HOUSE BILL NO. 839

AN ACT TO AMEND SECTION 65-4-25, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF STATE GENERAL OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT; TO AMEND SECTION 65-4-15, TO PROVIDE THAT MONIES IN THE ECONOMIC DEVELOPMENT HIGHWAY FUND WHICH ARE DERIVED FROM THE PROCEEDS OF BONDS ISSUED UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT AFTER THE EFFECTIVE DATE OF THIS ACT MAY BE USED TO REIMBURSE THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR CERTAIN COSTS INCURRED IN PROVIDING ASSISTANCE UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 65-4-25, Mississippi Code of 1972, is amended as follows:

65-4-25. The Mississippi Development Authority, acting through its executive director, is authorized, at one time or from time to time, to declare by resolution the necessity for issuance of negotiable general obligation bonds of the State of Mississippi to provide funds for the Economic Development Highway Fund established in Section 65-4-15, Mississippi Code of 1972. Upon the adoption of a resolution by the Executive Director of the Mississippi Development Authority, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by Sections 65-4-25 through 65-4-45, Mississippi Code of 1972, the executive director shall deliver a certified copy of his resolution or resolutions to the State Bond Commission. Upon receipt of same, the State Bond Commission, in its discretion, shall act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The principal amount of bonds issued under Sections

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65-4-25 through 65-4-45, Mississippi Code of 1972, shall not exceed One Hundred Seventy Million Dollars ($170,000,000.00) in the aggregate. However, an additional amount of bonds may be issued under Sections 65-4-25 through 65-4-45, Mississippi Code of 1972, in an amount not to exceed Seven Million Dollars ($7,000,000.00), and the proceeds of any such additional bonds issued shall be used to provide funding for a high economic benefit project as defined in Section 65-4-5(1)(c)(vi), Mississippi Code of 1972.

SECTION 2. Section 65-4-15, Mississippi Code of 1972, is amended as follows:

65-4-15. (1) There is hereby established a special fund in the State Treasury to be known as the "Economic Development Highway Fund" which shall consist of such monies as the Legislature shall appropriate thereto or such other monies as the Legislature may designate to be deposited therein. Any monies to the credit of such fund may be expended by the Mississippi Department of Transportation or political subdivision, as appropriate, upon approval of requisitions therefor by the Mississippi Development Authority for any expenses incurred by the Transportation Department or political subdivision in constructing and improving highways and highway segments which have been approved by the Mississippi Development Authority under the provisions of this chapter. The Office of State Aid Road Construction shall be entitled to reimbursement from monies in the fund, upon approval by the Mississippi Development Authority of requisitions therefor by the State Aid Engineer, for the actual expenses incurred by the office in administering and providing engineering services to political subdivisions. Monies remaining unexpended to the credit of such special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on the investment of monies in the special fund shall be deposited to the credit of the fund.
(2) Monies in the Economic Development Highway Fund which are derived from proceeds of bonds issued under this chapter after the effective date of House Bill No. , 2003 Regular Session, may be used to reimburse reasonable actual and necessary costs incurred by the Mississippi Development Authority in providing assistance to a political subdivision related to a project for which funding is provided from the use of proceeds of such bonds. An accounting of actual costs incurred for which reimbursement is sought shall be maintained for each project by the Mississippi Development Authority. Reimbursement of reasonable actual and necessary costs for a project shall not exceed three percent (3%) of the proceeds of bonds issued for such a project. Monies authorized for a particular project may not be used to reimburse administrative costs for unrelated projects. Reimbursements to the Mississippi Development Authority under this subsection shall satisfy any applicable federal tax law requirements.

SECTION 3. This act shall take effect and be in force from and after July 1, 2003.