

By: Representatives Smith (39th), Ellis,  
Chism, Scott (80th)

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1502

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE DEFINITION OF THE TERM "PROJECT" FOR PURPOSES OF THE  
3 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTION 57-75-15,  
4 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE ISSUANCE OF STATE  
5 GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$40,000,000.00 FOR  
6 CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT;  
7 TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS IN THE  
8 AMOUNT OF \$1,500,000.00 FOR CERTAIN PROJECTS UNDER THE MISSISSIPPI  
9 MAJOR ECONOMIC IMPACT ACT; TO REVISE THE PURPOSES FOR WHICH THE  
10 BOND PROCEEDS MAY BE UTILIZED; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-75-5, Mississippi Code of 1972, is  
13 amended as follows:

14 57-75-5. Words and phrases used in this chapter shall have  
15 meanings as follows, unless the context clearly indicates a  
16 different meaning:

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18 Act as originally enacted or as hereafter amended.

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

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

24 (d) "Facility related to the project" means and  
25 includes any of the following, as the same may pertain to the  
26 project within the project area: (i) facilities to provide  
27 potable and industrial water supply systems, sewage and waste  
28 disposal systems and water, natural gas and electric transmission  
29 systems to the site of the project; (ii) airports, airfields and  
30 air terminals; (iii) rail lines; (iv) port facilities; (v)  
31 highways, streets and other roadways; (vi) public school



32 buildings, classrooms and instructional facilities, training  
33 facilities and equipment, including any functionally related  
34 facilities; (vii) parks, outdoor recreation facilities and  
35 athletic facilities; (viii) auditoriums, pavilions, campgrounds,  
36 art centers, cultural centers, folklore centers and other public  
37 facilities; (ix) health care facilities, public or private; and  
38 (x) fire protection facilities, equipment and elevated water  
39 tanks.

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

45 (f) "Project" means:

46 (i) Any industrial, commercial, research and  
47 development, warehousing, distribution, transportation,  
48 processing, mining, United States government or tourism enterprise  
49 together with all real property required for construction,  
50 maintenance and operation of the enterprise with an initial  
51 capital investment of not less than Three Hundred Million Dollars  
52 (\$300,000,000.00) from private or United States government sources  
53 together with all buildings, and other supporting land and  
54 facilities, structures or improvements of whatever kind required  
55 or useful for construction, maintenance and operation of the  
56 enterprise; or with an initial capital investment of not less than  
57 One Hundred Fifty Million Dollars (\$150,000,000.00) from private  
58 or United States government sources together with all buildings  
59 and other supporting land and facilities, structures or  
60 improvements of whatever kind required or useful for construction,  
61 maintenance and operation of the enterprise and which creates at  
62 least one thousand (1,000) net new full-time jobs; or which  
63 creates at least one thousand (1,000) net new full-time jobs which  
64 provides an average salary, excluding benefits which are not



65 subject to Mississippi income taxation, of at least one hundred  
66 twenty-five percent (125%) of the most recently published average  
67 annual wage of the state as determined by the Mississippi  
68 Employment Security Commission. "Project" shall include any  
69 addition to or expansion of an existing enterprise if such  
70 addition or expansion has an initial capital investment of not  
71 less than Three Hundred Million Dollars (\$300,000,000.00) from  
72 private or United States government sources, or has an initial  
73 capital investment of not less than One Hundred Fifty Million  
74 Dollars (\$150,000,000.00) from private or United States government  
75 sources together with all buildings and other supporting land and  
76 facilities, structures or improvements of whatever kind required  
77 or useful for construction, maintenance and operation of the  
78 enterprise and which creates at least one thousand (1,000) net new  
79 full-time jobs; or which creates at least one thousand (1,000) net  
80 new full-time jobs which provides an average salary, excluding  
81 benefits which are not subject to Mississippi income taxation, of  
82 at least one hundred twenty-five percent (125%) of the most  
83 recently published average annual wage of the state as determined  
84 by the Mississippi Employment Security Commission. "Project"  
85 shall also include any ancillary development or business resulting  
86 from the enterprise, of which the authority is notified, within  
87 three (3) years from the date that the enterprise entered into  
88 commercial production, that the project area has been selected as  
89 the site for the ancillary development or business.

90 (ii) Any major capital project designed to  
91 improve, expand or otherwise enhance any active duty United States  
92 Air Force or Navy training bases or naval stations, their support  
93 areas or their military operations, upon designation by the  
94 authority that any such base was or is at risk to be recommended  
95 for closure or realignment pursuant to the Defense Base Closure  
96 and Realignment Act of 1990; or any major development project  
97 determined by the authority to be necessary to acquire base



98 properties and to provide employment opportunities through  
99 construction of projects as defined in Section 57-3-5, which shall  
100 be located on or provide direct support service or access to such  
101 military installation property as such property exists on July 1,  
102 1993, in the event of closure or reduction of military operations  
103 at the installation. From and after July 1, 1997, projects  
104 described in this subparagraph (ii) shall not be considered to be  
105 within the meaning of the term "project" for purposes of this  
106 section, unless such projects are commenced before July 1, 1997,  
107 and shall not be eligible for any funding provided under the  
108 Mississippi Major Economic Impact Act.

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

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

117 2. "Project" shall also include any ancillary  
118 development or business resulting from an enterprise operating a  
119 project as defined in item 1 of this paragraph (f)(iv), of which  
120 the authority is notified, within three (3) years from the date  
121 that the enterprise entered into commercial production, that the  
122 state has been selected as the site for the ancillary development  
123 or business.

124 (v) Any manufacturing, processing or industrial  
125 project determined by the authority, in its sole discretion, to  
126 contribute uniquely and significantly to the economic growth and  
127 development of the state, and which meets the following criteria:

128 1. The project shall create at least two  
129 thousand (2,000) net new full-time jobs meeting criteria  
130 established by the authority, which criteria shall include, but



131 not be limited to, the requirement that such jobs must be held by  
132 persons eligible for employment in the United States under  
133 applicable state and federal law.

134 2. The project and any facility related to  
135 the project shall include a total investment from private sources  
136 of not less than Sixty Million Dollars (\$60,000,000.00), or from  
137 any combination of sources of not less than Eighty Million Dollars  
138 (\$80,000,000.00).

139 (vi) Any real property owned or controlled by the  
140 National Aeronautics and Space Administration, the United States  
141 government, or any agency thereof, which is legally conveyed to  
142 the State of Mississippi or to the State of Mississippi for the  
143 benefit of the Mississippi Major Economic Impact Authority, its  
144 successors and assigns pursuant to Section 212 of Public Law  
145 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

146 \* \* \*

147 (vii) Any major capital project related to the  
148 establishment, improvement, expansion and/or other enhancement of  
149 any active duty military installation and having a minimum capital  
150 investment from any source or combination of sources other than  
151 the State of Mississippi of at least Forty Million Dollars  
152 (\$40,000,000.00), and which will create at least five hundred  
153 (500) military installation related full-time jobs, which jobs may  
154 be military jobs, civilian jobs or a combination of military and  
155 civilian jobs.

156 (viii) Any major capital project with an initial  
157 capital investment from any source or combination of sources of  
158 not less than Ten Million Dollars (\$10,000,000.00) which will  
159 create at least eighty (80) full-time jobs which provide an  
160 average annual salary, excluding benefits which are not subject to  
161 Mississippi income taxes, of at least one hundred thirty-five  
162 percent (135%) of the most recently published average annual wage  
163 of the state or the most recently published average annual wage of



164 the county in which the project is located as determined by the  
165 Mississippi Employment Security Commission, whichever is the  
166 lesser.

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

178 (h) "Public agency" means:

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

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

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

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

192 (i) "State" means State of Mississippi.

193 (j) "Fee-in-lieu" means a negotiated fee to be paid by  
194 the project in lieu of any franchise taxes imposed on the project  
195 by Chapter 13, Title 27, Mississippi Code of 1972. The  
196 fee-in-lieu shall not be less than Twenty-five Thousand Dollars



197 (\$25,000.00) annually. A fee-in-lieu may be negotiated with an  
198 enterprise operating an existing project defined in Section  
199 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated  
200 for other existing enterprises that fall within the definition of  
201 the term "project."

202 **SECTION 2.** Section 57-75-15, Mississippi Code of 1972, is  
203 amended as follows:

204 57-75-15. (1) Upon notification to the authority by the  
205 enterprise that the state has been finally selected as the site  
206 for the project, the State Bond Commission shall have the power  
207 and is hereby authorized and directed, upon receipt of a  
208 declaration from the authority as hereinafter provided, to borrow  
209 money and issue general obligation bonds of the state in one or  
210 more series for the purposes herein set out. Upon such  
211 notification, the authority may thereafter from time to time  
212 declare the necessity for the issuance of general obligation bonds  
213 as authorized by this section and forward such declaration to the  
214 State Bond Commission, provided that before such notification, the  
215 authority may enter into agreements with the United States  
216 government, private companies and others that will commit the  
217 authority to direct the State Bond Commission to issue bonds for  
218 eligible undertakings set out in subsection (4) of this section,  
219 conditioned on the siting of the project in the state.

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

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



229 (b) Bonds issued under the authority of this section  
230 for projects as defined in Section 57-75-5(f)(ii) shall not exceed  
231 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued  
232 for projects related to any single military installation exceed  
233 Sixteen Million Six Hundred Sixty-seven Thousand Dollars  
234 (\$16,667,000.00). If any proceeds of bonds issued for projects  
235 related to the Meridian Naval Auxiliary Air Station ("NAAS") are  
236 used for the development of a water and sewer service system by  
237 the City of Meridian, Mississippi, to serve the NAAS and if the  
238 City of Meridian annexes any of the territory served by the water  
239 and sewer service system, the city shall repay the State of  
240 Mississippi the amount of all bond proceeds expended on any  
241 portion of the water and sewer service system project; and if  
242 there are any monetary proceeds derived from the disposition of  
243 any improvements located on real property in Kemper County  
244 purchased pursuant to this act for projects related to the NAAS  
245 and if there are any monetary proceeds derived from the  
246 disposition of any timber located on real property in Kemper  
247 County purchased pursuant to this act for projects related to the  
248 NAAS, all of such proceeds (both from the disposition of  
249 improvements and the disposition of timber) commencing July 1,  
250 1996, through June 30, 2010, shall be paid to the Board of  
251 Education of Kemper County, Mississippi, for expenditure by such  
252 board of education to benefit the public schools of Kemper County.  
253 No bonds shall be issued under this paragraph (b) until the State  
254 Bond Commission by resolution adopts a finding that the issuance  
255 of such bonds will improve, expand or otherwise enhance the  
256 military installation, its support areas or military operations,  
257 or will provide employment opportunities to replace those lost by  
258 closure or reductions in operations at the military installation.  
259 From and after July 1, 1997, bonds shall not be issued for any  
260 projects, as defined in Section 57-75-5(f)(ii), which are not  
261 commenced before July 1, 1997. The proceeds of any bonds issued





262 for projects commenced before July 1, 1997, shall be used for the  
263 purposes for which the bonds were issued until completion of the  
264 projects.

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

269 (d) Bonds issued under the authority of this section  
270 for projects defined in Section 57-75-5(f)(iv) shall not exceed  
271 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An  
272 additional amount of bonds in an amount not to exceed Twelve  
273 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be  
274 issued under the authority of this section for the purpose of  
275 defraying costs associated with the construction of surface water  
276 transmission lines for a project defined in Section 57-75-5(f)(iv)  
277 or for any facility related to the project. No bonds shall be  
278 issued under this paragraph after June 30, 2005.

279 (e) Bonds issued under the authority of this section  
280 for \* \* \* projects defined in Section 57-75-5(f)(v) and for  
281 facilities related to such projects shall not exceed Forty Million  
282 Dollars (\$40,000,000.00). \* \* \* No bonds shall be issued under  
283 this paragraph after December 31, 2005.

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

288 (g) Bonds issued under the authority of this section  
289 for projects defined in Section 57-75-5(f)(viii) shall not exceed  
290 One Million Five Hundred Thousand Dollars (\$1,500,000.00). No  
291 bonds shall be issued under this paragraph after June 30, 2007.

292 \* \* \*



293 (4) (a) The proceeds from the sale of the bonds issued  
294 under this section may be applied for the following  
295 purposes \* \* \*:

296 (i) Defraying all or any designated portion of the  
297 costs incurred with respect to acquisition, planning, design,  
298 construction, installation, rehabilitation, improvement,  
299 relocation and with respect to state-owned property, operation and  
300 maintenance of the project and any facility related to the project  
301 located within the project area, including costs of design and  
302 engineering, all costs incurred to provide land, easements and  
303 rights-of-way, relocation costs with respect to the project and  
304 with respect to any facility related to the project located within  
305 the project area, and costs associated with mitigation of  
306 environmental impacts and environmental impact studies;

307 (ii) Defraying the cost of providing for the  
308 recruitment, screening, selection, training or retraining of  
309 employees, candidates for employment or replacement employees of  
310 the project and any related activity;

311 (iii) Reimbursing the Mississippi Development  
312 Authority for expenses it incurred in regard to projects defined  
313 in Section 57-75-5(f)(iv) prior to November 6, 2000. The  
314 Mississippi Development Authority shall submit an itemized list of  
315 expenses it incurred in regard to such projects to the Chairmen of  
316 the Finance and Appropriations Committees of the Senate and the  
317 Chairmen of the Ways and Means and Appropriations Committees of  
318 the House of Representatives;

319 (iv) Providing grants to enterprises operating  
320 projects defined in Section 57-75-5(f)(iv)1;

321 (v) Paying any warranty made by the authority  
322 regarding site work for a project defined in Section  
323 57-75-5(f)(iv)1;

324 (vi) Defraying the cost of marketing and promotion  
325 of a project as defined in Section 57-75-5(f)(iv)1. The authority



326 shall submit an itemized list of costs incurred for marketing and  
327 promotion of such project to the Chairmen of the Finance and  
328 Appropriations Committees of the Senate and the Chairmen of the  
329 Ways and Means and Appropriations Committees of the House of  
330 Representatives;

331 (vii) Providing for the payment of interest on the  
332 bonds;

333 (viii) Providing debt service reserves;

334 (ix) Paying underwriters' discount, original issue  
335 discount, accountants' fees, engineers' fees, attorneys' fees,  
336 rating agency fees and other fees and expenses in connection with  
337 the issuance of the bonds; \* \* \*

338 (x) For purposes authorized in paragraphs (b) and  
339 (c) of this subsection (4); and

340 (xi) Providing grants to enterprises operating  
341 projects defined in Section 57-75-5(f)(v), or, in connection with  
342 a facility related to such a project, for any purposes deemed by  
343 the authority in its sole discretion to be necessary and  
344 appropriate.

345 Such bonds shall be issued from time to time and in such  
346 principal amounts as shall be designated by the authority, not to  
347 exceed in aggregate principal amounts the amount authorized in  
348 subsection (3) of this section. Proceeds from the sale of the  
349 bonds issued under this section may be invested, subject to  
350 federal limitations, pending their use, in such securities as may  
351 be specified in the resolution authorizing the issuance of the  
352 bonds or the trust indenture securing them, and the earning on  
353 such investment applied as provided in such resolution or trust  
354 indenture.

355 (b) The proceeds of bonds issued after June 21, 2002,  
356 under this section for projects described in Section  
357 57-75-5(f)(iv) may be used to reimburse reasonable, actual and  
358 necessary costs incurred by the Mississippi Development Authority



359 in providing assistance related to a project for which funding is  
360 provided from the use of proceeds of such bonds. The Mississippi  
361 Development Authority shall maintain an accounting of actual costs  
362 incurred for each project for which reimbursements are sought.  
363 Reimbursements under this paragraph (b) shall not exceed Three  
364 Hundred Thousand Dollars (\$300,000.00) in the aggregate.  
365 Reimbursements under this paragraph (b) shall satisfy any  
366 applicable federal tax law requirements.

367 (c) The proceeds of bonds issued after June 21, 2002,  
368 under this section for projects described in Section  
369 57-75-5(f)(iv) may be used to reimburse reasonable, actual and  
370 necessary costs incurred by the Department of Audit in providing  
371 services related to a project for which funding is provided from  
372 the use of proceeds of such bonds. The Department of Audit shall  
373 maintain an accounting of actual costs incurred for each project  
374 for which reimbursements are sought. The Department of Audit may  
375 escalate its budget and expend such funds in accordance with rules  
376 and regulations of the Department of Finance and Administration in  
377 a manner consistent with the escalation of federal funds.  
378 Reimbursements under this paragraph (c) shall not exceed One  
379 Hundred Thousand Dollars (\$100,000.00) in the aggregate.  
380 Reimbursements under this paragraph (c) shall satisfy any  
381 applicable federal tax law requirements.

382 (5) The principal of and the interest on the bonds shall be  
383 payable in the manner hereinafter set forth. The bonds shall bear  
384 date or dates; be in such denomination or denominations; bear  
385 interest at such rate or rates; be payable at such place or places  
386 within or without the state; mature absolutely at such time or  
387 times; be redeemable before maturity at such time or times and  
388 upon such terms, with or without premium; bear such registration  
389 privileges; and be substantially in such form; all as shall be  
390 determined by resolution of the State Bond Commission except that  
391 such bonds shall mature or otherwise be retired in annual



392 installments beginning not more than five (5) years from the date  
393 thereof and extending not more than twenty-five (25) years from  
394 the date thereof. The bonds shall be signed by the Chairman of  
395 the State Bond Commission, or by his facsimile signature, and the  
396 official seal of the State Bond Commission shall be imprinted on  
397 or affixed thereto, attested by the manual or facsimile signature  
398 of the Secretary of the State Bond Commission. Whenever any such  
399 bonds have been signed by the officials herein designated to sign  
400 the bonds, who were in office at the time of such signing but who  
401 may have ceased to be such officers before the sale and delivery  
402 of such bonds, or who may not have been in office on the date such  
403 bonds may bear, the signatures of such officers upon such bonds  
404 shall nevertheless be valid and sufficient for all purposes and  
405 have the same effect as if the person so officially signing such  
406 bonds had remained in office until the delivery of the same to the  
407 purchaser, or had been in office on the date such bonds may bear.

408 (6) All bonds issued under the provisions of this section  
409 shall be and are hereby declared to have all the qualities and  
410 incidents of negotiable instruments under the provisions of the  
411 Uniform Commercial Code and in exercising the powers granted by  
412 this chapter, the State Bond Commission shall not be required to  
413 and need not comply with the provisions of the Uniform Commercial  
414 Code.

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



424 interest payment may be for any period of not more than one (1)  
425 year.

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

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

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

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



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

465           (11) In anticipation of the issuance of bonds hereunder, the  
466 State Bond Commission is authorized to negotiate and enter into  
467 any purchase, loan, credit or other agreement with any bank, trust  
468 company or other lending institution or to issue and sell interim  
469 notes for the purpose of making any payments authorized under this  
470 section. All borrowings made under this provision shall be  
471 evidenced by notes of the state which shall be issued from time to  
472 time, for such amounts not exceeding the amount of bonds  
473 authorized herein, in such form and in such denomination and  
474 subject to such terms and conditions of sale and issuance,  
475 prepayment or redemption and maturity, rate or rates of interest  
476 not to exceed the maximum rate authorized herein for bonds, and  
477 time of payment of interest as the State Bond Commission shall  
478 agree to in such agreement. Such notes shall constitute general  
479 obligations of the state and shall be backed by the full faith and  
480 credit of the state. Such notes may also be issued for the  
481 purpose of refunding previously issued notes; except that no notes  
482 shall mature more than three (3) years following the date of  
483 issuance of the first note hereunder and provided further, that  
484 all outstanding notes shall be retired from the proceeds of the  
485 first issuance of bonds hereunder. The State Bond Commission is  
486 authorized to provide for the compensation of any purchaser of the  
487 notes by payment of a fixed fee or commission and for all other  
488 costs and expenses of issuance and service, including paying agent



489 costs. Such costs and expenses may be paid from the proceeds of  
490 the notes.

491 (12) The bonds and interim notes authorized under the  
492 authority of this section may be validated in the First Judicial  
493 District of the Chancery Court of Hinds County, Mississippi, in  
494 the manner and with the force and effect provided now or hereafter  
495 by Chapter 13, Title 31, Mississippi Code of 1972, for the  
496 validation of county, municipal, school district and other bonds.  
497 The necessary papers for such validation proceedings shall be  
498 transmitted to the State Bond Attorney, and the required notice  
499 shall be published in a newspaper published in the City of  
500 Jackson, Mississippi.

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

507 (14) All bonds issued under this chapter shall be legal  
508 investments for trustees, other fiduciaries, savings banks, trust  
509 companies and insurance companies organized under the laws of the  
510 State of Mississippi; and such bonds shall be legal securities  
511 which may be deposited with and shall be received by all public  
512 officers and bodies of the state and all municipalities and other  
513 political subdivisions thereof for the purpose of securing the  
514 deposit of public funds.

515 (15) The Attorney General of the State of Mississippi shall  
516 represent the State Bond Commission in issuing, selling and  
517 validating bonds herein provided for, and the Bond Commission is  
518 hereby authorized and empowered to expend from the proceeds  
519 derived from the sale of the bonds authorized hereunder all  
520 necessary administrative, legal and other expenses incidental and  
521 related to the issuance of bonds authorized under this chapter.





522           (16) There is hereby created a special fund in the State  
523 Treasury to be known as the Mississippi Major Economic Impact  
524 Authority Fund wherein shall be deposited the proceeds of the  
525 bonds issued under this chapter and all monies received by the  
526 authority to carry out the purposes of this chapter. Expenditures  
527 authorized herein shall be paid by the State Treasurer upon  
528 warrants drawn from the fund, and the Department of Finance and  
529 Administration shall issue warrants upon requisitions signed by  
530 the director of the authority.

531           (17) (a) There is hereby created the Mississippi Economic  
532 Impact Authority Sinking Fund from which the principal of and  
533 interest on such bonds shall be paid by appropriation. All monies  
534 paid into the sinking fund not appropriated to pay accruing bonds  
535 and interest shall be invested by the State Treasurer in such  
536 securities as are provided by law for the investment of the  
537 sinking funds of the state.

538           (b) In the event that all or any part of the bonds and  
539 notes are purchased, they shall be canceled and returned to the  
540 loan and transfer agent as canceled and paid bonds and notes and  
541 thereafter all payments of interest thereon shall cease and the  
542 canceled bonds, notes and coupons, together with any other  
543 canceled bonds, notes and coupons, shall be destroyed as promptly  
544 as possible after cancellation but not later than two (2) years  
545 after cancellation. A certificate evidencing the destruction of  
546 the canceled bonds, notes and coupons shall be provided by the  
547 loan and transfer agent to the seller.

548           (c) The State Treasurer shall determine and report to  
549 the Department of Finance and Administration and Legislative  
550 Budget Office by September 1 of each year the amount of money  
551 necessary for the payment of the principal of and interest on  
552 outstanding obligations for the following fiscal year and the  
553 times and amounts of the payments. It shall be the duty of the  
554 Governor to include in every executive budget submitted to the



555 Legislature full information relating to the issuance of bonds and  
556 notes under the provisions of this chapter and the status of the  
557 sinking fund for the payment of the principal of and interest on  
558 the bonds and notes.

559           **SECTION 3.** This act shall take effect and be in force from  
560 and after its passage.

