

By: Senator(s) Simmons, Jackson, Blackmon

To: Economic Dev, Tourism
and Parks; Finance

SENATE BILL NO. 2412

1 AN ACT TO BE ENTITLED THE ECONOMIC DEVELOPMENT ACT OF 2001 TO
2 CREATE THE CHILD DAY CARE LOAN GUARANTEE FUND FOR THE PURPOSE OF
3 ENCOURAGING LENDERS TO MAKE LOANS AVAILABLE FOR THE PURPOSE OF
4 FINANCING THE DEVELOPMENT AND EXPANSION OF CHILD DAY CARE CENTERS
5 IN THE LESS DEVELOPED COUNTIES OF THE STATE; TO PROVIDE THAT THE
6 MISSISSIPPI DEVELOPMENT AUTHORITY (MDA) SHALL ADMINISTER THE LOAN
7 GUARANTEE PROGRAM; TO PROVIDE THAT LOANS OR AN ENTITY DESIGNATED
8 BY SUCH DEPARTMENT THAT ARE ELIGIBLE FOR GUARANTEES MAY BE MADE
9 ONLY FOR CERTAIN PURPOSES; TO LIMIT THE AMOUNT OF THE LOAN
10 GUARANTEES MADE UNDER THIS ACT; TO PRESCRIBE CERTAIN CRITERIA THAT
11 SHALL BE USED IN THE DETERMINATION OF WHETHER TO GRANT CERTAIN
12 LOAN GUARANTEES; TO PRESCRIBE THE INFORMATION THAT AN APPLICANT
13 FOR A LOAN GUARANTEE MUST PROVIDE; TO ESTABLISH A GRANT PROGRAM
14 FOR COMMUNITY DEVELOPMENT CORPORATIONS; TO ESTABLISH A SPECIAL
15 FUND IN THE STATE TREASURY DESIGNATED AS THE "COMMUNITY
16 DEVELOPMENT GRANT FUND" FROM WHICH SUCH GRANTS SHALL BE MADE; TO
17 PROVIDE THAT THE MDA SHALL ADMINISTER THE GRANT PROGRAM
18 ESTABLISHED PURSUANT TO THIS ACT; TO PROVIDE THAT THE MDA SHALL
19 ESTABLISH CRITERIA FOR AWARDING GRANTS AND THE AMOUNT OF SUCH
20 GRANTS; TO CREATE AN INCOME TAX CREDIT FOR EACH NET NEW FULL-TIME
21 JOB FOR CERTAIN BUSINESSES IN AREAS THAT ARE DESIGNATED BY THE
22 FEDERAL GOVERNMENT AS EMPOWERMENT ZONES OR ENTERPRISE COMMUNITIES;
23 TO AMEND SECTION 57-73-21, MISSISSIPPI CODE OF 1972, TO PROVIDE
24 THAT THE CRITERIA USED TO CLASSIFY COUNTIES AS LESS DEVELOPED,
25 MODERATELY DEVELOPED AND DEVELOPED FOR PURPOSES OF THE JOB TAX
26 CREDIT SHALL BE THE UNEMPLOYMENT RATES IN EACH COUNTY; TO INCREASE
27 THE AMOUNT OF THE JOB TAX CREDIT FOR CERTAIN BUSINESSES IN LESS
28 DEVELOPED COUNTIES FROM \$2,000.00 TO \$4,000.00 ANNUALLY FOR EACH
29 NET NEW FULL-TIME EMPLOYEE JOB CREATED ON OR AFTER JULY 1, 2001;
30 TO AMEND SECTION 57-1-303, MISSISSIPPI CODE OF 1972, TO REVISE THE
31 INTEREST RATE ON LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL
32 IMPROVEMENTS REVOLVING LOAN PROGRAM TO PROVIDE THAT THE INTEREST
33 RATE ON SUCH LOANS SHALL NOT EXCEED ONE PERCENT LESS THAN THE
34 FEDERAL RESERVE DISCOUNT RATE; TO DECREASE THE PERIOD OF TIME
35 WITHIN WHICH LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL
36 IMPROVEMENTS REVOLVING LOAN PROGRAM MUST BE REPAYED; TO AMEND
37 SECTION 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM
38 \$254,750,000.00 TO \$259,750,000.00 THE AGGREGATE AMOUNT OF BONDS
39 THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT;
40 TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF 1972, TO INCREASE
41 FROM \$5,000,000.00 TO \$8,000,000.00 THE AMOUNT OF BOND PROCEEDS
42 THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY MAKE AVAILABLE AS
43 INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF BUSINESS
44 INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING
45 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO CREATE A NEW CODE

46 SECTION TO BE CODIFIED AS SECTION 57-61-45, MISSISSIPPI CODE OF
47 1972, TO REQUIRE THAT NOT MORE THAN \$2,000,000.00 OF CERTAIN BOND
48 PROCEEDS BE UTILIZED FOR A GRANT TO PROVIDE FUNDS FOR THE
49 COMMUNITY DEVELOPMENT GRANT FUND; AND FOR RELATED PURPOSES.

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

51 SECTION 1. This act may be cited as the "Economic
52 Development Act of 2001."

53 SECTION 2. Sections 2 through 13 of this act may be cited as
54 the "Child Day Care Loan Guarantee Act of 2001."

55 SECTION 3. The purpose of this act is to encourage lenders
56 to make loans available to child day care providers for the
57 purpose of financing the development and expansion of child day
58 care centers in less developed counties of the state and to
59 increase the quality and availability of child day care and
60 employment opportunities in these areas.

61 SECTION 4. As used in this act:

62 (a) "MDA" means the Mississippi Development Authority.

63 (b) "Designated entity" means an entity designated to
64 administer the Child Day Care Loan Guarantee Fund pursuant to
65 Section 6 of this act.

66 (c) "Child day care provider" means a person providing
67 or planning to provide child day care.

68 (d) "Less developed counties" means those counties
69 designated as less developed as provided for in Section 57-73-21,
70 Mississippi Code of 1972.

71 (e) "Fund" means the Child Day Care Loan Guarantee
72 Fund.

73 SECTION 5. There is created in the State Treasury a special
74 fund to be known as the "Child Day Care Loan Guarantee Fund,"
75 into which shall be deposited such money as the Legislature may
76 provide by appropriation and any other money received by the MDA
77 for the purposes of this act from any other source. Money in the
78 fund shall be used to guarantee loans made by lenders to
79 qualifying child day care providers to finance the development or
80 expansion of child day care centers in less developed counties.

81 The fund shall be administered by the MDA or a designated entity
82 and money in the fund shall be expended upon appropriation by the
83 Legislature. Unexpended amounts remaining in the fund at the end
84 of the state fiscal year shall not lapse into the State General
85 Fund, and any interest earned on amounts in the fund shall be
86 deposited to the credit of the fund.

87 SECTION 6. The MDA shall:

88 (a) Administer the fund or designate an appropriate
89 entity to administer the fund.

90 (b) Develop a loan approval process and such process
91 shall be managed in accordance with the policies the MDA
92 establishes.

93 (c) Monitor projects to ensure compliance with
94 applicable state and federal laws, rules and relevant court
95 decisions.

96 (d) Develop procedures for managing defaults and for
97 enforcing the obligations of borrowers to repay loans.

98 SECTION 7. In making loan guarantees under this act, the MDA
99 or the designated entity shall give priority to child day care
100 providers that serve or intend to serve less developed counties
101 that demonstrate the greatest need for child day care services.
102 The MDA or the designated entity shall attempt to distribute the
103 loan guarantees geographically among less developed counties.

104 SECTION 8. Loans that are eligible for guarantees under this
105 act may be made only for the following reasons:

106 (a) The construction, purchase, lease or improvement of
107 buildings or other facilities.

108 (b) The purchase or improvement of land.

109 (c) The purchase or lease of equipment, including
110 vehicles.

111 (d) Start-up and operation costs.

112 (e) Initial operating expenses.

113 SECTION 9. Loan guarantees under this act shall be subject
114 to the following restrictions:

115 (a) A loan guarantee shall not be granted in an amount
116 greater than Seventy-five Thousand Dollars (\$75,000.00).

117 (b) Not more than eighty percent (80%) of a loan shall
118 be guaranteed.

119 (c) The aggregate amount of loan guarantees issued
120 pursuant to this act shall not exceed five (5) times the amount
121 deposited in the fund.

122 SECTION 10. In determining whether to grant a loan guarantee
123 to a child day care provider who has a history of operating or
124 owning a child day care center, the MDA or the designated entity
125 shall use the following criteria:

126 (a) Quality of programming and staff.

127 (b) Ratio of children to staff.

128 (c) Quality of facilities.

129 (d) Degree of coordination with Head Start or other
130 programs.

131 (e) Quality of administrative and financial management.

132 (f) History of compliance with child day care licensing
133 or registration requirements.

134 (g) Ability to repay.

135 SECTION 11. The MDA shall formulate criteria to be utilized
136 in determining whether to grant a loan guarantee to a child day
137 care provider that does not have a history of operating or owning
138 a child day care center.

139 SECTION 12. An applicant for a guarantee under this act
140 shall supply the MDA or the designated entity with the following:

141 (a) A detailed description of the project.

142 (b) A disclosure of additional funds, if any, that are
143 available to the applicant.

144 (c) Information that relates to the inability of the
145 applicant to obtain adequate financing on reasonable terms through

146 normal lending channels, such as a letter from a lender certifying
147 that it would not grant credit without the loan guarantee.

148 (d) Credit references, if available, for the applicant.

149 (e) A five-year projected budget.

150 (f) A comprehensive business plan that includes the
151 applicant's plans in the areas of:

152 (i) Debt reduction;

153 (ii) Marketing;

154 (iii) Staff training;

155 (iv) Facility improvement; and

156 (v) Program improvement.

157 (g) Such other information as the MDA may require.

158 SECTION 13. Upon default by a borrower, the lender,
159 consistent with its current collections policies, shall exercise
160 reasonable diligence in its collection efforts before the fund
161 shall be liable for the default.

162 SECTION 14. Sections 14 and 15 of this act may be cited as
163 the "Community Development Corporation Grant Act of 2001."

164 SECTION 15. (1) As used in this section:

165 (a) "Community development corporation" means a
166 nonprofit corporation:

167 (i) Tax-exempt pursuant to Section 501(c)(3) of
168 the Internal Revenue Code of 1986;

169 (ii) Whose primary mission is to develop and
170 improve low-income communities and neighborhoods through economic
171 and related development;

172 (iii) Whose activities and decisions are
173 initiated, managed and controlled by the constituents of those
174 local communities; and

175 (iv) Whose primary function is to act as
176 deal-maker and packager of opportunities to become owners,
177 managers and producers of small businesses, affordable housing and

178 jobs designed to produce positive cash flow and curb blight in the
179 target community.

180 (b) "MDA" means the Mississippi Development Authority.

181 (c) "Fund" means the Community Development Grant Fund.

182 (2) There is created in the State Treasury a special fund to
183 be known as the "Community Development Grant Fund" into which
184 shall be deposited such money as the Legislature shall provide by
185 appropriation and any money received by the MDA from any other
186 source for the purpose of providing grants pursuant to this
187 section. Money in the fund shall be used to provide grants to
188 community development corporations. The fund shall be
189 administered by the MDA, and money in the fund shall be expended
190 upon appropriation by the Legislature. Unexpended amounts
191 remaining in the fund and the end of the state fiscal year shall
192 not lapse into the State General Fund, and any interest earned on
193 amounts in the fund shall be deposited to the credit of the fund.

194 (3) The MDA shall award grants to community development
195 corporations from the fund to support the operations and
196 activities of community development corporations. All community
197 development corporations shall be eligible for grants. The MDA
198 shall establish and implement performance-based criteria for
199 determining which community development corporations shall receive
200 a grant and the amount of grants awarded.

201 SECTION 16. (1) As used in this section, "empowerment
202 zones" or "enterprise communities" shall include those areas in
203 Mississippi designated as such pursuant to 26 USCA 1391.

204 (2) Permanent business enterprises in areas designated as
205 empowerment zones and enterprise communities are allowed a tax
206 credit for taxes imposed by Section 27-7-5 annually for each net
207 new full-time employee job created by such enterprise for five (5)
208 years beginning with years two (2) through six (6) after the
209 creation of the job in the following amounts:

210 (a) Five Hundred Dollars (\$500.00) for employee jobs
211 that are compensated at less than twenty-five percent (25%) more
212 than the amount of the federal minimum wage;

213 (b) One Thousand Dollars (\$1,000.00) for employee jobs
214 that are compensated at twenty-five percent (25%) or more than the
215 amount of the federal minimum wage but less than fifty percent
216 (50%) more than the amount of the federal minimum wage;

217 (c) One Thousand Five Hundred Dollars (\$1,500.00) for
218 employee jobs that are compensated at fifty percent (50%) or more
219 than the amount of the federal minimum wage but less than
220 seventy-five percent (75%) more than the amount of the federal
221 minimum wage;

222 (d) Two Thousand Dollars (\$2,000.00) for employee jobs
223 that are compensated at seventy-five percent (75%) or more than
224 the amount of the federal minimum wage but less than one hundred
225 percent (100%) more than the amount of the federal minimum wage;
226 and

227 (e) Two Thousand Five Hundred Dollars (\$2,500.00) for
228 employee jobs that are compensated at one hundred percent (100%)
229 or more than the amount of the federal minimum wage.

230 (3) The number of new full-time jobs shall be determined by
231 comparing the monthly average number of full-time employees of the
232 permanent business enterprise subject to Mississippi income tax
233 withholding for the taxable year with the corresponding period of
234 the prior taxable year. Only those permanent business enterprises
235 that increase employment by ten (10) or more in empowerment zones
236 or enterprise communities are eligible for the credit. The credit
237 shall not be allowed during any of the five (5) years if the net
238 employment increase falls below ten (10). The Tax Commission
239 shall adjust the credit allowed each year for the net new
240 employment fluctuations above the minimum level of ten (10).

241 (4) Tax credits for five (5) years for the taxes imposed by
242 Section 27-7-5 shall be awarded for additional net new full-time

243 jobs created by business enterprises qualified under this section.
244 The Tax Commission shall adjust the credit allowed in the event of
245 employment fluctuations during the additional five (5) years of
246 credit.

247 (5) The sale, merger, acquisition, reorganization,
248 bankruptcy or relocation from one county to another county within
249 the state of any business enterprise may not create new
250 eligibility in any succeeding business entity, but any unused tax
251 credit may be transferred and continued by any transferee of the
252 business enterprise. The Tax Commission shall determine whether
253 or not qualifying net increases or decreases have occurred or
254 proper transfers of credit have been made, and may require
255 reports, promulgate regulations and hold hearings as needed for
256 substantiation and qualification.

257 (6) Any tax credit claimed under this section but not used
258 in any taxable year may be carried forward for five (5) years from
259 the close of the tax year in which the qualified jobs were
260 established, but the credit established by this section taken in
261 any one (1) tax year must be limited to an amount not greater than
262 fifty percent (50%) of the taxpayer's state income tax liability
263 which is attributable to income derived from operations in the
264 state of that year.

265 (7) The credit allowed under this section shall not be used
266 by any business enterprise or corporation other than the business
267 enterprise actually qualifying for the credit.

268 (8) The tax credit provided for in this section shall be in
269 addition to any tax credits provided for in Section 57-73-21.

270 (9) This section shall stand repealed from and after January
271 1, 2007.

272 SECTION 17. Section 57-73-21, Mississippi Code of 1972, is
273 amended as follows:

274 57-73-21. (1) Annually by December 31, using the most
275 current data available from the University Research Center,

276 Mississippi State Employment Security Commission and the United
277 States Department of Commerce, the State Tax Commission shall rank
278 and designate the state's counties as provided in this section.
279 The twenty-eight (28) counties in this state having * * * the
280 highest unemployment rate * * * for the most recent
281 thirty-six-month period * * * are designated Tier Three areas.
282 The twenty-seven (27) counties in the state with * * * the next
283 highest unemployment rate * * * for the most recent
284 thirty-six-month period * * * are designated Tier Two areas. The
285 twenty-seven (27) counties in the state with * * * the lowest
286 unemployment rate * * * for the most recent thirty-six-month
287 period * * * are designated Tier One areas. Counties designated
288 by the Tax Commission qualify for the appropriate tax credit for
289 jobs as provided in subsections (2), (3) and (4) of this section.
290 The designation by the Tax Commission is effective for the tax
291 years of permanent business enterprises which begin after the date
292 of designation. For companies which plan an expansion in their
293 labor forces, the Tax Commission shall prescribe certification
294 procedures to ensure that the companies can claim credits in
295 future years without regard to whether or not a particular county
296 is removed from the list of Tier Three or Tier Two areas.

297 (2) Permanent business enterprises primarily engaged in
298 manufacturing, processing, warehousing, distribution, wholesaling
299 and research and development, or permanent business enterprises
300 designated by rule and regulation of the Mississippi Development
301 Authority as air transportation and maintenance facilities, final
302 destination or resort hotels having a minimum of one hundred fifty
303 (150) guest rooms, recreational facilities that impact tourism,
304 movie industry studios, telecommunications enterprises, data or
305 information processing enterprises or computer software
306 development enterprises or any technology intensive facility or
307 enterprise, in counties designated by the Tax Commission as Tier
308 Three areas are allowed a job tax credit for taxes imposed by

309 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
310 for each net new full-time employee job for five (5) years
311 beginning with years two (2) through six (6) after the creation of
312 the job; provided, however, that the job tax credit allowed under
313 this subsection for each net new full-time employee job created on
314 or after July 1, 2001, shall be Four Thousand Dollars (\$4,000.00).
315 The number of new full-time jobs must be determined by comparing
316 the monthly average number of full-time employees subject to the
317 Mississippi income tax withholding for the taxable year with the
318 corresponding period of the prior taxable year. Only those
319 permanent businesses that increase employment by ten (10) or more
320 in a Tier Three area are eligible for the credit. Credit is not
321 allowed during any of the five (5) years if the net employment
322 increase falls below ten (10). The Tax Commission shall adjust
323 the credit allowed each year for the net new employment
324 fluctuations above the minimum level of ten (10).

325 (3) Permanent business enterprises primarily engaged in
326 manufacturing, processing, warehousing, distribution, wholesaling
327 and research and development, or permanent business enterprises
328 designated by rule and regulation of the Mississippi Development
329 Authority as air transportation and maintenance facilities, final
330 destination or resort hotels having a minimum of one hundred fifty
331 (150) guest rooms, recreational facilities that impact tourism,
332 movie industry studios, telecommunications enterprises, data or
333 information processing enterprises or computer software
334 development enterprises or any technology intensive facility or
335 enterprise, in counties that have been designated by the Tax
336 Commission as Tier Two areas are allowed a job tax credit for
337 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
338 (\$1,000.00) annually for each net new full-time employee job for
339 five (5) years beginning with years two (2) through six (6) after
340 the creation of the job. The number of new full-time jobs must be
341 determined by comparing the monthly average number of full-time

342 employees subject to Mississippi income tax withholding for the
343 taxable year with the corresponding period of the prior taxable
344 year. Only those permanent businesses that increase employment by
345 fifteen (15) or more in Tier Two areas are eligible for the
346 credit. The credit is not allowed during any of the five (5)
347 years if the net employment increase falls below fifteen (15).
348 The Tax Commission shall adjust the credit allowed each year for
349 the net new employment fluctuations above the minimum level of
350 fifteen (15).

351 (4) Permanent business enterprises primarily engaged in
352 manufacturing, processing, warehousing, distribution, wholesaling
353 and research and development, or permanent business enterprises
354 designated by rule and regulation of the Mississippi Development
355 Authority as air transportation and maintenance facilities, final
356 destination or resort hotels having a minimum of one hundred fifty
357 (150) guest rooms, recreational facilities that impact tourism,
358 movie industry studios, telecommunications enterprises, data or
359 information processing enterprises or computer software
360 development enterprises or any technology intensive facility or
361 enterprise, in counties designated by the Tax Commission as Tier
362 One areas are allowed a job tax credit for taxes imposed by
363 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
364 for each net new full-time employee job for five (5) years
365 beginning with years two (2) through six (6) after the creation of
366 the job. The number of new full-time jobs must be determined by
367 comparing the monthly average number of full-time employees
368 subject to Mississippi income tax withholding for the taxable year
369 with the corresponding period of the prior taxable year. Only
370 those permanent businesses that increase employment by twenty (20)
371 or more in Tier One areas are eligible for the credit. The credit
372 is not allowed during any of the five (5) years if the net
373 employment increase falls below twenty (20). The Tax Commission

374 shall adjust the credit allowed each year for the net new
375 employment fluctuations above the minimum level of twenty (20).

376 (5) In addition to the credits authorized in subsections
377 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
378 credit for each net new full-time employee or an additional One
379 Thousand Dollars (\$1,000.00) credit for each net new full-time
380 employee who is paid a salary, excluding benefits which are not
381 subject to Mississippi income taxation, of at least one hundred
382 twenty-five percent (125%) of the average annual wage of the state
383 or an additional Two Thousand Dollars (\$2,000.00) credit for each
384 net new full-time employee who is paid a salary, excluding
385 benefits which are not subject to Mississippi income taxation, of
386 at least two hundred percent (200%) of the average annual wage of
387 the state, shall be allowed for any company establishing or
388 transferring its national or regional headquarters from within or
389 outside the State of Mississippi. A minimum of thirty-five (35)
390 jobs must be created to qualify for the additional credit. The
391 State Tax Commission shall establish criteria and prescribe
392 procedures to determine if a company qualifies as a national or
393 regional headquarters for purposes of receiving the credit awarded
394 in this subsection. As used in this subsection, the average
395 annual wage of the state is the most recently published average
396 annual wage as determined by the Mississippi Employment Security
397 Commission.

398 (6) In addition to the credits authorized in subsections
399 (2), (3), (4) and (5), any job requiring research and development
400 skills (chemist, engineer, etc.) shall qualify for an additional
401 One Thousand Dollars (\$1,000.00) credit for each net new full-time
402 employee.

403 (7) Tax credits for five (5) years for the taxes imposed by
404 Section 27-7-5 shall be awarded for additional net new full-time
405 jobs created by business enterprises qualified under subsections
406 (2), (3), (4), (5) and (6) of this section. The Tax Commission

407 shall adjust the credit allowed in the event of employment
408 fluctuations during the additional five (5) years of credit.

409 (8) The sale, merger, acquisition, reorganization,
410 bankruptcy or relocation from one county to another county within
411 the state of any business enterprise may not create new
412 eligibility in any succeeding business entity, but any unused job
413 tax credit may be transferred and continued by any transferee of
414 the business enterprise. The Tax Commission shall determine
415 whether or not qualifying net increases or decreases have occurred
416 or proper transfers of credit have been made and may require
417 reports, promulgate regulations, and hold hearings as needed for
418 substantiation and qualification.

419 (9) Any tax credit claimed under this section but not used
420 in any taxable year may be carried forward for five (5) years from
421 the close of the tax year in which the qualified jobs were
422 established but the credit established by this section taken in
423 any one (1) tax year must be limited to an amount not greater than
424 fifty percent (50%) of the taxpayer's state income tax liability
425 which is attributable to income derived from operations in the
426 state for that year.

427 (10) No business enterprise for the transportation,
428 handling, storage, processing or disposal of hazardous waste is
429 eligible to receive the tax credits provided in this section.

430 (11) The credits allowed under this section shall not be
431 used by any business enterprise or corporation other than the
432 business enterprise actually qualifying for the credits.

433 (12) The tax credits provided for in this section shall be
434 in addition to any tax credits described in Sections 57-51-13(b),
435 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
436 action by the Department of Economic Development prior to July 1,
437 1989, to any business enterprise determined prior to July 1, 1989,
438 by the Department of Economic Development to be a qualified
439 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or

440 a qualified company as described in Section 57-53-1, as the case
441 may be; however, from and after July 1, 1989, tax credits shall be
442 allowed only under either this section or Sections 57-51-13(b),
443 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
444 employee.

445 (13) As used in this section, the term "telecommunications
446 enterprises" means entities engaged in the creation, display,
447 management, storage, processing, transmission or distribution for
448 compensation of images, text, voice, video or data by wire or by
449 wireless means, or entities engaged in the construction, design,
450 development, manufacture, maintenance or distribution for
451 compensation of devices, products, software or structures used in
452 the above activities. Companies organized to do business as
453 commercial broadcast radio stations, television stations or news
454 organizations primarily serving in-state markets shall not be
455 included within the definition of the term "telecommunications
456 enterprises."

457 SECTION 18. Section 57-1-303, Mississippi Code of 1972, is
458 amended as follows:

459 57-1-303. (1) * * * There is created a special fund in the
460 State Treasury to be designated as the "Local Governments Capital
461 Improvements Revolving Loan Fund," which fund shall consist of
462 such monies as provided in Sections 57-1-307 through 57-1-335.
463 The fund shall be maintained in perpetuity for the purposes
464 established in Sections 57-1-301 through 57-1-335. Unexpended
465 amounts remaining in the fund at the end of a fiscal year shall
466 not lapse into the State General Fund, and any interest earned on
467 amounts in the fund shall be deposited to the credit of the fund.
468 Monies in the fund may not be used or expended for any purpose
469 except as authorized under Sections 57-1-301 through 57-1-335.

470 * * *

471 (2) A county or an incorporated municipality may apply to
472 the Mississippi Development Authority for a loan under the Local

473 Governments Capital Improvements Revolving Loan Program
474 established under Sections 57-1-301 through 57-1-335.

475 (3) * * * The Mississippi Development Authority shall
476 establish a loan program by which loans, at a rate of interest not
477 to exceed one percent (1%) less than the federal reserve discount
478 rate, may be made available to counties and incorporated
479 municipalities to assist counties and incorporated municipalities
480 in making capital improvements. Loans from the revolving fund may
481 be made to counties and municipalities as set forth in a loan
482 agreement in amounts not to exceed one hundred percent (100%) of
483 eligible project costs as established by the Mississippi
484 Development Authority. The Mississippi Development Authority may
485 require county or municipal participation or funding from other
486 sources, or otherwise limit the percentage of costs covered by
487 loans from the revolving fund. The Mississippi Development
488 Authority may establish a maximum amount for any loan in order to
489 provide for broad and equitable participation in the program.

490 * * *

491 (4) A county that receives a loan from the revolving fund
492 shall pledge for repayment of the loan any part of the homestead
493 exemption annual tax loss reimbursement to which it may be
494 entitled under Section 27-33-77. An incorporated municipality
495 that receives a loan from the revolving fund shall pledge for
496 repayment of the loan any part of the sales tax revenue
497 distribution to which it may be entitled under Section 27-65-75.
498 Each loan agreement shall provide for (i) monthly payments, (ii)
499 semiannual payments, or (iii) other periodic payments, the annual
500 total of which shall not exceed the annual total for any other
501 year of the loan by more than fifteen percent (15%). The loan
502 agreement shall provide for the repayment of all funds received
503 within not more than fifteen (15) years from the date of project
504 completion.

505 (5) The State Auditor, upon request of the Mississippi
506 Development Authority, shall audit the receipts and expenditures
507 of a county or an incorporated municipality whose loan payments
508 appear to be in arrears, and if he finds that the county or
509 municipality is in arrears in such payments, he shall immediately
510 notify the Executive Director of the Department of Finance and
511 Administration who shall withhold all future payments to the
512 county of homestead exemption reimbursements under Section
513 27-33-77 and all sums allocated to the county or the municipality
514 under Section 27-65-75 until such time as the county or the
515 municipality is again current in its loan payments as certified by
516 the Mississippi Development Authority.

517 (6) Evidences of indebtedness which are issued pursuant to
518 this chapter shall not be deemed indebtedness within the meaning
519 specified in Section 21-33-303 with regard to cities or
520 incorporated towns, and in Section 19-9-5 with regard to counties.

521 SECTION 19. Section 57-61-25, Mississippi Code of 1972, is
522 amended as follows:

523 57-61-25. (1) The seller is authorized to borrow, on the
524 credit of the state upon receipt of a resolution from the
525 department requesting the same, money not exceeding the aggregate
526 sum of Two Hundred Fifty-nine Million Seven Hundred Fifty Thousand
527 Dollars (\$259,750,000.00), not including money borrowed to refund
528 outstanding bonds, notes or replacement notes, as may be necessary
529 to carry out the purposes of this chapter. The aggregate amount
530 of bonds issued prior to June 30, 1987, shall not exceed Fifty
531 Million Dollars (\$50,000,000.00); provided, however, this Fifty
532 Million Dollar (\$50,000,000.00) limitation shall not be construed
533 to limit the aggregate amount of grants which may be awarded prior
534 to June 30, 1987, to less than the full amount authorized under
535 Section 57-61-15(1), Mississippi Code of 1972. The rate of
536 interest on any such bonds or notes which are not subject to

537 taxation shall not exceed the rates set forth in Section
538 75-17-101, Mississippi Code of 1972, for general obligation bonds.

539 (2) As evidence of indebtedness authorized in this chapter,
540 general or limited obligation bonds of the state shall be issued
541 from time to time, to provide monies necessary to carry out the
542 purposes of this chapter for such total amounts, in such form, in
543 such denominations payable in such currencies (either domestic or
544 foreign or both) and subject to such terms and conditions of
545 issue, redemption and maturity, rate of interest and time of
546 payment of interest as the seller directs, except that such bonds
547 shall mature or otherwise be retired in annual installments
548 beginning not more than five (5) years from date thereof and
549 extending not more than thirty (30) years from date thereof.

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

554 (4) All bonds and notes issued under authority of this
555 chapter may be general or limited obligations of the state, and
556 the full faith and credit of the State of Mississippi as to
557 general obligation bonds, or the revenues derived from projects
558 assisted as to limited obligation bonds, are hereby pledged for
559 the payment of the principal of and interest on such bonds and
560 notes.

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

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

567 (7) The seller is authorized to provide, by resolution, for
568 the issuance of refunding bonds for the purpose of refunding any
569 debt issued under the provision of this chapter and then

570 outstanding, either by voluntary exchange with the holders of the
571 outstanding debt or to provide funds to redeem and the costs of
572 issuance and retirement of the debt, at maturity or at any call
573 date. The issuance of the refunding bonds, the maturities and
574 other details thereof, the rights of the holders thereof and the
575 duties of the issuing officials in respect to the same shall be
576 governed by the provisions of this section, insofar as they may be
577 applicable.

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

582 SECTION 20. Section 57-61-34, Mississippi Code of 1972, is
583 amended as follows:

584 57-61-34. Notwithstanding any provision of this chapter to
585 the contrary, the Mississippi Development Authority shall utilize
586 not more than Eight Million Dollars (\$8,000,000.00) out of the
587 proceeds of bonds authorized to be issued in this chapter to be
588 made available as interest-bearing loans to municipalities or
589 private companies to aid in the establishment of business
590 incubation centers and the creation of new and expanding
591 technology-based business and industry.

592 In exercising the power given it under this section, the
593 department shall work in conjunction with the University Research
594 Center * * *.

595 The requirements of Section 57-61-9 shall not apply to any
596 loan made under this section. The Mississippi Development
597 Authority shall establish criteria and guidelines to govern loans
598 made pursuant to this section.

599 SECTION 21. The following provision shall be codified as
600 Section 57-61-45, Mississippi Code of 1972:

601 57-61-45. Notwithstanding any provision of this chapter to
602 the contrary, the Mississippi Development Authority shall utilize

603 not more than Two Million Dollars (\$2,000,000.00) out of the
604 proceeds of bonds issued in this chapter to provide a grant to
605 provide funds for the Community Development Grant Fund established
606 in Section 15 of Senate Bill No. 2412, 2001 Regular Session.

607 The requirements of Section 57-61-9, Mississippi Code of
608 1972, shall not apply to the grant made under this section.

609 SECTION 22. This act shall take effect and be in force from
610 and after July 1, 2001.