

By: Representatives Howell, Whittington

To: Ways and Means

HOUSE BILL NO. 1798

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
5 \$3,000,000.00 IN STATE GENERAL OBLIGATION BONDS FOR CERTAIN
6 PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; AND FOR
7 RELATED PURPOSES.

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

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

11 57-75-5. Words and phrases used in this chapter shall have
12 meanings as follows, unless the context clearly indicates a
13 different meaning:

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15 Act as originally enacted or as hereafter amended.

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

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

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

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

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

42 (f) "Project" means:

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

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

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

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

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

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

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

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

125 1. The project shall create at least two
126 thousand (2,000) net new full-time jobs meeting criteria
127 established by the authority, which criteria shall include, but
128 not be limited to, the requirement that such jobs must be held by

129 persons eligible for employment in the United States under
130 applicable state and federal law.

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

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

143 (vii) Any major capital project related to the
144 establishment, improvement, expansion and/or other enhancement of
145 any active duty military installation and having a minimum capital
146 investment from any source or combination of sources other than
147 the State of Mississippi of at least Forty Million Dollars
148 (\$40,000,000.00), and which will create at least four hundred
149 (400) military installation related full-time jobs, which jobs may
150 be military jobs, civilian jobs or a combination of military and
151 civilian jobs. The authority shall require that binding
152 commitments be entered into requiring that the minimum
153 requirements for the project provided for in this subparagraph
154 shall be met not later than July 1, 2008.

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

162 of the state or the most recently published average annual wage of
163 the county in which the project is located as determined by the
164 Mississippi Employment Security Commission, whichever is the
165 lesser. The authority shall require that binding commitments be
166 entered into requiring that:

167 1. The minimum requirements for the project
168 provided for in this subparagraph shall be met, and

169 2. That if such commitments are not met, all
170 or a portion of the funds provided by the state for the project as
171 determined by the authority shall be repaid.

172 (ix) Any regional retail shopping mall with an
173 initial capital investment from private sources in excess of One
174 Hundred Fifty Million Dollars (\$150,000,000.00), with a square
175 footage in excess of eight hundred thousand (800,000) square feet,
176 which will create at least seven hundred (700) full-time jobs with
177 an average hourly wage of Eleven Dollars (\$11.00) per hour. The
178 authority shall require that binding commitments be entered into
179 requiring that:

180 1. The minimum requirements for the project
181 provided for in this subparagraph shall be met, and

182 2. That if such commitments are not met, all
183 or a portion of the funds provided by the state for the project as
184 determined by the authority shall be repaid.

185 (x) Any major capital project with an initial
186 capital investment from any source or combination of sources of
187 not less than Seventy-five Million Dollars (\$75,000,000.00) which
188 will create at least one hundred twenty-five (125) full-time jobs
189 which provide an average annual salary, excluding benefits which
190 are not subject to Mississippi income taxes, of at least one
191 hundred thirty-five percent (135%) of the most recently published
192 average annual wage of the state or the most recently published
193 average annual wage of the county in which the project is located
194 as determined by the Mississippi Employment Security Commission,

195 whichever is the greater. The authority shall require that
196 binding commitments be entered into requiring that:

197 1. The minimum requirements for the project
198 provided for in this subparagraph shall be met; and

199 2. That if such commitments are not met, all
200 or a portion of the funds provided by the state for the project as
201 determined by the authority shall be repaid.

202 (xi) Any potential major capital project that the
203 authority has determined is feasible to recruit.

204 (xii) Any major capital project with an initial
205 capital investment from any source or combination of sources of
206 not less than Ten Million Dollars (\$10,000,000.00) which will
207 create at least two hundred fifty (250) full-time jobs.

208 (g) "Project area" means the project site, together
209 with any area or territory within the state lying within
210 sixty-five (65) miles of any portion of the project site whether
211 or not such area or territory be contiguous; provided, however,
212 that for the project defined in paragraph (f)(iv) of this section
213 the term "project area" means any area or territory within the
214 state. The project area shall also include all territory within a
215 county if any portion of such county lies within sixty-five (65)
216 miles of any portion of the project site. "Project site" means
217 the real property on which the principal facilities of the
218 enterprise will operate.

219 (h) "Public agency" means:

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

222 (ii) Any city, town, county, political
223 subdivision, school district or other district created or existing
224 under the laws of the state or any public agency of any such city,
225 town, county, political subdivision or district or any other
226 public entity created or existing under local and private
227 legislation;

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

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

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

234 (j) "Fee-in-lieu" means a negotiated fee to be paid by
235 the project in lieu of any franchise taxes imposed on the project
236 by Chapter 13, Title 27, Mississippi Code of 1972. The
237 fee-in-lieu shall not be less than Twenty-five Thousand Dollars
238 (\$25,000.00) annually. A fee-in-lieu may be negotiated with an
239 enterprise operating an existing project defined in Section
240 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated
241 for other existing enterprises that fall within the definition of
242 the term "project."

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

245 57-75-15. (1) Upon notification to the authority by the
246 enterprise that the state has been finally selected as the site
247 for the project, the State Bond Commission shall have the power
248 and is hereby authorized and directed, upon receipt of a
249 declaration from the authority as hereinafter provided, to borrow
250 money and issue general obligation bonds of the state in one or
251 more series for the purposes herein set out. Upon such
252 notification, the authority may thereafter from time to time
253 declare the necessity for the issuance of general obligation bonds
254 as authorized by this section and forward such declaration to the
255 State Bond Commission, provided that before such notification, the
256 authority may enter into agreements with the United States
257 government, private companies and others that will commit the
258 authority to direct the State Bond Commission to issue bonds for
259 eligible undertakings set out in subsection (4) of this section,
260 conditioned on the siting of the project in the state.

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

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

270 (b) Bonds issued under the authority of this section
271 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
272 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
273 for projects related to any single military installation exceed
274 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
275 (\$16,667,000.00). If any proceeds of bonds issued for projects
276 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
277 used for the development of a water and sewer service system by
278 the City of Meridian, Mississippi, to serve the NAAS and if the
279 City of Meridian annexes any of the territory served by the water
280 and sewer service system, the city shall repay the State of
281 Mississippi the amount of all bond proceeds expended on any
282 portion of the water and sewer service system project; and if
283 there are any monetary proceeds derived from the disposition of
284 any improvements located on real property in Kemper County
285 purchased pursuant to this act for projects related to the NAAS
286 and if there are any monetary proceeds derived from the
287 disposition of any timber located on real property in Kemper
288 County purchased pursuant to this act for projects related to the
289 NAAS, all of such proceeds (both from the disposition of
290 improvements and the disposition of timber) commencing July 1,
291 1996, through June 30, 2010, shall be paid to the Board of
292 Education of Kemper County, Mississippi, for expenditure by such
293 board of education to benefit the public schools of Kemper County.

294 No bonds shall be issued under this paragraph (b) until the State
295 Bond Commission by resolution adopts a finding that the issuance
296 of such bonds will improve, expand or otherwise enhance the
297 military installation, its support areas or military operations,
298 or will provide employment opportunities to replace those lost by
299 closure or reductions in operations at the military installation.
300 From and after July 1, 1997, bonds shall not be issued for any
301 projects, as defined in Section 57-75-5(f)(ii), which are not
302 commenced before July 1, 1997. The proceeds of any bonds issued
303 for projects commenced before July 1, 1997, shall be used for the
304 purposes for which the bonds were issued until completion of the
305 projects.

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

310 (d) Bonds issued under the authority of this section
311 for projects defined in Section 57-75-5(f)(iv) shall not exceed
312 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
313 additional amount of bonds in an amount not to exceed Twelve
314 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
315 issued under the authority of this section for the purpose of
316 defraying costs associated with the construction of surface water
317 transmission lines for a project defined in Section 57-75-5(f)(iv)
318 or for any facility related to the project. No bonds shall be
319 issued under this paragraph after June 30, 2005.

320 (e) Bonds issued under the authority of this section
321 for projects defined in Section 57-75-5(f)(v) and for facilities
322 related to such projects shall not exceed Thirty-eight Million
323 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be
324 issued under this paragraph after December 31, 2005.

325 (f) Bonds issued under the authority of this section
326 for projects defined in Section 57-75-5(f)(vii) shall not exceed

327 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
328 under this paragraph after June 30, 2006.

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

333 (h) Bonds issued under the authority of this section
334 for projects defined in Section 57-75-5(f)(ix) shall not exceed
335 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
336 under this paragraph after June 30, 2007.

337 (i) Bonds issued under the authority of this section
338 for projects defined in Section 57-75-5(f)(x) shall not exceed
339 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
340 under this paragraph after June 30, 2007.

341 (j) Bonds issued under the authority of this section
342 for projects defined in Section 57-75-5(f)(xii) shall not exceed
343 Three Million Dollars (\$3,000,000.00). No bonds shall be issued
344 under this paragraph after June 30, 2008.

345 (4) (a) The proceeds from the sale of the bonds issued
346 under this section may be applied for the following purposes:

347 (i) Defraying all or any designated portion of the
348 costs incurred with respect to acquisition, planning, design,
349 construction, installation, rehabilitation, improvement,
350 relocation and with respect to state-owned property, operation and
351 maintenance of the project and any facility related to the project
352 located within the project area, including costs of design and
353 engineering, all costs incurred to provide land, easements and
354 rights-of-way, relocation costs with respect to the project and
355 with respect to any facility related to the project located within
356 the project area, and costs associated with mitigation of
357 environmental impacts and environmental impact studies;

358 (ii) Defraying the cost of providing for the
359 recruitment, screening, selection, training or retraining of

360 employees, candidates for employment or replacement employees of
361 the project and any related activity;

362 (iii) Reimbursing the Mississippi Development
363 Authority for expenses it incurred in regard to projects defined
364 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
365 Mississippi Development Authority shall submit an itemized list of
366 expenses it incurred in regard to such projects to the Chairmen of
367 the Finance and Appropriations Committees of the Senate and the
368 Chairmen of the Ways and Means and Appropriations Committees of
369 the House of Representatives;

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

372 (v) Paying any warranty made by the authority
373 regarding site work for a project defined in Section
374 57-75-5(f)(iv)1;

375 (vi) Defraying the cost of marketing and promotion
376 of a project as defined in Section 57-75-5(f)(iv)1. The authority
377 shall submit an itemized list of costs incurred for marketing and
378 promotion of such project to the Chairmen of the Finance and
379 Appropriations Committees of the Senate and the Chairmen of the
380 Ways and Means and Appropriations Committees of the House of
381 Representatives;

382 (vii) Providing for the payment of interest on the
383 bonds;

384 (viii) Providing debt service reserves;

385 (ix) Paying underwriters' discount, original issue
386 discount, accountants' fees, engineers' fees, attorneys' fees,
387 rating agency fees and other fees and expenses in connection with
388 the issuance of the bonds;

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

391 (xi) Providing grants to enterprises operating
392 projects defined in Section 57-75-5(f)(v), or, in connection with

393 a facility related to such a project, for any purposes deemed by
394 the authority in its sole discretion to be necessary and
395 appropriate.

396 Such bonds shall be issued from time to time and in such
397 principal amounts as shall be designated by the authority, not to
398 exceed in aggregate principal amounts the amount authorized in
399 subsection (3) of this section. Proceeds from the sale of the
400 bonds issued under this section may be invested, subject to
401 federal limitations, pending their use, in such securities as may
402 be specified in the resolution authorizing the issuance of the
403 bonds or the trust indenture securing them, and the earning on
404 such investment applied as provided in such resolution or trust
405 indenture.

406 (b) (i) The proceeds of bonds issued after June 21,
407 2002, under this section for projects described in Section
408 57-75-5(f)(iv) may be used to reimburse reasonable actual and
409 necessary costs incurred by the Mississippi Development Authority
410 in providing assistance related to a project for which funding is
411 provided from the use of proceeds of such bonds. The Mississippi
412 Development Authority shall maintain an accounting of actual costs
413 incurred for each project for which reimbursements are sought.
414 Reimbursements under this paragraph (b)(i) shall not exceed Three
415 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
416 Reimbursements under this paragraph (b)(i) shall satisfy any
417 applicable federal tax law requirements.

418 (ii) The proceeds of bonds issued after June 21,
419 2002, under this section for projects described in Section
420 57-75-5(f)(iv) may be used to reimburse reasonable actual and
421 necessary costs incurred by the Department of Audit in providing
422 services related to a project for which funding is provided from
423 the use of proceeds of such bonds. The Department of Audit shall
424 maintain an accounting of actual costs incurred for each project
425 for which reimbursements are sought. The Department of Audit may

426 escalate its budget and expend such funds in accordance with rules
427 and regulations of the Department of Finance and Administration in
428 a manner consistent with the escalation of federal funds.

429 Reimbursements under this paragraph (b)(ii) shall not exceed One
430 Hundred Thousand Dollars (\$100,000.00) in the aggregate.

431 Reimbursements under this paragraph (b)(ii) shall satisfy any
432 applicable federal tax law requirements.

433 (c) (i) The proceeds of bonds issued under this
434 section for projects described in Section 57-75-5(f)(ix) may be
435 used to reimburse reasonable actual and necessary costs incurred
436 by the Mississippi Development Authority in providing assistance
437 related to a project for which funding is provided for the use of
438 proceeds of such bonds. The Mississippi Development Authority
439 shall maintain an accounting of actual costs incurred for each
440 project for which reimbursements are sought. Reimbursements under
441 this paragraph shall not exceed Twenty-five Thousand Dollars
442 (\$25,000.00) in the aggregate.

443 (ii) The proceeds of bonds issued under this
444 section for projects described in Section 57-75-5(f)(ix) may be
445 used to reimburse reasonable actual and necessary costs incurred
446 by the Department of Audit in providing services related to a
447 project for which funding is provided from the use of proceeds of
448 such bonds. The Department of Audit shall maintain an accounting
449 of actual costs incurred for each project for which reimbursements
450 are sought. The Department of Audit may escalate its budget and
451 expend such funds in accordance with rules and regulations of the
452 Department of Finance and Administration in a manner consistent
453 with the escalation of federal funds. Reimbursements under this
454 paragraph shall not exceed Twenty-five Thousand Dollars
455 (\$25,000.00) in the aggregate. Reimbursements under this
456 paragraph shall satisfy any applicable federal tax law
457 requirements.

458 (d) (i) The proceeds of bonds issued under this
459 section for projects described in Section 57-75-5(f)(x) may be
460 used to reimburse reasonable actual and necessary costs incurred
461 by the Mississippi Development Authority in providing assistance
462 related to a project for which funding is provided for the use of
463 proceeds of such bonds. The Mississippi Development Authority
464 shall maintain an accounting of actual costs incurred for each
465 project for which reimbursements are sought. Reimbursements under
466 this paragraph shall not exceed Twenty-five Thousand Dollars
467 (\$25,000.00) in the aggregate.

468 (ii) The proceeds of bonds issued under this
469 section for projects described in Section 57-75-5(f)(x) may be
470 used to reimburse reasonable actual and necessary costs incurred
471 by the Department of Audit in providing services related to a
472 project for which funding is provided from the use of proceeds of
473 such bonds. The Department of Audit shall maintain an accounting
474 of actual costs incurred for each project for which reimbursements
475 are sought. The Department of Audit may escalate its budget and
476 expend such funds in accordance with rules and regulations of the
477 Department of Finance and Administration in a manner consistent
478 with the escalation of federal funds. Reimbursements under this
479 paragraph shall not exceed Twenty-five Thousand Dollars
480 (\$25,000.00) in the aggregate. Reimbursements under this
481 paragraph shall satisfy any applicable federal tax law
482 requirements.

483 (e) (i) The proceeds of bonds issued under this
484 section for projects described in Section 57-75-5(f)(xii) may be
485 used to reimburse reasonable actual and necessary costs incurred
486 by the Mississippi Development Authority in providing assistance
487 related to a project for which funding is provided from the use of
488 proceeds of such bonds. The Mississippi Development Authority
489 shall maintain an accounting of actual costs incurred for each
490 project for which reimbursements are sought. Reimbursements under

491 this paragraph (e)(i) shall not exceed Twenty-five Thousand
492 Dollars (\$25,000.00) in the aggregate.

493 (ii) The proceeds of bonds issued under this
494 section for projects described in Section 57-75-5(f)(xii) may be
495 used to reimburse reasonable actual and necessary costs incurred
496 by the Department of Audit in providing services related to a
497 project for which funding is provided from the use of proceeds of
498 such bonds. The Department of Audit shall maintain an accounting
499 of actual costs incurred for each project for which reimbursements
500 are sought. The Department of Audit may escalate its budget and
501 expend such funds in accordance with rules and regulations of the
502 Department of Finance and Administration in a manner consistent
503 with the escalation of federal funds. Reimbursements under this
504 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars
505 (\$25,000.00) in the aggregate. Reimbursements under this
506 paragraph (e)(ii) shall satisfy any applicable federal tax law
507 requirements.

508 (5) The principal of and the interest on the bonds shall be
509 payable in the manner hereinafter set forth. The bonds shall bear
510 date or dates; be in such denomination or denominations; bear
511 interest at such rate or rates; be payable at such place or places
512 within or without the state; mature absolutely at such time or
513 times; be redeemable before maturity at such time or times and
514 upon such terms, with or without premium; bear such registration
515 privileges; and be substantially in such form; all as shall be
516 determined by resolution of the State Bond Commission except that
517 such bonds shall mature or otherwise be retired in annual
518 installments beginning not more than five (5) years from the date
519 thereof and extending not more than twenty-five (25) years from
520 the date thereof. The bonds shall be signed by the Chairman of
521 the State Bond Commission, or by his facsimile signature, and the
522 official seal of the State Bond Commission shall be imprinted on
523 or affixed thereto, attested by the manual or facsimile signature

524 of the Secretary of the State Bond Commission. Whenever any such
525 bonds have been signed by the officials herein designated to sign
526 the bonds, who were in office at the time of such signing but who
527 may have ceased to be such officers before the sale and delivery
528 of such bonds, or who may not have been in office on the date such
529 bonds may bear, the signatures of such officers upon such bonds
530 shall nevertheless be valid and sufficient for all purposes and
531 have the same effect as if the person so officially signing such
532 bonds had remained in office until the delivery of the same to the
533 purchaser, or had been in office on the date such bonds may bear.

534 (6) All bonds issued under the provisions of this section
535 shall be and are hereby declared to have all the qualities and
536 incidents of negotiable instruments under the provisions of the
537 Uniform Commercial Code and in exercising the powers granted by
538 this chapter, the State Bond Commission shall not be required to
539 and need not comply with the provisions of the Uniform Commercial
540 Code.

541 (7) The State Bond Commission shall sell the bonds on sealed
542 bids at public sale, and for such price as it may determine to be
543 for the best interest of the State of Mississippi, but no such
544 sale shall be made at a price less than par plus accrued interest
545 to date of delivery of the bonds to the purchaser. The bonds
546 shall bear interest at such rate or rates not exceeding the limits
547 set forth in Section 75-17-101 as shall be fixed by the State Bond
548 Commission. All interest accruing on such bonds so issued shall
549 be payable semiannually or annually; provided that the first
550 interest payment may be for any period of not more than one (1)
551 year.

552 Notice of the sale of any bonds shall be published at least
553 one time, the first of which shall be made not less than ten (10)
554 days prior to the date of sale, and shall be so published in one
555 or more newspapers having a general circulation in the City of
556 Jackson and in one or more other newspapers or financial journals

557 with a large national circulation, to be selected by the State
558 Bond Commission.

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

564 (8) State bonds issued under the provisions of this section
565 shall be the general obligations of the state and backed by the
566 full faith and credit of the state. The Legislature shall
567 appropriate annually an amount sufficient to pay the principal of
568 and the interest on such bonds as they become due. All bonds
569 shall contain recitals on their faces substantially covering the
570 foregoing provisions of this section.

571 (9) The State Treasurer is authorized to certify to the
572 Department of Finance and Administration the necessity for
573 warrants, and the Department of Finance and Administration is
574 authorized and directed to issue such warrants payable out of any
575 funds appropriated by the Legislature under this section for such
576 purpose, in such amounts as may be necessary to pay when due the
577 principal of and interest on all bonds issued under the provisions
578 of this section. The State Treasurer shall forward the necessary
579 amount to the designated place or places of payment of such bonds
580 in ample time to discharge such bonds, or the interest thereon, on
581 the due dates thereof.

582 (10) The bonds may be issued without any other proceedings
583 or the happening of any other conditions or things other than
584 those proceedings, conditions and things which are specified or
585 required by this chapter. Any resolution providing for the
586 issuance of general obligation bonds under the provisions of this
587 section shall become effective immediately upon its adoption by
588 the State Bond Commission, and any such resolution may be adopted

589 at any regular or special meeting of the State Bond Commission by
590 a majority of its members.

591 (11) In anticipation of the issuance of bonds hereunder, the
592 State Bond Commission is authorized to negotiate and enter into
593 any purchase, loan, credit or other agreement with any bank, trust
594 company or other lending institution or to issue and sell interim
595 notes for the purpose of making any payments authorized under this
596 section. All borrowings made under this provision shall be
597 evidenced by notes of the state which shall be issued from time to
598 time, for such amounts not exceeding the amount of bonds
599 authorized herein, in such form and in such denomination and
600 subject to such terms and conditions of sale and issuance,
601 prepayment or redemption and maturity, rate or rates of interest
602 not to exceed the maximum rate authorized herein for bonds, and
603 time of payment of interest as the State Bond Commission shall
604 agree to in such agreement. Such notes shall constitute general
605 obligations of the state and shall be backed by the full faith and
606 credit of the state. Such notes may also be issued for the
607 purpose of refunding previously issued notes. No note shall
608 mature more than three (3) years following the date of its
609 issuance. The State Bond Commission is authorized to provide for
610 the compensation of any purchaser of the notes by payment of a
611 fixed fee or commission and for all other costs and expenses of
612 issuance and service, including paying agent costs. Such costs
613 and expenses may be paid from the proceeds of the notes.

614 (12) The bonds and interim notes authorized under the
615 authority of this section may be validated in the First Judicial
616 District of the Chancery Court of Hinds County, Mississippi, in
617 the manner and with the force and effect provided now or hereafter
618 by Chapter 13, Title 31, Mississippi Code of 1972, for the
619 validation of county, municipal, school district and other bonds.
620 The necessary papers for such validation proceedings shall be
621 transmitted to the State Bond Attorney, and the required notice

622 shall be published in a newspaper published in the City of
623 Jackson, Mississippi.

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

630 (14) All bonds issued under this chapter shall be legal
631 investments for trustees, other fiduciaries, savings banks, trust
632 companies and insurance companies organized under the laws of the
633 State of Mississippi; and such bonds shall be legal securities
634 which may be deposited with and shall be received by all public
635 officers and bodies of the state and all municipalities and other
636 political subdivisions thereof for the purpose of securing the
637 deposit of public funds.

638 (15) The Attorney General of the State of Mississippi shall
639 represent the State Bond Commission in issuing, selling and
640 validating bonds herein provided for, and the Bond Commission is
641 hereby authorized and empowered to expend from the proceeds
642 derived from the sale of the bonds authorized hereunder all
643 necessary administrative, legal and other expenses incidental and
644 related to the issuance of bonds authorized under this chapter.

645 (16) There is hereby created a special fund in the State
646 Treasury to be known as the Mississippi Major Economic Impact
647 Authority Fund wherein shall be deposited the proceeds of the
648 bonds issued under this chapter and all monies received by the
649 authority to carry out the purposes of this chapter. Expenditures
650 authorized herein shall be paid by the State Treasurer upon
651 warrants drawn from the fund, and the Department of Finance and
652 Administration shall issue warrants upon requisitions signed by
653 the director of the authority.

654 (17) (a) There is hereby created the Mississippi Economic
655 Impact Authority Sinking Fund from which the principal of and
656 interest on such bonds shall be paid by appropriation. All monies
657 paid into the sinking fund not appropriated to pay accruing bonds
658 and interest shall be invested by the State Treasurer in such
659 securities as are provided by law for the investment of the
660 sinking funds of the state.

661 (b) In the event that all or any part of the bonds and
662 notes are purchased, they shall be canceled and returned to the
663 loan and transfer agent as canceled and paid bonds and notes and
664 thereafter all payments of interest thereon shall cease and the
665 canceled bonds, notes and coupons, together with any other
666 canceled bonds, notes and coupons, shall be destroyed as promptly
667 as possible after cancellation but not later than two (2) years
668 after cancellation. A certificate evidencing the destruction of
669 the canceled bonds, notes and coupons shall be provided by the
670 loan and transfer agent to the seller.

671 (c) The State Treasurer shall determine and report to
672 the Department of Finance and Administration and Legislative
673 Budget Office by September 1 of each year the amount of money
674 necessary for the payment of the principal of and interest on
675 outstanding obligations for the following fiscal year and the
676 times and amounts of the payments. It shall be the duty of the
677 Governor to include in every executive budget submitted to the
678 Legislature full information relating to the issuance of bonds and
679 notes under the provisions of this chapter and the status of the
680 sinking fund for the payment of the principal of and interest on
681 the bonds and notes.

682 (18) (a) Upon receipt of a declaration by the authority
683 that it has determined that the state is a potential site for a
684 project, the State Bond Commission is authorized and directed to
685 authorize the State Treasurer to borrow money from any special
686 fund in the State Treasury not otherwise appropriated to be

687 utilized by the authority for the purposes provided for in this
688 subsection.

689 (b) The proceeds of the money borrowed under this
690 subsection may be utilized by the authority for the purpose of
691 defraying all or a portion of the costs incurred by the authority
692 with respect to acquisition options and planning, design and
693 environmental impact studies with respect to a project defined in
694 Section 57-75-5(f)(xi). The authority may escalate its budget and
695 expend the proceeds of the money borrowed under this subsection in
696 accordance with rules and regulations of the Department of Finance
697 and Administration in a manner consistent with the escalation of
698 federal funds.

699 (c) The authority shall request an appropriation or
700 additional authority to issue general obligation bonds to repay
701 the borrowed funds and establish a date for the repayment of the
702 funds so borrowed.

703 (d) Borrowings made under the provisions of this
704 subsection shall not exceed Five Hundred Thousand Dollars
705 (\$500,000.00) at any one time.

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