

By: Representatives McCoy, Morris, Smith
(39th), Scott (80th)

To: Ways and Means

HOUSE BILL NO. 838
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$280,000,000.00 TO \$290,000,000.00, THE AGGREGATE
3 AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS
4 INVESTMENT ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF
5 1972, TO INCREASE FROM \$7,000,000.00 TO \$9,000,000.00, THE AMOUNT
6 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
7 MAKE AVAILABLE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT AS
8 INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF BUSINESS
9 INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING
10 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO AMEND SECTION 57-61-36,
11 MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$10,500,000.00 TO
12 \$12,500,000.00, THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI
13 DEVELOPMENT AUTHORITY MAY USE UNDER THE MISSISSIPPI BUSINESS
14 INVESTMENT ACT FOR THE PURPOSE OF MAKING GRANTS TO COUNTIES AND
15 MUNICIPALITIES UNDER THE DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM;
16 TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT MORE
17 THAN \$100,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI
18 BUSINESS INVESTMENT ACT FOR THE PURPOSE OF DEVELOPING A LONG-RANGE
19 PLAN FOR COORDINATING THE RESOURCES OF THE STATE INSTITUTIONS OF
20 HIGHER LEARNING, THE COMMUNITY AND JUNIOR COLLEGES, THE
21 MISSISSIPPI DEVELOPMENT AUTHORITY AND OTHER STATE AGENCIES IN
22 ORDER TO PROMOTE ECONOMIC DEVELOPMENT IN THE STATE; TO AUTHORIZE
23 THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT MORE THAN
24 \$150,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI BUSINESS
25 INVESTMENT ACT FOR THE PURPOSE OF PROVIDING ASSISTANCE TO
26 MUNICIPALITIES THAT HAVE RECEIVED COMMUNITY DEVELOPMENT BLOCK
27 GRANT FUNDS FOR REPAIR, RENOVATION AND OTHER IMPROVEMENTS TO
28 BUILDINGS FOR USE AS COMMUNITY CENTERS; TO PROVIDE THAT SUCH
29 ASSISTANCE PROVIDED TO A MUNICIPALITY SHALL BE USED BY THE
30 MUNICIPALITY TO MATCH SUCH COMMUNITY DEVELOPMENT BLOCK GRANT
31 FUNDS; TO AMEND SECTION 57-61-41, MISSISSIPPI CODE OF 1972, TO
32 INCREASE FROM \$8,000,000.00 TO \$12,000,000.00, THE AMOUNT OF BOND
33 PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY USE UNDER
34 THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR THE PURPOSE OF
35 PROVIDING LOANS TO STATE, COUNTY AND MUNICIPAL PORT AUTHORITIES
36 AND AIRPORT AUTHORITIES THROUGH THE PORT REVITALIZATION REVOLVING
37 LOAN FUND; TO REFLECT THE CHANGE OF THE NAME OF THE MISSISSIPPI
38 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE
39 MISSISSIPPI DEVELOPMENT AUTHORITY; TO AMEND SECTION 57-61-15,
40 MISSISSIPPI CODE OF 1972, TO EXTEND THE REVERTER ON THE PROVISION
41 THAT REQUIRES THAT A MINIMUM OF FIFTEEN PERCENT CERTAIN BOND
42 PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT BE
43 ALLOCATED TO SMALL COMMUNITIES; TO REFLECT THE CHANGE OF THE NAME
44 OF THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY
45 DEVELOPMENT TO THE MISSISSIPPI DEVELOPMENT AUTHORITY; AND FOR
46 RELATED PURPOSES.

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

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



50 57-61-25. (1) The seller is authorized to borrow, on the
51 credit of the state upon receipt of a resolution from the
52 Mississippi Development Authority requesting the same, money not
53 exceeding the aggregate sum of Two Hundred Ninety Million Dollars
54 (\$290,000,000.00), not including money borrowed to refund
55 outstanding bonds, notes or replacement notes, as may be necessary
56 to carry out the purposes of this chapter. The aggregate amount
57 of bonds issued prior to June 30, 1987, shall not exceed Fifty
58 Million Dollars (\$50,000,000.00); provided, however, this Fifty
59 Million Dollars (\$50,000,000.00) limitation shall not be construed
60 to limit the aggregate amount of grants which may be awarded prior
61 to June 30, 1987, to less than the full amount authorized under
62 Section 57-61-15(1), Mississippi Code of 1972. The rate of
63 interest on any such bonds or notes which are not subject to
64 taxation shall not exceed the rates set forth in Section
65 75-17-101, Mississippi Code of 1972, for general obligation bonds.

66 (2) As evidence of indebtedness authorized in this chapter,
67 general or limited obligation bonds of the state shall be issued
68 from time to time, to provide monies necessary to carry out the
69 purposes of this chapter for such total amounts, in such form, in
70 such denominations payable in such currencies (either domestic or
71 foreign or both) and subject to such terms and conditions of
72 issue, redemption and maturity, rate of interest and time of
73 payment of interest as the seller directs, except that such bonds
74 shall mature or otherwise be retired in annual installments
75 beginning not more than five (5) years from date thereof and
76 extending not more than thirty (30) years from date thereof.

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

81 (4) All bonds and notes issued under authority of this
82 chapter may be general or limited obligations of the state, and



83 the full faith and credit of the State of Mississippi as to
84 general obligation bonds, or the revenues derived from projects
85 assisted as to limited obligation bonds, are hereby pledged for
86 the payment of the principal of and interest on such bonds and
87 notes.

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

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

94 (7) The seller is authorized to provide, by resolution, for
95 the issuance of refunding bonds for the purpose of refunding any
96 debt issued under the provision of this chapter and then
97 outstanding, either by voluntary exchange with the holders of the
98 outstanding debt or to provide funds to redeem and the costs of
99 issuance and retirement of the debt, at maturity or at any call
100 date. The issuance of the refunding bonds, the maturities and
101 other details thereof, the rights of the holders thereof and the
102 duties of the issuing officials in respect to the same shall be
103 governed by the provisions of this section, insofar as they may be
104 applicable.

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

109 (9) The proceeds of bonds issued under this chapter after
110 April 9, 2002, may be used to reimburse reasonable, actual and
111 necessary costs incurred by the Mississippi Development Authority
112 in administering a program or providing assistance related to a
113 project, or both, for which funding is provided from the use of
114 proceeds of such bonds. An accounting of actual costs incurred
115 for which reimbursement is sought shall be maintained for each



116 project by the Mississippi Development Authority. Reimbursement
117 of reasonable, actual and necessary costs for a program or project
118 shall not exceed three percent (3%) of the proceeds of bonds
119 issued for such program or project. Monies authorized for a
120 particular program or project may not be used to reimburse
121 administrative costs for unrelated programs or projects.
122 Reimbursements under this subsection shall satisfy any applicable
123 federal tax law requirements.

124 **SECTION 2.** Section 57-61-34, Mississippi Code of 1972, is
125 amended as follows:

126 57-61-34. Notwithstanding any provision of this chapter to
127 the contrary, the Mississippi Development Authority shall utilize
128 not more than Nine Million Dollars (\$9,000,000.00) out of the
129 proceeds of bonds authorized to be issued in this chapter to be
130 made available as interest-bearing loans to municipalities or
131 private companies to aid in the establishment of business
132 incubation centers and the creation of new and expanding
133 technology-based business and industry.

134 In exercising the power given it under this section, the
135 Mississippi Development Authority shall work in conjunction with
136 the University Research Center and may contract with the center to
137 provide space and assistance to business incubation centers as the
138 center is authorized to do pursuant to Section 57-13-13.

139 The requirements of Section 57-61-9 shall not apply to any
140 loan made under this section. The Mississippi Development
141 Authority shall establish criteria and guidelines to govern loans
142 made pursuant to this section.

143 **SECTION 3.** Section 57-61-36, Mississippi Code of 1972, is
144 amended as follows:

145 57-61-36. (1) Notwithstanding any provision of this chapter
146 to the contrary, the Mississippi Development Authority shall
147 utilize not more than Twelve Million Five Hundred Thousand Dollars
148 (\$12,500,000.00) out of the proceeds of bonds authorized to be



149 issued in this chapter for the purpose of making grants to
150 municipalities through a development infrastructure grant fund to
151 complete infrastructure related to new or expanded industry.

152 (2) Notwithstanding any provision of this chapter to the
153 contrary, the Mississippi Development Authority may utilize not
154 more than Seven Million Dollars (\$7,000,000.00) out of the
155 proceeds of bonds authorized to be issued in this chapter for the
156 purpose of making interest-bearing loans to any agency,
157 department, institution, instrumentality or political subdivision
158 of the state; or any agency, department, institution or
159 instrumentality of any political subdivision of the state; or any
160 business, organization, corporation, association or other legal
161 entity meeting criteria established by the department, through a
162 housing development revolving loan fund, to construct or repair
163 housing for low or moderate income earners; provided, however,
164 that the department may not utilize any bond proceeds authorized
165 under this chapter for the purpose of making any loans to the
166 Mississippi Home Corporation for any purpose whatsoever. No more
167 than forty percent (40%) of the additional bonds authorized by
168 this section in House Bill No. 1694, 1998 Regular Session [Laws,
169 1998, Chapter 559], may be used for multiple family housing
170 activities. Funds authorized under this subsection may be
171 deposited in the Mississippi Affordable Housing Development Fund
172 authorized in Section 43-33-759 and used for purposes authorized
173 by that section. This subsection (2) shall be repealed from and
174 after July 1, 2004.

175 (3) Notwithstanding any provision of this chapter to the
176 contrary, the Mississippi Development Authority shall utilize not
177 more than Eight Million Five Hundred Thousand Dollars
178 (\$8,500,000.00) out of the proceeds of bonds authorized to be
179 issued in this chapter for the purpose of making grants or loans
180 to municipalities through an equipment and public facilities grant
181 and loan fund to aid in infrastructure-related improvements as



182 determined by the Mississippi Development Authority, the purchase
183 of equipment and in the purchase, construction or repair and
184 renovation of public facilities. Any bonds previously issued for
185 the Development Infrastructure Revolving Loan Program which have
186 not been loaned or applied for are eligible to be administered as
187 grants or loans.

188 The requirements of Section 57-61-9 shall not apply to any
189 grant made under this subsection. The Mississippi Development
190 Authority may establish criteria and guidelines to govern grants
191 made pursuant to this subsection.

192 (4) Notwithstanding any provision of this chapter to the
193 contrary, the Mississippi Development Authority may utilize not
194 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
195 of the proceeds of bonds authorized to be issued in this chapter
196 in order to match federal funds available from the United States
197 Department of Agriculture for the purpose of establishing an
198 intermediary relending program to be administered by the
199 Mississippi Development Authority. The Mississippi Development
200 Authority may establish criteria and guidelines to govern loans
201 made under such program. This subsection (4) shall be repealed
202 from and after April 9, 2002.

203 (5) The Mississippi Development Authority may establish a
204 capital access program and may contract with any financial
205 institution to participate in the program upon such terms and
206 conditions as the authority shall consider necessary and proper.
207 The Mississippi Development Authority may establish loss reserve
208 accounts at financial institutions that participate in the program
209 and require payments by the financial institution and the borrower
210 to such loss reserve accounts. All money in such loss reserve
211 accounts is the property of the Mississippi Development Authority.

212 Under the capital access program a participating financial
213 institution may make a loan to any borrower the Mississippi
214 Development Authority determines to be qualified under rules and



215 regulations adopted by the authority and be protected against
216 losses from such loans as provided in the program. Under such
217 rules and regulations as may be adopted by the Mississippi
218 Development Authority, a participating financial institution may
219 submit claims for the reimbursement for losses incurred as a
220 result of default on loans by qualified borrowers.

221 Notwithstanding any provision of this chapter to the
222 contrary, the Mississippi Development Authority may utilize not
223 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
224 of the proceeds of bonds authorized to be issued in this chapter
225 for the purpose of making payments to loan loss reserve accounts
226 established at financial institutions that participate in the
227 capital access program established by the Mississippi Development
228 Authority.

229 (6) Notwithstanding any provision of this chapter to the
230 contrary, the Mississippi Development Authority shall utilize not
231 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
232 proceeds of bonds authorized to be issued in this chapter for the
233 purpose of assisting Warren County, Mississippi, in the
234 continuation and completion of the study for the proposed Kings
235 Point levee.

236 (7) Notwithstanding any provision of this chapter to the
237 contrary, the Mississippi Development Authority shall utilize not
238 more than One Hundred Thousand Dollars (\$100,000.00) out of the
239 proceeds of bonds authorized to be issued in this chapter for the
240 purpose of developing a long-range plan for coordinating the
241 resources of the state institutions of higher learning, the
242 community and junior colleges, the Mississippi Development
243 Authority and other state agencies in order to promote economic
244 development in the state.

245 (8) Notwithstanding any other provision of this chapter to
246 the contrary, the Mississippi Development Authority shall use not
247 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of



248 the proceeds of bonds authorized to be issued in this chapter for
249 the purpose of providing assistance to municipalities that have
250 received community development block grant funds for repair,
251 renovation and other improvements to buildings for use as
252 community centers. Assistance provided to a municipality under
253 this subsection shall be used by the municipality to match such
254 community development block grant funds. The maximum amount of
255 assistance that may be provided to a municipality under this
256 subsection shall not exceed Seventy-five Thousand Dollars
257 (\$75,000.00) in the aggregate.

258 **SECTION 4.** Section 57-61-41, Mississippi Code of 1972, is
259 amended as follows:

260 57-61-41. Notwithstanding any provision of this chapter to
261 the contrary, the Mississippi Development Authority shall utilize
262 not more than Twelve Million Dollars (\$12,000,000.00) out of the
263 proceeds of bonds authorized to be issued in this chapter to be
264 made available to state, county or municipal port and airport
265 authorities through a Port Revitalization Revolving Loan Fund for
266 the purpose of making loans to port authorities for the
267 improvement of port and airport facilities to promote commerce and
268 economic growth. Proceeds shall not be made available to provide
269 any facilities for utilization by a gaming vessel.

270 In exercising its authority, the Mississippi Development
271 Authority shall work in conjunction with the Water Resources
272 Council to establish criteria and guidelines to govern loans made
273 pursuant to this section.

274 **SECTION 5.** Section 57-61-15, Mississippi Code of 1972, is
275 amended as follows:

276 **[From and after April 9, 2002, through June 30, 2004, this**
277 **section shall read as follows:]**

278 57-61-15. (1) Except for grants authorized for state-owned
279 ports and for grants authorized under Section 57-61-32, Section
280 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more



281 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
282 of the proceeds of bonds authorized to be issued under this
283 chapter shall be made available for grants to municipalities;
284 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
285 of such amount shall be made available for grants to small
286 communities.

287 (2) In no case shall any municipality receive more than one
288 (1) grant in any single fiscal year. This subsection shall not
289 apply to grants authorized under Section 57-61-36, Mississippi
290 Code of 1972.

291 (3) A minimum of fifteen percent (15%) of the aggregate
292 funds made available under this chapter shall be allocated to
293 small communities. For the purpose of determining the aggregate
294 funds available to make the allocation established in this
295 subsection, there shall be excluded from inclusion therein any
296 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)
297 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
298 57-61-41 and 57-75-27, Mississippi Code of 1972.

299 (4) No loan or grant shall be made without substantiation of
300 the provisions of Section 57-61-9, Mississippi Code of 1972.

301 (5) Except in the case of an application pursuant to Section
302 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be
303 secured by a lien and/or collateralized consistent with Section
304 57-61-9(1)(d), Mississippi Code of 1972, if required by the
305 Mississippi Development Authority.

306 (6) Except in the case of an application pursuant to Section
307 57-61-9(5)(a), Mississippi Code of 1972, private companies which
308 fail to create and maintain the number of jobs specified in an
309 approved application shall be liable for, in the discretion of the
310 Mississippi Development Authority, (a) a penalty equal to two
311 percent (2%) greater than the current prime interest rate for the
312 remainder of the loan made for their benefit, or (b) prepayment of
313 the outstanding loan amount incurred by the municipality for their



314 benefit, unless the penalty or a portion thereof is waived by the
315 Mississippi Development Authority because the failure is due to
316 circumstances outside the control of the private company. The
317 penalty shall be payable in installments which the Mississippi
318 Development Authority deems appropriate. Immediate notice of
319 penalties and waivers of penalties, including the penalties in
320 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons
321 thereof, shall be submitted by the Mississippi Development
322 Authority to the Governor and the Legislature along with the
323 Mississippi Development Authority's decision on the imposition of
324 penalties and the reasons for this decision.

325 (7) Except in the case of an application pursuant to Section
326 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving
327 loans which fail to meet their repayment obligations shall forfeit
328 the right to receive their sales tax allocation and/or homestead
329 exemption reimbursement in an amount sufficient to repay
330 obligations due until such time as their indebtedness has been
331 discharged or arrangements to discharge such indebtedness
332 satisfactory to the Mississippi Development Authority have been
333 made. Sales tax allocations and/or homestead exemption
334 reimbursements forfeited hereby shall, upon demand by the
335 Mississippi Development Authority made in writing upon the State
336 Tax Commission, be paid to the Mississippi Development Authority
337 and applied to the discharge of the obligation. The Mississippi
338 Development Authority may prescribe such other penalties it deems
339 necessary.

340 (8) Any municipality which has forfeited its sales tax
341 allocation and/or homestead exemption reimbursement for twelve
342 (12) months may levy an ad valorem tax on the taxable property
343 therein for the purpose of meeting its repayment obligation. The
344 revenue produced from the tax levy shall not be included within
345 the ten percent (10%) growth limitation on ad valorem tax receipts
346 for its general budget.



347 (9) This chapter is expressly not intended to encourage the
348 relocation of a company from one jurisdiction within the state to
349 another. Any request by a local sponsor for assistance to be
350 provided a firm which currently operates a similar business in the
351 state must be accompanied by a demonstration that the total net
352 increase in and maintenance of full-time equivalent jobs, using
353 the current number of jobs in all similar businesses operated by
354 the private company in the state as a base, shall be at least
355 twenty-five percent (25%). This requirement shall not apply to
356 private companies relocating from small business incubators.

357 **[From and after July 1, 2004, this section shall read as**
358 **follows:]**

359 57-61-15. (1) Except for grants authorized for state-owned
360 ports and for grants authorized under Section 57-61-32, Section
361 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more
362 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
363 of the proceeds of bonds authorized to be issued under this
364 chapter shall be made available for grants to municipalities;
365 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
366 of such amount shall be made available for grants to small
367 communities.

368 (2) In no case shall any municipality receive more than one
369 (1) grant in any single fiscal year. This subsection shall not
370 apply to grants authorized under Section 57-61-36, Mississippi
371 Code of 1972.

372 (3) A minimum of twenty-five percent (25%) of the aggregate
373 funds made available under this chapter shall be allocated to
374 small communities. For the purpose of determining the aggregate
375 funds available to make the allocation established in this
376 subsection, there shall be excluded from inclusion therein any
377 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)
378 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
379 57-61-41 and 57-75-27, Mississippi Code of 1972.



380 (4) No loan or grant shall be made without substantiation of
381 the provisions of Section 57-61-9, Mississippi Code of 1972.

382 (5) Except in the case of an application pursuant to Section
383 57-61-9(5) (a), Mississippi Code of 1972, funds loaned shall be
384 secured by a lien and/or collateralized consistent with Section
385 57-61-9(1) (d), Mississippi Code of 1972, if required by the
386 Mississippi Development Authority.

387 (6) Except in the case of an application pursuant to Section
388 57-61-9(5) (a), Mississippi Code of 1972, private companies which
389 fail to create and maintain the number of jobs specified in an
390 approved application shall be liable for, in the discretion of the
391 Mississippi Development Authority, (a) a penalty equal to two
392 percent (2%) greater than the current prime interest rate for the
393 remainder of the loan made for their benefit, or (b) prepayment of
394 the outstanding loan amount incurred by the municipality for their
395 benefit, unless the penalty or a portion thereof is waived by the
396 Mississippi Development Authority because the failure is due to
397 circumstances outside the control of the private company. The
398 penalty shall be payable in installments which the Mississippi
399 Development Authority deems appropriate. Immediate notice of
400 penalties and waivers of penalties, including the penalties in
401 Section 57-61-9(1) (d), Mississippi Code of 1972, with the reasons
402 thereof, shall be submitted by the Mississippi Development
403 Authority to the Governor and the Legislature along with the
404 Mississippi Development Authority's decision on the imposition of
405 penalties and the reasons for this decision.

406 (7) Except in the case of an application pursuant to Section
407 57-61-9(5) (a), Mississippi Code of 1972, municipalities receiving
408 loans which fail to meet their repayment obligations shall forfeit
409 the right to receive their sales tax allocation and/or homestead
410 exemption reimbursement in an amount sufficient to repay
411 obligations due until such time as their indebtedness has been
412 discharged or arrangements to discharge such indebtedness



413 satisfactory to the Mississippi Development Authority have been
414 made. Sales tax allocations and/or homestead exemption
415 reimbursements forfeited hereby shall, upon demand by the
416 Mississippi Development Authority made in writing upon the State
417 Tax Commission, be paid to the Mississippi Development Authority
418 and applied to the discharge of the obligation. The Mississippi
419 Development Authority may prescribe such other penalties it deems
420 necessary.

421 (8) Any municipality which has forfeited its sales tax
422 allocation and/or homestead exemption reimbursement for twelve
423 (12) months may levy an ad valorem tax on the taxable property
424 therein for the purpose of meeting its repayment obligation. The
425 revenue produced from the tax levy shall not be included within
426 the ten percent (10%) growth limitation on ad valorem tax receipts
427 for its general budget.

428 (9) This chapter is expressly not intended to encourage the
429 relocation of a company from one jurisdiction within the state to
430 another. Any request by a local sponsor for assistance to be
431 provided a firm which currently operates a similar business in the
432 state must be accompanied by a demonstration that the total net
433 increase in and maintenance of full-time equivalent jobs, using
434 the current number of jobs in all similar businesses operated by
435 the private company in the state as a base, shall be at least
436 twenty-five percent (25%). This requirement shall not apply to
437 private companies relocating from small business incubators.

438 **SECTION 6.** This act shall take effect and be in force from
439 and after its passage.

