MISSISSIPPI LEGISLATURE REGULAR SESSION 2003
By: Senator(s) Minor To: Finance

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 2757

AN ACT TO AMEND SECTION 57-36-1, MISSISSIPPI CODE OF 1972, TO REPEAL THE CHICKASAW TRAIL ECONOMIC DEVELOPMENT COMPACT EFFECTIVE JULY 1, 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.
(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,
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 deem 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
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.

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.

(2) This Section shall stand repealed from and after July 1, 2003.

SECTION 2. This act shall take effect and be in force from and after its passage.