MISSISSIPPI LEGISLATURE
REGULAR SESSION 2003
By: Representative Woods
To: Interstate Cooperation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1054

AN ACT TO AMEND SECTIONS 57-36-1, 57-36-3 AND 57-36-5, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE THE STATE OF MISSISSIPPI TO ENTER INTO THE CHICKASAW TRAIL ECONOMIC DEVELOPMENT COMPACT WHICH IS AN INTERSTATE COMPACT BETWEEN THE STATE OF MISSISSIPPI AND THE STATE OF TENNESSEE, TO PROVIDE THAT SUCH SECTIONS SHALL BE REPEALED FROM AND AFTER JUNE 30, 2003; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 57-36-1, Mississippi Code of 1972, is amended as follows:

57-36-1. (1) The Governor, on behalf of this state, is hereby authorized to execute a compact, in substantially the following form, with the State of Tennessee; and the Legislature hereby signifies in advance its approval and ratification of such compact, which compact is as follows:

CHICKASAW TRAIL ECONOMIC DEVELOPMENT COMPACT

Article I. The purpose of this compact is to promote the development of an undeveloped rural area of Marshall County, Mississippi, and Fayette County, Tennessee (hereinafter referred to as "Chickasaw Trail Economic Development Area"), and to create a development authority which incorporates public and private partnerships to facilitate the economic growth of such areas by providing developed sites for the location and construction of manufacturing plants, distribution facilities, research facilities, regional and national offices with supportive services and facilities, and to establish a joint interstate authority to assist in these efforts.

Article II. This compact shall become effective immediately whenever the states of Tennessee and Mississippi have ratified it and Congress has given consent thereto.
Article III. The states which are parties to this compact (hereinafter referred to as "party states") do hereby establish and create a joint agency which shall be known as the Chickasaw Trail Economic Development Authority (hereinafter referred to as the "authority"). It shall be the duty of the authority in general to promote, encourage and coordinate the efforts of the party states to secure the development of the Chickasaw Trail Economic Development Area. Toward this end, the authority shall have power to hold hearings; to conduct studies and surveys of all problems, benefits and any other matter associated with the development of the Chickasaw Trail Economic Development Area, and to make reports thereon; to acquire, by gift or otherwise, and hold and dispose of such money and property as may be provided for the proper performance of their function; to cooperate with other public or private groups, whether local, state, regional or national, having an interest in economic development; to formulate and execute plans and policies for emphasizing the purpose of this compact before the Congress of the United States and other appropriate officers and agencies of the United States and of the states of Mississippi and Tennessee; and to exercise such other powers as may be appropriate to enable it to accomplish its functions and duties in connection with the development of the Chickasaw Trail Economic Development Area and to carry out the purposes of this compact.

Article IV. Definitions. Whenever used in this chapter, the following words and terms shall have the following respective meanings unless a different meaning clearly appears from the context:

(a) "Board" means the board of directors of the authority.

(b) "Bonds" means either revenue bonds, bond anticipation notes, or other types of debt instruments issued by the compact unless the reference to bonds clearly indicates which
type of bonds are being referred to, such as "revenue bonds," "general obligation bonds," "bond anticipation notes" or other specific forms of debt instruments.

(c) "Compact authority" means the Chickasaw Trail Economic Development Authority, an entity created jointly by the State Legislatures of Mississippi and Tennessee under the constitutions of the respective states and approved by the United States Congress, which may be referred to as the "authority."

(d) "Compact area" means all that land area actually owned or controlled by the authority by deed, lease, option, right of first refusal, or other legal or accepted instrument of land exchange.

(e) "Compact study area" means that area described as follows:

The general area for the Chickasaw Trail Economic Development Compact consists of approximately eight thousand (8,000) acres, located on both sides of the Tennessee/Mississippi state line at the point where Shelby County and Fayette County adjoin Marshall County, Mississippi. The project boundaries are Highway 72 on the north, Quinn Road on the west, the proposed extension of Goodman Road on the south, and Redbanks Road on the east. Approximately one thousand one hundred (1,100) acres of the study area are in southeast Shelby County; six hundred (600) acres are in southwest Fayette County; and the balance of six thousand three hundred (6,300) acres is in north Marshall County.

(f) "Cost of project" means all costs of site preparation and other start-up costs; all costs of construction; all costs of real and personal property acquired for the purposes of the project and facilities related thereto, including land and
any rights or undivided interest therein, easements, franchises, fees, permits, approvals, licenses, and certificates and the securing of such permits, approvals, licenses and certificates; all machinery and equipment, including any cost associated with financing charges and interest before and during construction and during such additional period as the compact authority reasonably may determine to be necessary for the placing of the project in operation; costs of engineering, geotechnical, architectural and legal services; costs of plans, testing, development and specifications and all expenses necessary or incident to determining the feasibility or practicability of the project; administrative expenses; and all expenses as may be necessary or incidental to the financing. The costs of any project also may include funds for the creation of a debt service reserve, a renewal and replacement reserve, and such other reserves as may be reasonably required by a specific bond issue for the operation of its projects and as may be authorized by bond resolution or trust agreement or indenture under the provisions of which the issuance of any such bonds may be authorized. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the project and may be paid or reimbursed out of the proceeds of user fees, of revenue bonds or notes issued for such project, or from other revenues obtained by the compact authority.

(g) "County" means Marshall County, Mississippi, or Fayette County, Tennessee.

(h) "Enterprise" means any for profit or nonprofit venture, business, service provided, industrial facility or utility located within the compact area under any agreement or contract with the authority.

(i) "Facilities" mean any plant, structure, building, improvement, land or any other real or personal property of the compact or authority or used or useful in a project under this chapter.
(j) "Governing body" means the elected or duly appointed officials constituting the governing body of a municipality or county.

(k) "Municipality" means any incorporated city or town within a county.

(l) "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.

(m) "Project" means any industrial, commercial, research and development, warehousing, distribution, transportation, processing, United States or state government or tourism enterprise, facility or service, together with all real property required for construction, maintenance and operation of the enterprise together with all buildings, and other supporting land and facilities, structures or improvements of whatever kind required or useful for construction, maintenance and operation of the enterprise, or any addition to or expansion of an existing enterprise.

(n) "Property owner group" means those property owners who have sold, leased or allowed the use of their land or otherwise entered into an agreement for the development of the project or facilities thereof as a part of the compact area.

(o) "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; and

(iii) Any department, commission, agency or instrumentality of the United States of America.
(p) "Related facility" means any facility related to a project and includes any of the following, as the same may pertain to the project of the authority within the compact area:

(i) Facilities to provide utilities, as defined herein;

(ii) Airports, airfields and air terminals;

(iii) Rail lines;

(iv) Highways, streets and other roadways;

(v) Conference centers, classrooms and instructional facilities, including any functionally related facilities;

(vi) Parks and outdoor recreation facilities;

(vii) Auditoriums, pavilions, art centers, cultural centers, office complex and other public facilities; and

(viii) Public or private health care facilities.

(q) "Revenues" means all rentals, receipts, income and other charges derived or received or to be derived or received by the authority from any of the following: the operation by the authority of a facility or facilities, or a part thereof; the sale, including installment sales or conditional sales, lease, sublease or use or other disposition of any property or facility or portion thereof; the sale, lease or other disposition of recovered resources; contracts, agreements or franchises with respect to a facility or portion thereof, with respect to recovered resources, or with respect to a facility or portion thereof and recovered resources, including, but not limited to, charges with respect to the management of any project received with respect to a facility, income received as a result of the sale or other disposition of recovered resources, services or utilities; any gift or grant received with respect thereto; proceeds of bonds to the extent of use thereof for payment of principal of premium, if any, or interest on the bonds as authorized by the authority; proceeds from any insurance,
condemnation or guaranty pertaining to a facility or property mortgaged to secure bonds or pertaining to the financing of a facility; income and profit from the investment of the proceeds of bonds or of any revenues and the proceeds of any special tax to which it may be entitled.

(r) "State" means the State of Mississippi or the State of Tennessee.

(s) "Unit of local government" means a county or municipality within a county of the State of Mississippi or the State of Tennessee.

(t) Except as used in Article XXXI herein, "utility" or "utilities" means potable and industrial water supply systems and sewage and water disposal systems.

Article V. Composition of the authority. (1) All powers of the compact shall be vested in a board of directors which will exercise all powers delegated to the authority under the laws of Mississippi and Tennessee.

The membership of the board of the authority shall consist of an appointee of the Governor of each party state, each state's chief economic development official or his representative, an appointee of each of the member counties' governing body selected from nominees proposed by the respective county's industrial development board, and an appointee who shall serve for a three-year term and who shall be appointed by the Governor of each party state on a rotating basis with the initial appointment being made by the Governor of Tennessee. With the exception of the gubernatorial appointment made on a rotating basis, each appointment shall be for a four-year term and for such period thereafter until a successor shall be duly appointed and qualified. However, with respect to the Fayette County, Tennessee, appointee, if the City of Piperton annexes a majority of the compact study area in Fayette County, the Mayor of Piperton
shall nominate the appointee, and the city commission shall
confirm the nomination of such appointee.

Each member of the board shall be eligible for reappointment.
All vacancies shall be filled by appointment in the same manner,
except that any person appointed to fill a vacancy shall serve
only for the unexpired term. Any director may be removed at any
time before the expiration of the member's term of office for
misfeasance, malfeasance or willful neglect of duty, as determined
by the appointing political subdivision or a majority of the
board. Before assuming office, each director shall take and
subscribe to the constitutional oath of office before a chancery
clerk in Mississippi or the corresponding appropriate official in
Tennessee, and a record of such oath shall be filed with the
Secretary of State in Mississippi and in Tennessee. The board
annually shall select a chairman and vice chairman.

(2) The board may employ such personnel and appoint and
prescribe the duties of such officers as the board deems necessary
or advisable, including a general manager and a secretary of the
compact. The general manager also may serve as secretary and
shall be a person of good moral character and of proven ability as
an administrator with a minimum of five (5) years experience in
management and economic development or comparable experience. The
general manager shall administer, manage and direct the affairs
and business of the authority, subject to the policies, control
and direction of the board. The general manager and any director
not bonded in another capacity shall give bond executed by a
surety company or companies authorized to do business in the
respective states in the penal sum of Fifty Thousand Dollars
($50,000.00) payable to the authority, conditioned upon the
faithful performance of his duties and the proper accounting for
all funds. The board may require any of its employees to be
bonded. The cost of any bond required by this section or by the
board shall be paid from funds of the authority. The secretary
shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority, the minute book or journal, and the official seal. The secretary may make copies of all minutes and other records and documents of the compact and certify under the seal of the authority that such copies are true and accurate copies, and all persons dealing with the compact authority may rely upon such certification.

(3) Regular meetings of the board shall be held as set forth in its bylaws, rules or regulations. Additional meetings of the board shall be held at the call of the chairman or general manager whenever any three (3) members of the board so request in writing. Members of the property owner group shall be notified of the meetings of the board in the same manner as board members are notified.

(4) Members of the board shall not receive any compensation, but may receive reimbursement for actual and necessary expenses incurred or per diem in lieu thereof.

(5) The board shall prepare a budget for the authority for each fiscal year at least sixty (60) days before the beginning of each fiscal year, which shall be from July 1 to June 30 of each year.

**Article VI. General powers and duties of compact authority.** From and after the creation of the compact, the authority shall be a public corporation, body politic with all the rights and powers now or hereafter conferred as may be deemed necessary to carry out the purposes of this chapter including the following:

(a) To maintain an office at a place or places within either state.

(b) To sue and be sued in its own name.

(c) To adopt and use a corporate seal.
(d) To employ or contract with architects, engineers, attorneys, accountants, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix and pay their compensation.

(e) To make, adopt, enforce, amend and repeal bylaws and rules and regulations for the management of its business and affairs for the use, maintenance and operation of the compact, any of the project facilities and any other of its properties.

(f) To borrow money and to issue bonds, notes and other evidence of indebtedness, without the authority to levy ad valorem taxes, for any of its purposes and to provide for and secure the payment thereof and to provide for the rights of the holders thereof.

(g) To invest any monies of the authority, including proceeds from the sale of any bonds subject to any agreements with bondholders, on such terms and in such manner as the compact deems proper.

(h) To exercise any one or more of the powers, rights and privileges under this chapter, either alone or jointly or in common with one or more other public or private parties. In any such exercise of such powers, rights and privileges jointly or in common with others for the development, construction, operation and maintenance of facilities within the compact area, the authority may own an undivided interest in such facilities with any other party, public or private, with which it may jointly or in common exercise the rights and privileges conferred by this chapter and may enter into an agreement or agreements with respect to any such facility with the other party or parties, public or private, participating therein including development agreements, joint ventures and real estate investment trusts. An agreement may contain such terms, conditions and provisions, consistent with this paragraph, as the parties thereto shall deem to be in their best interest, including, but not limited to, provisions for the
construction, operation and maintenance of such facility by any
one or more parties to such agreement. The party or parties may
be designated in or under such agreement as agent or agents on
behalf of itself and one or more of the other parties thereto, or
by such other means as may be determined by the parties thereto,
and including provisions for a method or methods of determining
and allocating, among or between the parties, costs of
construction, operation, maintenance, renewals, replacements and
improvements related to such facility. In carrying out its
functions and activities as the agent with respect to
construction, operation and maintenance of such a facility, the
agent shall be governed by the laws and regulations applicable to
the agent as a separate legal entity and not by any laws or
regulations which may be applicable to any of the other
participating parties. The agent shall act for the benefit of the
public. Under any such agreement, the authority may delegate its
powers and duties related to the construction, operation and
maintenance of such facility to the party acting as agent and all
actions taken by such agent in accordance with the agreement may
be binding upon the authority without further action or approval
of the board.

(i) To make such applications and enter into such
contracts for financial assistance as may be appropriate under
applicable federal or state law.

(j) To apply for, accept and utilize grants, gifts,
donations and other funds or aid from any source for any purpose
contemplated by this chapter, and to comply, subject to the
provisions of this chapter, with the terms and conditions thereof.

(k) To acquire by purchase, lease, gift, investment,
trade, exchange or in other manner, including eminent domain as
may be authorized under this chapter, or obtain options to
acquire, and to own, maintain, use, operate and convey any and all
property of any kind, real, personal or mixed or easement therein
or any interest or estate therein, within the compact area, necessary for the project or any facility related to the project.

(l) To make or cause to be made such examinations and surveys as may be necessary to the planning, design, construction and operation of the project.

(m) To enter into a development agreement with any public agency, private firm or person for the development of the compact area, compact property, or any portion thereof upon such terms as the parties might agree to carry out the purposes of this chapter.

(n) To negotiate, with the proper governmental agency or regulated utility or transportation provider, any necessary relocation or rerouting of roads and highways, railroad, telephone and telegraph lines and properties, electric power lines, pipelines and related facilities, or to require the anchoring or other protection of any of these, provided due compensation is paid to the owners thereof or an agreement is made with such owners regarding the payment of the cost of such relocation.

(o) To enter into joint agreements, development agreements or other agreements with any person or participant in a joint venture with any private firm, person or public agency to form and participate in real estate investment trusts and limited liability partnerships, joint ventures, joint ownerships and agreements for the construction and operation of any project of the authority with the compact area.

(p) To construct, extend, improve, maintain and reconstruct, to cause to be constructed, extended, improved, maintained and reconstructed, and to use and operate any and all components of the project or any facility related to a project, subject to the concurrence and approval of the affected public agency, within the compact area, necessary to the project and to the exercise of such powers, rights and privileges granted the authority.
(q) To incur or defray any designated portion of the cost of any component of the project or any facility related to the project acquired or constructed by any public agency.

(r) To lease, sell, mortgage, pledge, trade, exchange or otherwise convey any or all property acquired by the authority under the provisions of this chapter to the enterprise, its successors or assigns, and in connection therewith to pay the costs of title search, perfection of title, title insurance and recording fees as may be required. The authority may provide in the instrument conveying such property a provision that the property shall revert to the authority if, as and when the property is declared by the enterprise to be no longer needed.

(s) To enter into an agreement with the counties and units of local government adjoining the compact area to promote, develop, contract or operate projects which will contribute to the economic development of the area.

(t) To enter into contracts with any private firm, person or public agency including, but not limited to, in furtherance of any of the purposes authorized by this chapter upon such consideration as the authority and such person or public agency may agree. Any such contract may extend over any period of time, notwithstanding any rule of law to the contrary, may be upon such terms as the parties thereto shall agree, and may provide that it shall continue in effect until bonds specified therein, refunding bonds issued in lieu of such bonds, and all other obligations specified therein are paid or terminated. Any such contract shall be binding upon the parties thereto according to its terms. Such contracts may include an agreement to reimburse the enterprise, its successors and assigns for any assistance provided by the enterprise in the acquisition of real property for the project or any facility related to the project.

(u) To establish and maintain reasonable rates and charges for the use of any facility within the compact area owned
or operated by or under the authority, or services provided by the
authority and from time to time to adjust such rates and to impose
penalties for failure to pay such rates and charges when due.

(v) To adopt and enforce exclusively all necessary and
reasonable rules and regulations to carry out and effectuate the
implementation of this chapter, the purpose of the authority and
any project and any land use plan classification adopted for the
compact area, including, but not limited to, rules, regulations,
 zoning and restrictions concerning mining, construction,
excavation or any other activity the occurrence of which may
endanger the structure or operation of the authority or any
project. However, the exercise of this power shall not conflict
with the provisions of Article VII, subsection (2) of this
section.

(w) To plan, design, coordinate and implement measures
and programs to mitigate impacts on the natural environment caused
by a project or any facility related to a project.

(x) To develop plans for technology transfer activities
to ensure private sector conduits for exchange of information,
technology and expertise related to a project to generate
opportunities for commercial development within the compact area.

(y) To consult with the State Department of Education
and other public agencies for the purpose of improving public
schools and curricula and training programs within the compact
area.

(z) To consult with the State Board of Health and other
public agencies for the purpose of improving medical centers,
hospitals and public health centers in order to provide
appropriate health care facilities within the compact area.

(aa) To do any and all things necessary or proper for
the accomplishment of the objectives of this chapter and to
exercise any power usually possessed by private corporations
performing similar functions which is not in conflict with the
constitutions and laws of the respective states, including the
power to employ professional and administrative staff and
personnel and to retain legal, engineering, fiscal, accounting and
other professional services; the power to purchase all kinds of
insurance, including without limitations, insurance against tort
liability and against risks of damage to property; and the power
to act as self-insurer with respect to any loss or liability.

Article VII. Promulgation of rules and regulations. (1)
The authority may adopt and promulgate all reasonable rules and
regulations regarding the operation of the authority, its
projects, the compact area, and the specifications and standards
relating to the construction, operation and maintenance of any
facility.

(2) The board shall have jurisdiction for the development of
any land use planning or the promulgation of land use
restrictions, regulations or zoning ordinance which shall govern
all land use within the compact area. Any land use rule, plan,
regulation or zoning ordinance adopted by the board affecting land
within or adjoining any unit of local government, and within
one-third (1/3) mile thereof, shall be consistent with the land
use plan of the unit of local government and subject to the
approval of the governing body of that unit of local government.

Article VIII. Bonds of authority. (1) The authority is
empowered and authorized, from time to time, to issue bonds in
such principal amounts as shall be necessary to provide sufficient
funds for achieving any of its corporate purposes, including
without limiting the generality of the foregoing, the financing of
the acquisition, construction, improvement of facilities or any
combination thereof, the payment of interest on bonds of the
authority, establishment of reserves to secure such bonds,
expenses incident to the issuance of such bonds, including bond
insurance and to the implementation of programs or projects, and
any other capital expenditures but not operating costs of the
authority incident to or necessary or convenient to carry out its corporate purposes and powers.

(2) The authority may issue such types of bonds or notes, in its discretion, subject only to any agreement with the holders of particular bonds, including bonds as to which the principal and interest are payable exclusively from all or a portion of the revenues derived from one or more facilities under the contracts entered into by public agencies, and other persons, or any combination of any of the foregoing, or which may be secured by a pledge or any grant, subsidy or contribution from any public agency or other person, or a pledge of an income or revenues, funds or monies of the authority from any source whatsoever, except that the authority may not issue bonds or notes that are secured by ad valorem taxes.

(3) Bonds shall be authorized by a resolution or resolutions of the board. Such bonds shall bear such date or dates, mature at such time or times (either serially, term or a combination thereof), bear interest at such rate or rates, be in such denomination or denominations, be in such registered form, carry such conversion or registration privileges, have such rank or priority, be executed in such manner and by such officers, be payable from sources other than ad valorem taxes, in such medium of payment at such place or places within or without the state, provided that one (1) such place shall be within the state, be subject to such terms of redemption before maturity, all as may be provided by resolution or resolutions of the compact.

(4) Any bonds of the authority may be sold at such price or prices, at public or private sale, in such manner and at such times as may be determined by the authority to be in the public interest, and the authority may pay all expenses, premiums, fees and commissions which it may deem necessary and advantageous in connection with the issuance and sale thereof.
(5) Any pledge of earnings, revenues or other monies made by the authority shall be valid and binding from the time the pledge is made and the earnings, revenues or other monies so pledged and thereafter received by the authority immediately shall be subject to the lien of such pledge without any physical delivery thereof or further act. The lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority regardless of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(6) Neither the board members nor any person executing the bonds shall be personally liable on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(7) Whenever any bonds shall have been signed by the officers of the board designated by resolution of the authority to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers prior to the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the manual or facsimile signatures of such officers upon such bonds and the coupons appertaining thereto, shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially executing 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.

(8) The bonds issued by the authority under authority of the compact shall be limited obligations of such compact. The principal, interest and redemption premium, if any, shall be payable solely out of the monies to be derived by the compact. Revenue bonds and interest coupons issued under authority of this chapter shall never constitute an indebtedness of the state or any county or municipality within the meaning of any state
constitutional provision or statutory limitation and shall never
constitute nor give rise to a pecuniary liability of a county or
municipality or the state, or a charge against its general credit
or taxing powers, and such fact shall be plainly stated on the
face of each bond.

**Article IX. Temporary borrowing by authority.** (1) Pending
the issuance of revenue bonds by the authority, the board is
authorized to make temporary borrowings not to exceed two (2)
years in anticipation of the issue of bonds in order to provide
funds in such amounts as may, from time to time, be deemed
advisable prior to the issue of bonds. To provide for such
temporary borrowings, the authority may enter into any purchase,
loan or credit agreement, or agreements or other agreement or
agreements with any banks or trust companies or other lending
institutions, investment banking firms or persons in the United
States having power to enter into the same.

(2) All temporary borrowings made under this section shall
be evidenced by notes of the authority which shall be issued, from
time to time, for such amounts, in such form and in such
denominations and subject to terms and conditions of sale and
issue, prepayment or redemption and maturity, rate or rates of
interest and time of payment of interest as the board shall
authorize and direct. Such authorization and direction may
provide for the subsequent issuance of replacement notes to
refund, upon issuance thereof, such notes, and may specify such
other terms and conditions with respect to the notes and
replacement notes thereby authorized for issuance as the board may
determine and direct.

**Article X. Refunding bonds.** The authority may issue
refunding bonds for the purpose of paying any of its bonds at or
prior to maturity or upon acceleration or redemption. Refunding
bonds may be issued at such time prior to the maturity or
redemption of the refunded bonds as the authority deems to be in
the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereof, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by the resolution, trust indenture or other security instruments.

**Article XI. General terms and conditions of bonds of compact.** The authority shall have power in the issuance of its bonds to:

(a) Covenant as to the use of any or all of its property, real or personal.

(b) Redeem the bonds, to covenant for their redemption and to provide the terms and conditions thereof.

(c) Covenant to charge rates, fees and charges sufficient to meet operating and maintenance expenses, renewals and replacements, principal and debt service on bonds, creation and maintenance of any reserves required by a bond resolution, trust indenture or other security instrument and to provide for any margins or coverages over and above debt service on the bonds deemed desirable for the marketability of the bonds.

(d) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, as to the terms and conditions upon which such declaration and its consequences may be waived and as to the consequences of default and the remedies of bondholders.

(e) Covenant as to the mortgage or pledge of or the grant of a security interest in any real or personal property and all or any part of the revenues from any facilities or any revenue-producing contract or contracts made by the compact with
any person to secure the payment of bonds, subject to such
agreements with the holders of bonds as may then exist.
(f) Covenant as to the custody, collection, securing,
investment and payment of any revenue assets, monies, funds or
property with respect to which the compact may have any rights or
interest.
(g) Covenant as to the purpose to which the proceeds
from the sale of any bonds then or thereafter to be issued may be
applied, and the pledge of such proceeds to secure the payment of
the bonds.
(h) Covenant as to the limitations on the issuance of
any additional bonds, the terms upon which additional bonds may be
issued and secured, and the refunding of outstanding bonds.
(i) Covenant as to the rank or priority of any bonds
with respect to any lien or security.
(j) Covenant as to the procedure by which the terms of
any contract with or for the benefit of the holders of bonds may
be amended or abrogated, the amount of bonds the holders of which
must consent thereto, and the manner in which such consent may be
given.
(k) Covenant as to the custody of any of its properties
or investments, the safekeeping thereof, the insurance to be
carried thereon, and the use and disposition of insurance
proceeds.
(l) Covenant as to the vesting in a trustee or
trustees, within or outside the state, of such properties, rights,
powers and duties in trust as the authority may determine.
(m) Covenant as to the appointing and providing for the
duties and obligations of a paying agent or paying agents or other
fiduciaries within or outside the state.
(n) Make all other covenants and to do any and all such
acts and things as may be necessary or convenient or desirable in
order to secure its bonds without a pledge of ad valorem taxes, or
in the absolute discretion of the authority tend to make the bonds
more marketable, notwithstanding that such covenants, acts or
things may not be enumerated herein; it being the intention hereof
to give the authority power to do all things in the issuance of
bonds and in the provisions for security thereof which are not
inconsistent with the Constitution of the state.

(o) Execute all instruments necessary or convenient in
the exercise of the powers herein granted or in the performance of
covenants or duties, which may contain such covenants and
provisions, as any purchaser of the bonds of the authority may
reasonably require.

Article XII. Appointment of trustee or receiver for
enforcement or protection of rights of bondholders. The authority
may, in any authorizing resolution of the board of directors,
trust indenture or other security instrument relating to its
bonds, provide for the appointment of a trustee who shall have
such powers as are provided therein to represent the bondholders
of any issue of bonds in the enforcement or protection of their
rights under any such resolution, trust indenture or security
instrument. The authority may also provide in such resolution,
trust indenture or other security instrument that the trustee, or
if the trustee so appointed fails or declines to protect and
enforce such bondholders' rights then the percentage of
bondholders as shall be set forth in, and subject to the
provisions of, such resolution, trust indenture or other security
instrument, may petition the court of proper jurisdiction for the
appointment of a receiver of the facilities, the revenues of which
are pledged to the payment of the principal of and interest on the
bonds held by such bondholders. Such receiver may exercise any
power as may be granted in any such resolution, trust indenture or
security instrument to enter upon and take possession of, acquire,
construct or reconstruct, or operate and maintain such facilities,
fix, charge, collect, enforce and receive all revenues derived
from such facilities, and perform the public duties and carry out
the contracts and obligations of the authority in the same manner
as the authority itself might do, all under the direction of such
a proper court.

**Article XIII. Exemption from taxation.** (1) The exercise of
the powers granted by this chapter will be in all respects for the
benefit of the people of the states for their well-being and
prosperity and for the improvement of their social and economic
conditions, and neither the compact or authority shall be required
to pay any tax or assessment on any property owned by the compact
or the authority upon the income therefrom.

(2) Any bonds issued by the authority under the compact,
their transfer and the income therefrom shall at all times be free
from taxation by the state or any unit of local government or
other instrumentality of the state, except for inheritance and
gift taxes.

**Article XIV. Powers of counties, municipalities or other
political subdivisions and agencies and instrumentalities thereof
as to assistance and cooperation with the compact.** For the
purpose of attaining the objectives of this chapter, any county,
municipality or other unit of local government, public
corporation, agency or instrumentality of the state, a county or
municipality or person may, upon terms and with or without
consideration, as it may determine, do any or all of the
following:

(a) Lend, contribute or donate money to the authority
or perform services for the benefit thereof;

(b) Donate, sell, convey, transfer, lease, option or
grant upon such terms as the parties may agree, without the
necessity of authorization at any election of qualified voters,
any property of any kind; and

(c) Do any and all things, whether or not specifically
authorized in this section, not otherwise prohibited by law, that
are necessary or convenient to aid and cooperate with any
authority in attaining the objectives of this chapter.

**Article XV. Contracting for projects.** Contracts for
acquisition, purchase, construction or installation of a project
shall be effected in the manner prescribed by law for public
contracts, except when:

(a) The authority finds and records such finding on its
minutes, that because of availability or particular nature of a
project, it would not be in the public interest or would less
effectively achieve the purposes of this chapter to enter into
such contracts upon the basis of public bidding pursuant to
advertising;

(b) The industry concurs in such finding; and

(c) Such finding is approved by the board, public
bidding pursuant to advertisement may be dispensed with and such
contracts may be entered into based upon negotiation; and provided
further, that the industry or enterprise locating within the
compact area, at its option, may negotiate such contracts in the
name of the compact or authority.

**Article XVI. Contracts with public agencies.** For the
purpose of aiding in the planning, design, undertaking and
carrying out of the project or any facility related to the
project, any public agency is authorized and empowered upon such
terms, with or without consideration, as it may determine:

(a) To enter into agreements, which may extend over any
period, with the authority respecting action to be taken by such
public agency with respect to the acquisition, planning,
construction, improvement, operation, maintenance or funding of
the project or any such facility, and which agreements may include
(i) the appropriation or payment of funds to the compact or
authority or to a trustee in amounts which shall be sufficient to
enable the authority to defray any designated portion or
percentage of the expenses of administering, planning, designing,
constructing, acquiring, improving, operating and maintaining the
project or any facility related to the project, and (ii) the
furnishing of other assistance in connection with the project or
facility related to the project;

(b) To dedicate, sell, donate, convey or lease any
property or interest in property to the authority or grant
easements, licenses or other rights or privileges therein to the
authority;

(c) To incur the expense of any public improvements
made or to be made by such public agency in exercising the powers
granted in this section;

(d) To lend, grant or contribute funds to the
authority;

(e) To cause public buildings and public facilities,
including parks, playgrounds, recreational areas, community
meeting facilities, water, sewer or drainage facilities, or any
other works which it is otherwise empowered to undertake, to be
furnished to or with respect to the project or any such facility;

(f) To furnish, dedicate, close, vacate, pave, install,
upgrade or improve highways, streets, roads, sidewalks, airports,
railroads or ports with the approval of the proper state, federal
or local regulatory authority;

(g) To plan or replan, zone or rezone any parcel of
land within the public agency or make exceptions from land use,
building and zoning regulations; and

(h) To cause administrative and other services to be
furnished to the authority, including services pertaining to the
acquisition of real property and the furnishing of relocation
assistance. Any contract between a public agency entered into
with the authority pursuant to any of the powers granted by this
chapter shall be binding upon the public agency according to its
terms, and the public agency shall have the power to enter into
such contracts as in the discretion of the governing authorities.
thereof, would be to the best interest of the people of the public agency. If at any time title to or possession of the project or any such facility is held by any public body or governmental agency other than the authority, including any agency or instrumentality of the United States of America, the agreements referred to in this section shall inure to the benefit of and may be enforced by such public body or governmental agency.

**Article XVII. Establishment of joint venture.** The board is empowered to establish and create such nonprofit corporations, joint ventures, limited liability companies as from time to time the board may deem necessary or desirable in the performance of any acts or other things necessary to the exercise of the powers provided in this chapter, and to delegate to such departments, boards or other agencies such administrative duties and other powers as the board deems necessary or desirable.

**Article XVIII. Ownership and disposition of property.** The authority is authorized to acquire property, real, personal or mixed, within or without its territorial limits, in fee simple or any lesser interest or estate, by purchase, gift, devise or lease, on such terms and conditions as the board may deem necessary or desirable; to acquire mineral rights and leases; to acquire title to submerged lands and riparian rights and easements or rights-of-way with or without restrictions within or without the limits of the authority; to accept the dedication of streets and other rights-of-way on such terms and conditions as the authority may approve; to make purchase money mortgages and deed trusts and other forms of encumbrance on any property acquired by the authority and to purchase property subject to purchase money mortgages, or other encumbrances; and to mortgage, hold, manage, control, convey, lease, sell, grant or otherwise dispose of the same, and of any of the assets and properties of the authority, with or without consideration.
Article XIX. Lease of facilities. Whenever deemed necessary or desirable by the authority, the authority may lease as lessor or lessee to or from any person, firm, corporation, association or body public or private, any projects of the type that the authority is authorized to undertake and facilities or property of any nature for the use of the authority and to carry out any of the purposes of the compact.

Article XX. Authority services authorized. (1) The authority, in furtherance of its purposes and to facilitate or provide the necessary services for the development of the compact area is authorized by agreement, ownership, contract, lease, joint venture or otherwise to do the following within the compact or service area.

(a) Reclamation and drainage. To adopt a plan of reclamation, and own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve canals, ditches, drains, dikes, levees, pumps, plants and pumping systems and other works, machinery and plants.

(b) Water and sewer systems. To facilitate the development or own, acquire, construct, reconstruct, equip, operate, maintain, extend and improve water systems and sewer systems or combined water and sewer systems; to cooperate with the proper public agency to regulate the use of sewers and the supply of water within the compact area and cooperate with the proper public agency in prohibiting or regulating the use and maintenance of outhouses, privies, septic tanks or other sanitary structures or appliances within the compact area; to coordinate with the proper public agencies in prescribing methods of pretreatment of wastes not amenable to treatment with domestic sewage before accepting such wastes for treatment and to refuse to accept such wastes when not sufficiently pretreated as may be prescribed by the proper public agency; to sell or otherwise dispose of the effluent, sludge or other by-products as a result of sewage
treatment; and to construct and operate connecting, intercepting
or outlet sewers and sewer mains and pipes and water mains,
conduits or pipelines in, along or under any street, alleys,
highways or other public places or ways within the compact
services area, when deemed necessary or desirable by the authority
and the proper public agency in accomplishing the purposes of this
chapter.

(c) Waste collection and disposal. To own, acquire,
construct, reconstruct, equip, operate, maintain, extend and
improve a waste collection and disposal system, and to sell or
otherwise dispose of any effluent, residue or other by-products of
such systems, provided that such actions comply with existing
state and federal laws and regulations.

(d) Recreation facilities. To provide, acquire,
construct, equip, operate, maintain, if necessary, extend and
improve parks, playgrounds, picnic grounds, golf courses,
auditoriums, libraries, recreational centers, convention halls and
facilities, and cultural, recreational and other appropriate
projects.

(e) Parking facilities. To own, acquire, construct,
reconstruct, equip, operate, maintain, extend and improve parking
facilities, to install or cause to be installed parking meters at
or near the curbs of streets, roads and other public ways within
the compact area, and to adopt such regulations and impose such
charges in connection with any parking facilities as the board may
deam necessary or desirable.

(f) Fire protection. To provide for or own, acquire,
construct, reconstruct, equip, maintain, operate, extend and
improve fire control facilities for the compact, including fire
stations, water mains and plugs, fire trucks and other vehicles
and equipment, and to undertake such works and construct such
facilities as may be determined necessary by the board to carry
out a program of fire prevention and fire control within the compact or service area.

(g) Conservation areas and sanctuaries. To designate, set aside and maintain lands and areas within the compact area as conservation areas; to promulgate and enforce rules and regulations with respect thereto and to protect and preserve the natural beauty thereof.

(2) The authority may contract with a county or a unit of local government located within such county for any services authorized by this section when doing so would result in lower or comparable costs to the authority.

Article XXI. Pursuit of eminent domain. The authority shall not have the power to exercise eminent domain. The authority shall have the authority to request and pursue eminent domain through the state or a unit of local government for the particular purpose of the acquisition of property designated by plan to sufficiently accommodate the location of the specific facilities and utilities, and such requirements related directly thereto pursuant to the provisions of applicable state law. However, before the exercise of this power, the board shall enter on its minutes the determination of the need to pursue the power of eminent domain through the state or unit of local government for the acquisition of a part of the acreage involved, not to exceed ten percent (10%) of the acreage involved, and the board shall so specify in its minutes.

Article XXII. Short term borrowings. The authority at any time may obtain loans, in such amount and on such terms and conditions as the board may approve, for the purpose of paying any of the expenses of the authority or any costs incurred or that may be incurred in connection with any of the projects of the authority, which loans shall have a term not exceeding two (2) years from the date of issuance thereof, and may be renewable for a like term or terms, and may be payable from and secured by a
pledge of such funds, revenues and assessments, other than a levy of ad valorem taxes, as the board may determine.

Article XXIII. Cooperation agreements with the state, counties and municipalities. (1) The states of Mississippi and Tennessee and the counties, municipalities and other political subdivisions and public bodies and agencies thereof, or any of them, whether now existing or hereafter created, are authorized to aid and cooperate with the compact in carrying out any of the purposes and projects of the authority to enter into cooperation agreements with the authority, to provide in any such cooperation agreement for the making of loans, gifts, grants or contributions to the authority and the granting and conveyance to the authority of real or personal property of any kind or nature, or any interest therein, for the carrying out of the purposes and projects of the authority, to covenant in any such cooperation agreement to pay all or any part of the costs of acquisition, construction, reconstruction, extension, improvement, operation and maintenance of any of the projects of the authority, and to pay all or any part of the principal and interest on any bonds of the authority and all or any part of the deposits required to be made into any reserve, renewal and replacement or other funds created and established by the indenture, resolution, deed of trust or other instrument securing such bonds.

(2) The authority is empowered to enter into a joint venture development agreement or other agreement to provide services, facilities or to invest such available funds of the authority in a project which contributes to the economic growth and development of Fayette County, Tennessee, or Marshall County, Mississippi, as may be determined by the board.

Article XXIV. Interstate and federal cooperation. The authority is authorized to cooperate and coordinate with economic development commissions, travel, and other similar commissions and boards, or other similar agencies of other states, the federal
government, and with county, municipal, and regional economic
development, travel, and other similar commissions or boards, or
other agencies thereof, for the purposes of securing economic
development within the states of Mississippi and Tennessee, and to
accomplish this purpose.

**Article XXV. Publicity and advertising.** It shall be the
duty of the authority to prepare and execute a program of
publicity and advertising that will bring into favorable notice
the industrial, commercial, recreational, educational and social
advantages, opportunities, possibilities, resources and facilities
of the compact, and in the preparation and execution of such
program the compact may use any funds which may be appropriated or
otherwise made available.

**Article XXVI. Sale, lease or other disposal of enterprises.**
When authorized by the board, the authority is empowered, in its
discretion, to sell, lease or otherwise dispose of any industrial
enterprise or other enterprises of the authority, in whole or in
part, on such terms and conditions and with such safeguards as
will best promote and protect the public interest. Further, the
authority is authorized, acting with the approval of the general
manager by and through the board, to transfer title or possession
to such industry or to any property utilized therein, by warranty
deed, lease, bill of sale, contract or other customary business
instrument, in the same manner and to the same extent that any
private corporation, association or person may contract, with
reference to such property of a similar nature. Such disposition
shall not be made except by the affirmative vote of at least
two-thirds (2/3) of the board, and all votes shall be of record.
All income from any lease or contract for the operation or from
the disposition of an industrial enterprise may be used by the
authority for any authorized purpose, except that if bonds have
been issued for the enterprise, the proceeds shall be paid into
the bond sinking funds provided for any bonds issued for the
retirement of such bonds if any are outstanding for the sale year
and the interest thereon. Such income or proceeds related to a
bond issue shall not be used by the authority for any other
purpose except as to disposition of surplus income authorized
above, and shall be subject to all of the provisions regarding the
sinking fund.

Article XXVII. Requirements respecting lease of projects.
Before the leasing of any project, enterprise or facilities for
which bonds have been issued, the board must determine and find
the following: the amount necessary in each year to pay the
principal of and the interest on the bonds proposed to be issued
to finance such project; the amount necessary to be paid each year
into any reserve funds, which amounts may include deposits in
escrow or reserve amounts as advance sums for the payment of
insurance, which the board may deem it advisable to establish in
connection with the retirement of the proposed bonds and the
maintenance of the project; and, unless the terms under which the
project is to be leased provide that the lessee shall maintain the
project and carry all proper insurance with respect thereto, the
estimated cost of maintaining the project in good repair and
keeping it properly insured. The determinations and findings of
the board required to be made in the preceding sentence shall be
set forth in the proceedings under which the proposed bonds are to
be issued; and before the issuance of such bonds, the authority
shall lease the project to a lessee under an agreement conditioned
upon completion of the project and providing for payment to the
authority of such rentals as, upon the basis of such
determinations and findings, will be sufficient (a) to pay the
principal of and interest on the bonds issued to finance the
project, (b) to build up and maintain any reserve deemed by the
board to be advisable in connection therewith, and (c) unless the
agreement of lease obligated the lessee to pay for the maintenance
and insurance of the project, to pay the cost of maintaining the
project in good repair and keeping it properly insured. Such
lease shall be made upon such other terms and conditions and for
the time which may be determined by the authority and may contain
provisions authorizing the purchase of the entire project or any
portion thereof by the industry or its assignee after all bonds
issued thereunder have been paid in full, for such consideration
and upon such terms and conditions as the authority may determine.

Article XXVIII. Plans for industrial plant training and
recruitment. The authority is authorized and empowered to
formulate plans for industrial plant training, workplace skills or
other educational activities to aid in recruitment for new and
expanded industries, or both, and to enter into agreements for
such training with a college, university or training institution
in either or both member states.

Article XXIX. Lease/sale agreements between compact
and industries. Any agreement made under this chapter may provide
that the project will be owned by the authority, and leased to the
industry; may provide the industry with an option to purchase the
project upon such terms and conditions as the board and the
industry shall agree upon, at a price which represents the fair
market value at the time of purchase or may provide that the
project shall become the property of the industry upon the
acquisition thereof. Any such agreement may also, but is not
required to, include a guaranty agreement whereby a corporation,
foreign or domestic, other than the industry guarantees in whole
or in part the obligations of the industry under the lease or sale
upon such terms and conditions as the board may deem appropriate.

Article XXX. Nothing in this section shall be construed so
as to conflict with or modify any existing statute, or to limit
the powers of any party state, or to repeal or prevent
legislation, or to authorize or permit curtailment or diminution
of any other economic development project, or to affect any
existing or future cooperative arrangement or relationship between
any federal agency and a party state. The authority conferred by
this compact shall not be construed as an exemption from the
provisions of Tennessee Code Annotated, Title 65, or from the
provisions of Section 77-3-1 et seq., Mississippi Code of 1972, as
to the requirements for obtaining a certificate of public
convenience and necessity, the jurisdiction of the Tennessee
Regulatory Authority or the jurisdiction of the Mississippi Public
Service Commission to regulate rates or any other provisions of
the laws of either state, and to the extent that the authority
provides telephone, telegraph and telecommunications services or
any similar services in Tennessee, the authority is deemed to be a
public utility subject to the jurisdiction of the Tennessee
Regulatory Authority. Furthermore, nothing in this compact shall
be construed to deprive, prevent, or hinder an electric or other
public utility from exclusively providing its services in those
portions of the compact area that are now or hereafter included
within a certificate of public convenience and necessity issued to
the public utility by the Tennessee Regulatory Authority, the
Mississippi Public Service Commission or other appropriate
regulatory agency. The authority conferred by this compact shall
not be construed as a grant of authority to provide electric,
telephone, telegraph, telecommunications services, cable
television, video transmission, video programming services or
other similar service, and this compact shall be subject to all
federal, state and local laws, ordinances, rules and regulations
governing such services.

Article XXXI. (1) This compact shall continue in force and
remain binding upon each party state until the Governor, with the
consent of the Legislature, of each or either state takes action
to withdraw therefrom; provided that such withdrawal shall not
become effective until six (6) months after the date of the action
taken. Notice of such action shall be given by the Secretary of
State of the party state which takes such action.
SECTION 2. Section 57-36-3, Mississippi Code of 1972, is amended as follows:

57-36-3. There is hereby granted to the Governor and to the authority under Mississippi law all the powers provided for in the compact and in this chapter. All officers of the State of Mississippi are authorized and directed to do all things falling within their respective jurisdictions which are necessary or incidental to carrying out the purpose of this compact.

This section shall be repealed from and after June 30, 2003.

SECTION 3. Section 57-36-5, Mississippi Code of 1972, is amended as follows:

57-36-5. The provisions of this chapter are severable. If any part of the chapter is declared invalid or unconstitutional, such declaration shall not affect the part which remains.

This section shall be repealed from and after June 30, 2003.

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