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To: Finance

SENATE BILL NO. 2880

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 \$19,000,000.00 IN STATE GENERAL OBLIGATION BONDS FOR A PROJECT  
6 UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT IF LOCAL  
7 GOVERNMENTS IRREVOCABLY COMMIT FUNDS IN AN AMOUNT OF NOT LESS THAN  
8 \$2,000,000.00 TO SUCH PROJECT; AND FOR RELATED PURPOSES.

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

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

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

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16 Act as originally enacted or as hereafter amended.

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

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

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

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

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

43 (f) "Project" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

205 (xii) Any project to consolidate common services  
206 from National Aeronautics and Space Administration centers in  
207 human resources, procurement, financial management and information  
208 technology located on land owned or controlled by the National  
209 Aeronautics and Space Administration, which will create at least  
210 five hundred (500) full-time jobs with an average annual salary of  
211 at least Sixty Thousand Dollars (\$60,000.00).

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

223 (h) "Public agency" means:

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

226 (ii) Any city, town, county, political  
227 subdivision, school district or other district created or existing  
228 under the laws of the state or any public agency of any such city,

229 town, county, political subdivision or district or any other  
230 public entity created or existing under local and private  
231 legislation;

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

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

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

238 (j) "Fee-in-lieu" means a negotiated fee to be paid by  
239 the project in lieu of any franchise taxes imposed on the project  
240 by Chapter 13, Title 27, Mississippi Code of 1972. The  
241 fee-in-lieu shall not be less than Twenty-five Thousand Dollars  
242 (\$25,000.00) annually. A fee-in-lieu may be negotiated with an  
243 enterprise operating an existing project defined in Section  
244 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated  
245 for other existing enterprises that fall within the definition of  
246 the term "project."

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

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



262 authority to direct the State Bond Commission to issue bonds for  
263 eligible undertakings set out in subsection (4) of this section,  
264 conditioned on the siting of the project in the state.

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

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

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

295 1996, through June 30, 2010, shall be paid to the Board of  
296 Education of Kemper County, Mississippi, for expenditure by such  
297 board of education to benefit the public schools of Kemper County.  
298 No bonds shall be issued under this paragraph (b) until the State  
299 Bond Commission by resolution adopts a finding that the issuance  
300 of such bonds will improve, expand or otherwise enhance the  
301 military installation, its support areas or military operations,  
302 or will provide employment opportunities to replace those lost by  
303 closure or reductions in operations at the military installation.  
304 From and after July 1, 1997, bonds shall not be issued for any  
305 projects, as defined in Section 57-75-5(f)(ii), which are not  
306 commenced before July 1, 1997. The proceeds of any bonds issued  
307 for projects commenced before July 1, 1997, shall be used for the  
308 purposes for which the bonds were issued until completion of the  
309 projects.

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

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

324 (e) Bonds issued under the authority of this section  
325 for projects defined in Section 57-75-5(f)(v) and for facilities  
326 related to such projects shall not exceed Thirty-eight Million

327 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be  
328 issued under this paragraph after December 31, 2005.

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

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

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

345 (j) Bonds issued under the authority of this section  
346 for projects defined in Section 57-75-5(f)(xii) shall not exceed  
347 Nineteen Million Dollars (\$19,000,000.00). No bond shall be  
348 issued under this paragraph until local governments in the county  
349 in which the project is located have irrevocably committed funds  
350 to the project in an amount of not less than Two Million Dollars  
351 (\$2,000,000.00). No bonds shall be issued under this paragraph  
352 after June 30, 2008.

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

355 (i) Defraying all or any designated portion of the  
356 costs incurred with respect to acquisition, planning, design,  
357 construction, installation, rehabilitation, improvement,  
358 relocation and with respect to state-owned property, operation and  
359 maintenance of the project and any facility related to the project

360 located within the project area, including costs of design and  
361 engineering, all costs incurred to provide land, easements and  
362 rights-of-way, relocation costs with respect to the project and  
363 with respect to any facility related to the project located within  
364 the project area, and costs associated with mitigation of  
365 environmental impacts and environmental impact studies;

366 (ii) Defraying the cost of providing for the  
367 recruitment, screening, selection, training or retraining of  
368 employees, candidates for employment or replacement employees of  
369 the project and any related activity;

370 (iii) Reimbursing the Mississippi Development  
371 Authority for expenses it incurred in regard to projects defined  
372 in Section 57-75-5(f)(iv) prior to November 6, 2000. The  
373 Mississippi Development Authority shall submit an itemized list of  
374 expenses it incurred in regard to such projects to the Chairmen of  
375 the Finance and Appropriations Committees of the Senate and the  
376 Chairmen of the Ways and Means and Appropriations Committees of  
377 the House of Representatives;

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

380 (v) Paying any warranty made by the authority  
381 regarding site work for a project defined in Section  
382 57-75-5(f)(iv)1;

383 (vi) Defraying the cost of marketing and promotion  
384 of a project as defined in Section 57-75-5(f)(iv)1. The authority  
385 shall submit an itemized list of costs incurred for marketing and  
386 promotion of such project to the Chairmen of the Finance and  
387 Appropriations Committees of the Senate and the Chairmen of the  
388 Ways and Means and Appropriations Committees of the House of  
389 Representatives;

390 (vii) Providing for the payment of interest on the  
391 bonds;

392 (viii) Providing debt service reserves;

393 (ix) Paying underwriters' discount, original issue  
394 discount, accountants' fees, engineers' fees, attorneys' fees,  
395 rating agency fees and other fees and expenses in connection with  
396 the issuance of the bonds;

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

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

404 Such bonds shall be issued from time to time and in such  
405 principal amounts as shall be designated by the authority, not to  
406 exceed in aggregate principal amounts the amount authorized in  
407 subsection (3) of this section. Proceeds from the sale of the  
408 bonds issued under this section may be invested, subject to  
409 federal limitations, pending their use, in such securities as may  
410 be specified in the resolution authorizing the issuance of the  
411 bonds or the trust indenture securing them, and the earning on  
412 such investment applied as provided in such resolution or trust  
413 indenture.

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

426                   (ii) The proceeds of bonds issued after June 21,  
427 2002, under this section for projects described in Section  
428 57-75-5(f)(iv) may be used to reimburse reasonable actual and  
429 necessary costs incurred by the Department of Audit in providing  
430 services related to a project for which funding is provided from  
431 the use of proceeds of such bonds. The Department of Audit shall  
432 maintain an accounting of actual costs incurred for each project  
433 for which reimbursements are sought. The Department of Audit may  
434 escalate its budget and expend such funds in accordance with rules  
435 and regulations of the Department of Finance and Administration in  
436 a manner consistent with the escalation of federal funds.  
437 Reimbursements under this paragraph (b)(ii) shall not exceed One  
438 Hundred Thousand Dollars (\$100,000.00) in the aggregate.  
439 Reimbursements under this paragraph (b)(ii) shall satisfy any  
440 applicable federal tax law requirements.

441                   (c) (i) The proceeds of bonds issued under this  
442 section for projects described in Section 57-75-5(f)(ix) may be  
443 used to reimburse reasonable actual and necessary costs incurred  
444 by the Mississippi Development Authority in providing assistance  
445 related to a project for which funding is provided for the use of  
446 proceeds of such bonds. The Mississippi Development Authority  
447 shall maintain an accounting of actual costs incurred for each  
448 project for which reimbursements are sought. Reimbursements under  
449 this paragraph shall not exceed Twenty-five Thousand Dollars  
450 (\$25,000.00) in the aggregate.

451                   (ii) The proceeds of bonds issued under this  
452 section for projects described in Section 57-75-5(f)(ix) may be  
453 used to reimburse reasonable actual and necessary costs incurred  
454 by the Department of Audit in providing services related to a  
455 project for which funding is provided from the use of proceeds of  
456 such bonds. The Department of Audit shall maintain an accounting  
457 of actual costs incurred for each project for which reimbursements  
458 are sought. The Department of Audit may escalate its budget and

459 expend such funds in accordance with rules and regulations of the  
460 Department of Finance and Administration in a manner consistent  
461 with the escalation of federal funds. Reimbursements under this  
462 paragraph shall not exceed Twenty-five Thousand Dollars  
463 (\$25,000.00) in the aggregate. Reimbursements under this  
464 paragraph shall satisfy any applicable federal tax law  
465 requirements.

466           (d) (i) The proceeds of bonds issued under this  
467 section for projects described in Section 57-75-5(f)(x) may be  
468 used to reimburse reasonable actual and necessary costs incurred  
469 by the Mississippi Development Authority in providing assistance  
470 related to a project for which funding is provided for the use of  
471 proceeds of such bonds. The Mississippi Development Authority  
472 shall maintain an accounting of actual costs incurred for each  
473 project for which reimbursements are sought. Reimbursements under  
474 this paragraph shall not exceed Twenty-five Thousand Dollars  
475 (\$25,000.00) in the aggregate.

476           (ii) The proceeds of bonds issued under this  
477 section for projects described in Section 57-75-5(f)(x) may be  
478 used to reimburse reasonable actual and necessary costs incurred  
479 by the Department of Audit in providing services related to a  
480 project for which funding is provided from the use of proceeds of  
481 such bonds. The Department of Audit shall maintain an accounting  
482 of actual costs incurred for each project for which reimbursements  
483 are sought. The Department of Audit may escalate its budget and  
484 expend such funds in accordance with rules and regulations of the  
485 Department of Finance and Administration in a manner consistent  
486 with the escalation of federal funds. Reimbursements under this  
487 paragraph shall not exceed Twenty-five Thousand Dollars  
488 (\$25,000.00) in the aggregate. Reimbursements under this  
489 paragraph shall satisfy any applicable federal tax law  
490 requirements.

491           (e) (i) The proceeds of bonds issued under this  
492 section for projects described in Section 57-75-5(f)(xii) may be  
493 used to reimburse reasonable actual and necessary costs incurred  
494 by the Mississippi Development Authority in providing assistance  
495 related to a project for which funding is provided for the use of  
496 proceeds of such bonds. The Mississippi Development Authority  
497 shall maintain an accounting of actual costs incurred for each  
498 project for which reimbursements are sought. Reimbursements under  
499 this paragraph (e)(i) shall not exceed Twenty-five Thousand  
500 Dollars (\$25,000.00) in the aggregate.

501           (ii) The proceeds of bonds issued under this  
502 section for projects described in Section 57-75-5(f)(xii) may be  
503 used to reimburse reasonable actual and necessary costs incurred  
504 by the Department of Audit in providing services related to a  
505 project for which funding is provided from the use of proceeds of  
506 such bonds. The Department of Audit shall maintain an accounting  
507 of actual costs incurred for each project for which reimbursements  
508 are sought. The Department of Audit may escalate its budget and  
509 expend such funds in accordance with rules and regulations of the  
510 Department of Finance and Administration in a manner consistent  
511 with the escalation of federal funds. Reimbursements under this  
512 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars  
513 (\$25,000.00) in the aggregate. Reimbursements under this  
514 paragraph (e)(ii) shall satisfy any applicable federal tax law  
515 requirements.

516           (5) The principal of and the interest on the bonds shall be  
517 payable in the manner hereinafter set forth. The bonds shall bear  
518 date or dates; be in such denomination or denominations; bear  
519 interest at such rate or rates; be payable at such place or places  
520 within or without the state; mature absolutely at such time or  
521 times; be redeemable before maturity at such time or times and  
522 upon such terms, with or without premium; bear such registration  
523 privileges; and be substantially in such form; all as shall be



524 determined by resolution of the State Bond Commission except that  
525 such bonds shall mature or otherwise be retired in annual  
526 installments beginning not more than five (5) years from the date  
527 thereof and extending not more than twenty-five (25) years from  
528 the date thereof. The bonds shall be signed by the Chairman of  
529 the State Bond Commission, or by his facsimile signature, and the  
530 official seal of the State Bond Commission shall be imprinted on  
531 or affixed thereto, attested by the manual or facsimile signature  
532 of the Secretary of the State Bond Commission. Whenever any such  
533 bonds have been signed by the officials herein designated to sign  
534 the bonds, who were in office at the time of such signing but who  
535 may have ceased to be such officers before the sale and delivery  
536 of such bonds, or who may not have been in office on the date such  
537 bonds may bear, the signatures of such officers upon such bonds  
538 shall nevertheless be valid and sufficient for all purposes and  
539 have the same effect as if the person so officially signing such  
540 bonds had remained in office until the delivery of the same to the  
541 purchaser, or had been in office on the date such bonds may bear.

542 (6) All bonds issued under the provisions of this section  
543 shall be and are hereby declared to have all the qualities and  
544 incidents of negotiable instruments under the provisions of the  
545 Uniform Commercial Code and in exercising the powers granted by  
546 this chapter, the State Bond Commission shall not be required to  
547 and need not comply with the provisions of the Uniform Commercial  
548 Code.

549 (7) The State Bond Commission shall sell the bonds on sealed  
550 bids at public sale, and for such price as it may determine to be  
551 for the best interest of the State of Mississippi, but no such  
552 sale shall be made at a price less than par plus accrued interest  
553 to date of delivery of the bonds to the purchaser. The bonds  
554 shall bear interest at such rate or rates not exceeding the limits  
555 set forth in Section 75-17-101 as shall be fixed by the State Bond  
556 Commission. All interest accruing on such bonds so issued shall

557 be payable semiannually or annually; provided that the first  
558 interest payment may be for any period of not more than one (1)  
559 year.

560 Notice of the sale of any bonds shall be published at least  
561 one time, the first of which shall be made not less than ten (10)  
562 days prior to the date of sale, and shall be so published in one  
563 or more newspapers having a general circulation in the City of  
564 Jackson and in one or more other newspapers or financial journals  
565 with a large national circulation, to be selected by the State  
566 Bond Commission.

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

572 (8) State bonds issued under the provisions of this section  
573 shall be the general obligations of the state and backed by the  
574 full faith and credit of the state. The Legislature shall  
575 appropriate annually an amount sufficient to pay the principal of  
576 and the interest on such bonds as they become due. All bonds  
577 shall contain recitals on their faces substantially covering the  
578 foregoing provisions of this section.

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

590           (10) The bonds may be issued without any other proceedings  
591 or the happening of any other conditions or things other than  
592 those proceedings, conditions and things which are specified or  
593 required by this chapter. Any resolution providing for the  
594 issuance of general obligation bonds under the provisions of this  
595 section shall become effective immediately upon its adoption by  
596 the State Bond Commission, and any such resolution may be adopted  
597 at any regular or special meeting of the State Bond Commission by  
598 a majority of its members.

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

622           (12) The bonds and interim notes authorized under the  
623 authority of this section may be validated in the First Judicial  
624 District of the Chancery Court of Hinds County, Mississippi, in  
625 the manner and with the force and effect provided now or hereafter  
626 by Chapter 13, Title 31, Mississippi Code of 1972, for the  
627 validation of county, municipal, school district and other bonds.  
628 The necessary papers for such validation proceedings shall be  
629 transmitted to the State Bond Attorney, and the required notice  
630 shall be published in a newspaper published in the City of  
631 Jackson, Mississippi.

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

638           (14) All bonds issued under this chapter shall be legal  
639 investments for trustees, other fiduciaries, savings banks, trust  
640 companies and insurance companies organized under the laws of the  
641 State of Mississippi; and such bonds shall be legal securities  
642 which may be deposited with and shall be received by all public  
643 officers and bodies of the state and all municipalities and other  
644 political subdivisions thereof for the purpose of securing the  
645 deposit of public funds.

646           (15) The Attorney General of the State of Mississippi shall  
647 represent the State Bond Commission in issuing, selling and  
648 validating bonds herein provided for, and the Bond Commission is  
649 hereby authorized and empowered to expend from the proceeds  
650 derived from the sale of the bonds authorized hereunder all  
651 necessary administrative, legal and other expenses incidental and  
652 related to the issuance of bonds authorized under this chapter.

653           (16) There is hereby created a special fund in the State  
654 Treasury to be known as the Mississippi Major Economic Impact

655 Authority Fund wherein shall be deposited the proceeds of the  
656 bonds issued under this chapter and all monies received by the  
657 authority to carry out the purposes of this chapter. Expenditures  
658 authorized herein shall be paid by the State Treasurer upon  
659 warrants drawn from the fund, and the Department of Finance and  
660 Administration shall issue warrants upon requisitions signed by  
661 the director of the authority.

662 (17) (a) There is hereby created the Mississippi Economic  
663 Impact Authority Sinking Fund from which the principal of and  
664 interest on such bonds shall be paid by appropriation. All monies  
665 paid into the sinking fund not appropriated to pay accruing bonds  
666 and interest shall be invested by the State Treasurer in such  
667 securities as are provided by law for the investment of the  
668 sinking funds of the state.

669 (b) In the event that all or any part of the bonds and  
670 notes are purchased, they shall be canceled and returned to the  
671 loan and transfer agent as canceled and paid bonds and notes and  
672 thereafter all payments of interest thereon shall cease and the  
673 canceled bonds, notes and coupons, together with any other  
674 canceled bonds, notes and coupons, shall be destroyed as promptly  
675 as possible after cancellation but not later than two (2) years  
676 after cancellation. A certificate evidencing the destruction of  
677 the canceled bonds, notes and coupons shall be provided by the  
678 loan and transfer agent to the seller.

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

688 sinking fund for the payment of the principal of and interest on  
689 the bonds and notes.

690 (18) (a) Upon receipt of a declaration by the authority  
691 that it has determined that the state is a potential site for a  
692 project, the State Bond Commission is authorized and directed to  
693 authorize the State Treasurer to borrow money from any special  
694 fund in the State Treasury not otherwise appropriated to be  
695 utilized by the authority for the purposes provided for in this  
696 subsection.

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

707 (c) The authority shall request an appropriation or  
708 additional authority to issue general obligation bonds to repay  
709 the borrowed funds and establish a date for the repayment of the  
710 funds so borrowed.

711 (d) Borrowings made under the provisions of this  
712 subsection shall not exceed Five Hundred Thousand Dollars  
713 (\$500,000.00) at any one time.

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