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To: Finance

SENATE BILL NO. 2001
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$260,000,000.00 TO \$280,000,000.00, THE AMOUNT OF
3 BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT
4 ACT; TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO REVISE
5 THE DEFINITION OF THE TERM "PROJECT" FOR PURPOSES OF THE
6 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTION 57-75-15,
7 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE ISSUANCE OF STATE
8 GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$31,500,000.00 FOR
9 CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT;
10 AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is
13 amended as follows:

14 57-61-25. (1) The seller is authorized to borrow, on the
15 credit of the state upon receipt of a resolution from the
16 Mississippi Development Authority requesting the same, money not
17 exceeding the aggregate sum of Two Hundred Eighty Million Dollars
18 (\$280,000,000.00), not including money borrowed to refund
19 outstanding bonds, notes or replacement notes, as may be necessary
20 to carry out the purposes of this chapter. The aggregate amount
21 of bonds issued prior to June 30, 1987, shall not exceed Fifty
22 Million Dollars (\$50,000,000.00); provided, however, this Fifty
23 Million Dollars (\$50,000,000.00) limitation shall not be construed
24 to limit the aggregate amount of grants which may be awarded prior
25 to June 30, 1987, to less than the full amount authorized under
26 Section 57-61-15(1), Mississippi Code of 1972. The rate of
27 interest on any such bonds or notes which are not subject to
28 taxation shall not exceed the rates set forth in Section
29 75-17-101, Mississippi Code of 1972, for general obligation bonds.

30 (2) As evidence of indebtedness authorized in this chapter,
31 general or limited obligation bonds of the state shall be issued



32 from time to time, to provide monies necessary to carry out the
33 purposes of this chapter for such total amounts, in such form, in
34 such denominations payable in such currencies (either domestic or
35 foreign or both) and subject to such terms and conditions of
36 issue, redemption and maturity, rate of interest and time of
37 payment of interest as the seller directs, except that such bonds
38 shall mature or otherwise be retired in annual installments
39 beginning not more than five (5) years from date thereof and
40 extending not more than thirty (30) years from date thereof.

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

45 (4) All bonds and notes issued under authority of this
46 chapter may be general or limited obligations of the state, and
47 the full faith and credit of the State of Mississippi as to
48 general obligation bonds, or the revenues derived from projects
49 assisted as to limited obligation bonds, are hereby pledged for
50 the payment of the principal of and interest on such bonds and
51 notes.

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

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

58 (7) The seller is authorized to provide, by resolution, for
59 the issuance of refunding bonds for the purpose of refunding any
60 debt issued under the provision of this chapter and then
61 outstanding, either by voluntary exchange with the holders of the
62 outstanding debt or to provide funds to redeem and the costs of
63 issuance and retirement of the debt, at maturity or at any call
64 date. The issuance of the refunding bonds, the maturities and



65 other details thereof, the rights of the holders thereof and the
66 duties of the issuing officials in respect to the same shall be
67 governed by the provisions of this section, insofar as they may be
68 applicable.

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

73 (9) The proceeds of bonds issued under this chapter after
74 April 9, 2002, may be used to reimburse reasonable, actual and
75 necessary costs incurred by the Mississippi Development Authority
76 in administering a program or providing assistance related to a
77 project, or both, for which funding is provided from the use of
78 proceeds of such bonds. An accounting of actual costs incurred
79 for which reimbursement is sought shall be maintained for each
80 project by the Mississippi Development Authority. Reimbursement
81 of reasonable, actual and necessary costs for a program or project
82 shall not exceed three percent (3%) of the proceeds of bonds
83 issued for such program or project. Monies authorized for a
84 particular program or project may not be used to reimburse
85 administrative costs for unrelated programs or projects.
86 Reimbursements under this subsection shall satisfy any applicable
87 federal tax law requirements.

88 **SECTION 2.** Section 57-75-5, Mississippi Code of 1972, is
89 amended as follows:

90 57-75-5. Words and phrases used in this chapter shall have
91 meanings as follows, unless the context clearly indicates a
92 different meaning:

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

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



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

(d) "Facility related to the project" means and includes any of the following, as the same may pertain to the project within the project area: (i) facilities to provide potable and industrial water supply systems, sewage and waste disposal systems and water, natural gas and electric transmission systems to the site of the project; (ii) airports, airfields and air terminals; (iii) rail lines; (iv) port facilities; (v) highways, streets and other roadways; (vi) public school buildings, classrooms and instructional facilities, training facilities and equipment, including any functionally related facilities; (vii) parks, outdoor recreation facilities and athletic facilities; (viii) auditoriums, pavilions, campgrounds, art centers, cultural centers, folklore centers and other public facilities; (ix) health care facilities, public or private; and (x) fire protection facilities, equipment and elevated water tanks.

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

(f) "Project" means:

(i) Any industrial, commercial, research and development, warehousing, distribution, transportation, processing, mining, United States government or tourism enterprise together with all real property required for construction, maintenance and operation of the enterprise with an initial capital investment of not less than Three Hundred Million Dollars (\$300,000,000.00) from private or United States government sources together with all buildings, and other supporting land and



130 facilities, structures or improvements of whatever kind required
131 or useful for construction, maintenance and operation of the
132 enterprise; or with an initial capital investment of not less than
133 One Hundred Fifty Million Dollars (\$150,000,000.00) from private
134 or United States government sources together with all buildings
135 and other supporting land and facilities, structures or
136 improvements of whatever kind required or useful for construction,
137 maintenance and operation of the enterprise and which creates at
138 least one thousand (1,000) net new full-time jobs; or which
139 creates at least one thousand (1,000) net new full-time jobs which
140 provides an average salary, excluding benefits which are not
141 subject to Mississippi income taxation, of at least one hundred
142 twenty-five percent (125%) of the most recently published average
143 annual wage of the state as determined by the Mississippi
144 Employment Security Commission. "Project" shall include any
145 addition to or expansion of an existing enterprise if such
146 addition or expansion has an initial capital investment of not
147 less than Three Hundred Million Dollars (\$300,000,000.00) from
148 private or United States government sources, or has an initial
149 capital investment of not less than One Hundred Fifty Million
150 Dollars (\$150,000,000.00) from private or United States government
151 sources together with all buildings and other supporting land and
152 facilities, structures or improvements of whatever kind required
153 or useful for construction, maintenance and operation of the
154 enterprise and which creates at least one thousand (1,000) net new
155 full-time jobs; or which creates at least one thousand (1,000) net
156 new full-time jobs which provides an average salary, excluding
157 benefits which are not subject to Mississippi income taxation, of
158 at least one hundred twenty-five percent (125%) of the most
159 recently published average annual wage of the state as determined
160 by the Mississippi Employment Security Commission. "Project"
161 shall also include any ancillary development or business resulting
162 from the enterprise, of which the authority is notified, within



three (3) years from the date that the enterprise entered into commercial production, that the project area has been selected as the site for the ancillary development or business.

(ii) Any major capital project designed to improve, expand or otherwise enhance any active duty United States Air Force or Navy training bases or naval stations, their support areas or their military operations, upon designation by the authority that any such base was or is at risk to be recommended for closure or realignment pursuant to the Defense Base Closure and Realignment Act of 1990; or any major development project determined by the authority to be necessary to acquire base properties and to provide employment opportunities through construction of projects as defined in Section 57-3-5, which shall be located on or provide direct support service or access to such military installation property as such property exists on July 1, 1993, in the event of closure or reduction of military operations at the installation. From and after July 1, 1997, projects described in this subparagraph (ii) shall not be considered to be within the meaning of the term "project" for purposes of this section, unless such projects are commenced before July 1, 1997, and shall not be eligible for any funding provided under the Mississippi Major Economic Impact Act.

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

(iv) 1. Any major capital project with an initial capital investment from private sources of not less than Seven Hundred Fifty Million Dollars (\$750,000,000.00) which will create at least three thousand (3,000) jobs meeting criteria established by the Mississippi Development Authority.

2. "Project" shall also include any ancillary development or business resulting from an enterprise operating a project as defined in item 1 of this paragraph (f)(iv), of which



the authority is notified, within three (3) years from the date that the enterprise entered into commercial production, that the state has been selected as the site for the ancillary development or business.

(v) Any major capital project designed to construct the corporate headquarters and initial factory, to be located in the Golden Triangle Region of the state, for any Mississippi corporation that develops, constructs and operates automated robotic systems to improve the quality of, and reduce the costs of, manufacturing wire harness assemblies for certain industries, or manufactures thin film polymer lithium-ion rechargeable batteries which project has a ten-year strategic plan of supporting one thousand (1,000) direct project-related jobs for each group of wire harness contracts amounting to Thirty-five Million Dollars (\$35,000,000.00), or which has a ten-year strategic plan of supporting one thousand five hundred (1,500) direct project-related jobs for each group of polymer lithium-ion rechargeable battery contracts amounting to Forty Million Dollars (\$40,000,000.00).

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

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



(viii) Any major capital project related to the establishment, improvement, expansion and/or other enhancement of any active duty military installation and having a minimum capital investment from any source or combination of sources other than the State of Mississippi of at least Forty Million Dollars (\$40,000,000.00), and which will create at least five hundred (500) military installation related full-time jobs, which jobs may be military jobs, civilian jobs or a combination of military and civilian jobs.

(ix) Any major capital project to be constructed and maintained in Jones County, Mississippi, designed to manufacture, produce, assemble and distribute computers and electrical substations, with a capital investment from any source or combination of sources of not less than Eighty Million Dollars (\$80,000,000.00), which will create at least two thousand (2,000) full-time jobs meeting criteria established by the Mississippi Development Authority, and which criteria shall include, but not be limited to, the requirement that such jobs must be held by persons eligible for employment in the United States under applicable state and federal law.

(g) "Project area" means the project site, together with any area or territory within the state lying within sixty-five (65) miles of any portion of the project site whether or not such area or territory be contiguous; provided, however, that for the project defined in paragraph (f)(iv) of this section the term "project area" means any area or territory within the state. The project area shall also include all territory within a county if any portion of such county lies within sixty-five (65) miles of any portion of the project site. "Project site" means the real property on which the principal facilities of the enterprise will operate.

(h) "Public agency" means:



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

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

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

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

(i) "State" means State of Mississippi.

(j) "Fee-in-lieu" means a negotiated fee to be paid by the project in lieu of any franchise taxes imposed on the project by Chapter 13, Title 27, Mississippi Code of 1972. The fee-in-lieu shall not be less than Twenty-five Thousand Dollars (\$25,000.00) annually. A fee-in-lieu may be negotiated with an enterprise operating an existing project defined in Section 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated for other existing enterprises that fall within the definition of the term "project."

SECTION 3. Section 57-75-15, Mississippi Code of 1972, is amended as follows:

57-75-15. (1) Upon notification to the authority by the enterprise that the state has been finally selected as the site for the project, the State Bond Commission shall have the power and is hereby authorized and directed, upon receipt of a declaration from the authority as hereinafter provided, to borrow money and issue general obligation bonds of the state in one or more series for the purposes herein set out. Upon such notification, the authority may thereafter from time to time



293 declare the necessity for the issuance of general obligation bonds
294 as authorized by this section and forward such declaration to the
295 State Bond Commission, provided that before such notification, the
296 authority may enter into agreements with the United States
297 government, private companies and others that will commit the
298 authority to direct the State Bond Commission to issue bonds for
299 eligible undertakings set out in subsection (4) of this section,
300 conditioned on the siting of the project in the state.

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

306 (3) (a) Bonds issued under the authority of this section
307 for projects as defined in Section 57-75-5(f)(i) shall not exceed
308 an aggregate principal amount in the sum of Sixty-seven Million
309 Three Hundred Fifty Thousand Dollars (\$67,350,000.00).

310 (b) Bonds issued under the authority of this section
311 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
312 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
313 for projects related to any single military installation exceed
314 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
315 (\$16,667,000.00). If any proceeds of bonds issued for projects
316 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
317 used for the development of a water and sewer service system by
318 the City of Meridian, Mississippi, to serve the NAAS and if the
319 City of Meridian annexes any of the territory served by the water
320 and sewer service system, the city shall repay the State of
321 Mississippi the amount of all bond proceeds expended on any
322 portion of the water and sewer service system project; and if
323 there are any monetary proceeds derived from the disposition of
324 any improvements located on real property in Kemper County
325 purchased pursuant to this act for projects related to the NAAS



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

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

(d) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(iv) shall not exceed Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An additional amount of bonds in an amount not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000.00) may be issued under the authority of this section for the purpose of defraying costs associated with the construction of surface water transmission lines for a project defined in Section 57-75-5(f)(iv)



or for any facility related to the project. No bonds shall be issued under this paragraph after June 30, 2005.

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

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

(g) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(viii) shall not exceed Five Million Dollars (\$5,000,000.00). No bonds shall be issued under this paragraph after June 30, 2006.

(h) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(ix) shall not exceed Thirty-one Million Five Hundred Thousand Dollars (\$31,500,000.00). No bonds shall be issued under this paragraph after December 31, 2005.

(4) (a) The proceeds from the sale of the bonds issued under this section may be applied for the purposes of: (i) defraying all or any designated portion of the costs incurred with respect to acquisition, planning, design, construction, installation, rehabilitation, improvement, relocation and with respect to state-owned property, operation and maintenance of the project and any facility related to the project located within the



391 project area, including costs of design and engineering, all costs
392 incurred to provide land, easements and rights-of-way, relocation
393 costs with respect to the project and with respect to any facility
394 related to the project located within the project area, and costs
395 associated with mitigation of environmental impacts and
396 environmental impact studies; (ii) defraying the cost of providing
397 for the recruitment, screening, selection, training or retraining
398 of employees, candidates for employment or replacement employees
399 of the project and any related activity; (iii) reimbursing the
400 Mississippi Development Authority for expenses it incurred in
401 regard to projects defined in Section 57-75-5(f)(iv) prior to
402 November 6, 2000. The Mississippi Development Authority shall
403 submit an itemized list of expenses it incurred in regard to such
404 projects to the Chairmen of the Finance and Appropriations
405 Committees of the Senate and the Chairmen of the Ways and Means
406 and Appropriations Committees of the House of Representatives;
407 (iv) providing grants to enterprises operating projects defined in
408 Section 57-75-5(f)(iv)1; (v) paying any warranty made by the
409 authority regarding site work for a project defined in Section
410 57-75-5(f)(iv)1; (vi) defraying the cost of marketing and
411 promotion of a project as defined in Section 57-75-5(f)(iv)1. The
412 authority shall submit an itemized list of costs incurred for
413 marketing and promotion of such project to the Chairmen of the
414 Finance and Appropriations Committees of the Senate and the
415 Chairmen of the Ways and Means and Appropriations Committees of
416 the House of Representatives; (vii) providing for the payment of
417 interest on the bonds; (viii) providing debt service reserves;
418 (ix) paying underwriters' discount, original issue discount,
419 accountants' fees, engineers' fees, attorneys' fees, rating agency
420 fees and other fees and expenses in connection with the issuance
421 of the bonds; and (x) for purposes authorized in paragraphs (b)
422 and (c) of this subsection (4). Such bonds shall be issued from
423 time to time and in such principal amounts as shall be designated



by the authority, not to exceed in aggregate principal amounts the amount authorized in subsection (3) of this section. Proceeds from the sale of the bonds issued under this section may be invested, subject to federal limitations, pending their use, in such securities as may be specified in the resolution authorizing the issuance of the bonds or the trust indenture securing them, and the earning on such investment applied as provided in such resolution or trust indenture.

(b) The proceeds of bonds issued after June 21, 2002, under this section for projects described in Section 57-75-5(f)(iv) may be used to reimburse reasonable, actual and necessary costs incurred by the Mississippi Development Authority in providing assistance related to a project for which funding is provided from the use of proceeds of such bonds. The Mississippi Development Authority shall maintain an accounting of actual costs incurred for each project for which reimbursements are sought. Reimbursements under this paragraph (b) shall not exceed Three Hundred Thousand Dollars (\$300,000.00) in the aggregate. Reimbursements under this paragraph (b) shall satisfy any applicable federal tax law requirements.

(c) The proceeds of bonds issued after June 21, 2002, under this section for projects described in Section 57-75-5(f)(iv) may be used to reimburse reasonable, actual and necessary costs incurred by the Department of Audit in providing services related to a project for which funding is provided from the use of proceeds of such bonds. The Department of Audit shall maintain an accounting of actual costs incurred for each project for which reimbursements are sought. The Department of Audit may escalate its budget and expend such funds in accordance with rules and regulations of the Department of Finance and Administration in a manner consistent with the escalation of federal funds. Reimbursements under this paragraph (c) shall not exceed One Hundred Thousand Dollars (\$100,000.00) in the aggregate.



Reimbursements under this paragraph (c) shall satisfy any applicable federal tax law requirements.

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

(6) All bonds issued under the provisions of this section shall be and are hereby declared to have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code and in exercising the powers granted by this chapter, the State Bond Commission shall not be required to



and need not comply with the provisions of the Uniform Commercial Code.

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

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

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

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



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

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

(11) In anticipation of the issuance of bonds hereunder, the State Bond Commission is authorized to negotiate and enter into any purchase, loan, credit or other agreement with any bank, trust company or other lending institution or to issue and sell interim notes for the purpose of making any payments authorized under this section. All borrowings made under this provision shall be evidenced by notes of the state which shall be issued from time to time, for such amounts not exceeding the amount of bonds authorized herein, in such form and in such denomination and subject to such terms and conditions of sale and issuance, prepayment or redemption and maturity, rate or rates of interest not to exceed the maximum rate authorized herein for bonds, and time of payment of interest as the State Bond Commission shall



555 agree to in such agreement. Such notes shall constitute general
556 obligations of the state and shall be backed by the full faith and
557 credit of the state. Such notes may also be issued for the
558 purpose of refunding previously issued notes; except that no notes
559 shall mature more than three (3) years following the date of
560 issuance of the first note hereunder and provided further, that
561 all outstanding notes shall be retired from the proceeds of the
562 first issuance of bonds hereunder. The State Bond Commission is
563 authorized to provide for the compensation of any purchaser of the
564 notes by payment of a fixed fee or commission and for all other
565 costs and expenses of issuance and service, including paying agent
566 costs. Such costs and expenses may be paid from the proceeds of
567 the notes.

568 (12) The bonds and interim notes authorized under the
569 authority of this section may be validated in the First Judicial
570 District of the Chancery Court of Hinds County, Mississippi, in
571 the manner and with the force and effect provided now or hereafter
572 by Chapter 13, Title 31, Mississippi Code of 1972, for the
573 validation of county, municipal, school district and other bonds.
574 The necessary papers for such validation proceedings shall be
575 transmitted to the State Bond Attorney, and the required notice
576 shall be published in a newspaper published in the City of
577 Jackson, Mississippi.

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

584 (14) All bonds issued under this chapter shall be legal
585 investments for trustees, other fiduciaries, savings banks, trust
586 companies and insurance companies organized under the laws of the
587 State of Mississippi; and such bonds shall be legal securities



588 which may be deposited with and shall be received by all public
589 officers and bodies of the state and all municipalities and other
590 political subdivisions thereof for the purpose of securing the
591 deposit of public funds.

592 (15) The Attorney General of the State of Mississippi shall
593 represent the State Bond Commission in issuing, selling and
594 validating bonds herein provided for, and the Bond Commission is
595 hereby authorized and empowered to expend from the proceeds
596 derived from the sale of the bonds authorized hereunder all
597 necessary administrative, legal and other expenses incidental and
598 related to the issuance of bonds authorized under this chapter.

599 (16) There is hereby created a special fund in the State
600 Treasury to be known as the Mississippi Major Economic Impact
601 Authority Fund wherein shall be deposited the proceeds of the
602 bonds issued under this chapter and all monies received by the
603 authority to carry out the purposes of this chapter. Expenditures
604 authorized herein shall be paid by the State Treasurer upon
605 warrants drawn from the fund, and the Department of Finance and
606 Administration shall issue warrants upon requisitions signed by
607 the director of the authority.

608 (17) (a) There is hereby created the Mississippi Economic
609 Impact Authority Sinking Fund from which the principal of and
610 interest on such bonds shall be paid by appropriation. All monies
611 paid into the sinking fund not appropriated to pay accruing bonds
612 and interest shall be invested by the State Treasurer in such
613 securities as are provided by law for the investment of the
614 sinking funds of the state.

615 (b) In the event that all or any part of the bonds and
616 notes are purchased, they shall be canceled and returned to the
617 loan and transfer agent as canceled and paid bonds and notes and
618 thereafter all payments of interest thereon shall cease and the
619 canceled bonds, notes and coupons, together with any other
620 canceled bonds, notes and coupons, shall be destroyed as promptly



621 as possible after cancellation but not later than two (2) years
622 after cancellation. A certificate evidencing the destruction of
623 the canceled bonds, notes and coupons shall be provided by the
624 loan and transfer agent to the seller.

625 (c) The State Treasurer shall determine and report to
626 the Department of Finance and Administration and Legislative
627 Budget Office by September 1 of each year the amount of money
628 necessary for the payment of the principal of and interest on
629 outstanding obligations for the following fiscal year and the
630 times and amounts of the payments. It shall be the duty of the
631 Governor to include in every executive budget submitted to the
632 Legislature full information relating to the issuance of bonds and
633 notes under the provisions of this chapter and the status of the
634 sinking fund for the payment of the principal of and interest on
635 the bonds and notes.

636 **SECTION 4.** This act shall take effect and be in force from
637 and after its passage.

