on
500 the bonds and notes.

501 SECTION 3. This act shall take effect and be in force from
502 and after July 1, 2001.