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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16 Act as originally enacted or as hereafter amended.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.