

By: Senator(s) Michel, Hewes, Chaney, Gollott, King, Moffatt, Flowers, Chamberlin, Pickering, Burton, Nunnelee, Ross, Carmichael, White, Browning, Mettetal, Wilemon, Williamson, Cuevas, Jackson (32nd), Morgan, Lee (47th), Albritton, Little, Walley, Brown, Butler, Clarke, Dawkins, Dearing, Frazier, Gordon, Hyde-Smith, Jackson (15th), Jackson (11th)

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3091

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "PROJECT" UNDER THE MISSISSIPPI
3 MAJOR ECONOMIC IMPACT ACT TO FURTHER ADDRESS INFRASTRUCTURE AND
4 OTHER NEEDS AT MILITARY BASES IN MISSISSIPPI UPON DESIGNATION BY
5 THE MISSISSIPPI MAJOR ECONOMIC IMPACT AUTHORITY THAT ANY SUCH BASE
6 WAS OR IS AT RISK TO BE RECOMMENDED FOR CLOSURE OR REALIGNMENT
7 PURSUANT TO THE DEFENSE BASE CLOSURE AND REALIGNMENT ACT OF 1990;
8 TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
9 THE ISSUANCE OF AN ADDITIONAL \$11,000,000.00 IN STATE GENERAL
10 OBLIGATION BONDS FOR SUCH PURPOSES; AND FOR RELATED PURPOSES.

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

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

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

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18 Act as originally enacted or as hereafter amended.

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

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

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

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

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

45 (f) "Project" means:

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

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

90 (ii) 1. Any major capital project designed to
91 improve, expand or otherwise enhance any active duty or reserve
92 United States Armed Services bases and facilities or any major
93 Mississippi National Guard training installations, their support
94 areas or their military operations, upon designation by the
95 authority that any such base was or is at risk to be recommended
96 for closure or realignment pursuant to the Defense Base Closure
97 and Realignment Act of 1990, as amended, or any major development

98 project determined by the authority to be necessary to acquire or
99 improve base properties and to provide employment opportunities
100 through construction of projects as defined in Section 57-3-5,
101 which shall be located on or provide direct support service or
102 access to such military installation property as such property
103 exists on July 1, 2004, in the event of closure or reduction of
104 military operations at the installation. * * *

105 2. Any major study or investigation, upon a
106 determination by the authority that the study or investigation is
107 critical to preparing a base or facility for Defense Base Closure
108 and Realignment Act of 1990 rounds in 2005 and thereafter.

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

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

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

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

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

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

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

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

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

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

164 percent (135%) of the most recently published average annual wage
165 of the state or the most recently published average annual wage of
166 the county in which the project is located as determined by the
167 Mississippi Employment Security Commission, whichever is the
168 lesser. The authority shall require that binding commitments be
169 entered into requiring that:

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

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

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

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

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

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

197 as determined by the Mississippi Employment Security Commission,
198 whichever is the greater. The authority shall require that
199 binding commitments be entered into requiring that:

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

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

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

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

218 (h) "Public agency" means:

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

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

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

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

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

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

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

244 57-75-15. (1) Upon notification to the authority by the
245 enterprise that the state has been finally selected as the site
246 for the project, the State Bond Commission shall have the power
247 and is hereby authorized and directed, upon receipt of a
248 declaration from the authority as hereinafter provided, to borrow
249 money and issue general obligation bonds of the state in one or
250 more series for the purposes herein set out. Upon such
251 notification, the authority may thereafter from time to time
252 declare the necessity for the issuance of general obligation bonds
253 as authorized by this section and forward such declaration to the
254 State Bond Commission, provided that before such notification, the
255 authority may enter into agreements with the United States
256 government, private companies and others that will commit the
257 authority to direct the State Bond Commission to issue bonds for
258 eligible undertakings set out in subsection (4) of this section,
259 conditioned on the siting of the project in the state.

260 (2) Upon receipt of any such declaration from the authority,
261 the State Bond Commission shall verify that the state has been

262 selected as the site of the project and shall act as the issuing
263 agent for the series of bonds directed to be issued in such
264 declaration pursuant to authority granted in this section.

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

269 (b) Bonds issued under the authority of this section
270 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
271 Sixty-one Million Dollars (\$61,000,000.00) * * *. If any proceeds
272 of bonds issued for projects related to the Meridian Naval
273 Auxiliary Air Station ("NAAS") are used for the development of a
274 water and sewer service system by the City of Meridian,
275 Mississippi, to serve the NAAS and if the City of Meridian annexes
276 any of the territory served by the water and sewer service system,
277 the city shall repay the State of Mississippi the amount of all
278 bond proceeds expended on any portion of the water and sewer
279 service system project; and if there are any monetary proceeds
280 derived from the disposition of any improvements located on real
281 property in Kemper County purchased pursuant to this act for
282 projects related to the NAAS and if there are any monetary
283 proceeds derived from the disposition of any timber located on
284 real property in Kemper County purchased pursuant to this act for
285 projects related to the NAAS, all of such proceeds (both from the
286 disposition of improvements and the disposition of timber)
287 commencing July 1, 1996, through June 30, 2010, shall be paid to
288 the Board of Education of Kemper County, Mississippi, for
289 expenditure by such board of education to benefit the public
290 schools of Kemper County. No bonds shall be issued under this
291 paragraph (b) until the State Bond Commission by resolution adopts
292 a finding that the issuance of such bonds will improve, expand or
293 otherwise enhance the military installation, its support areas or
294 military operations, or will provide employment opportunities to

295 replace those lost by closure or reductions in operations at the
296 military installation or will support critical studies or
297 investigation authorized by Section 57-75-5(f)(ii); however, not
298 more than One Million Dollars (\$1,000,000.00) in the aggregate
299 shall be authorized for such studies or investigations.

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

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

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

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

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

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

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

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

337 (i) Defraying all or any designated portion of the
338 costs incurred with respect to acquisition, planning, design,
339 construction, installation, rehabilitation, improvement,
340 relocation and with respect to state-owned property, operation and
341 maintenance of the project and any facility related to the project
342 located within the project area, including costs of design and
343 engineering, all costs incurred to provide land, easements and
344 rights-of-way, relocation costs with respect to the project and
345 with respect to any facility related to the project located within
346 the project area, and costs associated with mitigation of
347 environmental impacts and environmental impact studies;

348 (ii) Defraying the cost of providing for the
349 recruitment, screening, selection, training or retraining of
350 employees, candidates for employment or replacement employees of
351 the project and any related activity;

352 (iii) Reimbursing the Mississippi Development
353 Authority for expenses it incurred in regard to projects defined
354 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
355 Mississippi Development Authority shall submit an itemized list of
356 expenses it incurred in regard to such projects to the Chairmen of
357 the Finance and Appropriations Committees of the Senate and the
358 Chairmen of the Ways and Means and Appropriations Committees of
359 the House of Representatives;

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

362 (v) Paying any warranty made by the authority
363 regarding site work for a project defined in Section
364 57-75-5(f)(iv)1;

365 (vi) Defraying the cost of marketing and promotion
366 of a project as defined in Section 57-75-5(f)(iv)1. The authority
367 shall submit an itemized list of costs incurred for marketing and
368 promotion of such project to the Chairmen of the Finance and
369 Appropriations Committees of the Senate and the Chairmen of the
370 Ways and Means and Appropriations Committees of the House of
371 Representatives;

372 (vii) Providing for the payment of interest on the
373 bonds;

374 (viii) Providing debt service reserves;

375 (ix) Paying underwriters' discount, original issue
376 discount, accountants' fees, engineers' fees, attorneys' fees,
377 rating agency fees and other fees and expenses in connection with
378 the issuance of the bonds;

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

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

386 Such bonds shall be issued from time to time and in such
387 principal amounts as shall be designated by the authority, not to
388 exceed in aggregate principal amounts the amount authorized in
389 subsection (3) of this section. Proceeds from the sale of the
390 bonds issued under this section may be invested, subject to
391 federal limitations, pending their use, in such securities as may
392 be specified in the resolution authorizing the issuance of the

393 bonds or the trust indenture securing them, and the earning on
394 such investment applied as provided in such resolution or trust
395 indenture.

396 (b) (i) The proceeds of bonds issued after June 21,
397 2002, under this section for projects described in Section
398 57-75-5(f)(iv) may be used to reimburse reasonable actual and
399 necessary costs incurred by the Mississippi Development Authority
400 in providing assistance related to a project for which funding is
401 provided from the use of proceeds of such bonds. The Mississippi
402 Development Authority shall maintain an accounting of actual costs
403 incurred for each project for which reimbursements are sought.
404 Reimbursements under this paragraph (b) shall not exceed Three
405 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
406 Reimbursements under this paragraph (b) shall satisfy any
407 applicable federal tax law requirements.

408 (c) The proceeds of bonds issued after June 21, 2002,
409 under this section for projects described in Section
410 57-75-5(f)(iv) may be used to reimburse reasonable actual and
411 necessary costs incurred by the Department of Audit in providing
412 services related to a project for which funding is provided from
413 the use of proceeds of such bonds. The Department of Audit shall
414 maintain an accounting of actual costs incurred for each project
415 for which reimbursements are sought. The Department of Audit may
416 escalate its budget and expend such funds in accordance with rules
417 and regulations of the Department of Finance and Administration in
418 a manner consistent with the escalation of federal funds.
419 Reimbursements under this paragraph (c) shall not exceed One
420 Hundred Thousand Dollars (\$100,000.00) in the aggregate.
421 Reimbursements under this paragraph (c) shall satisfy any
422 applicable federal tax law requirements.

423 (d) The proceeds of bonds issued under this section for
424 projects described in Section 57-75-5(f)(ix) may be used to
425 reimburse reasonable actual and necessary costs incurred by the

426 Mississippi Development Authority in providing assistance related
427 to a project for which funding is provided for the use of proceeds
428 of such bonds. The Mississippi Development Authority shall
429 maintain an accounting of actual costs incurred for each project
430 for which reimbursements are sought. Reimbursements under this
431 paragraph shall not exceed Twenty-five Thousand Dollars
432 (\$25,000.00) in the aggregate.

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

448 (f) The proceeds of bonds issued under this section for
449 projects described in Section 57-75-5(f)(x) may be used to
450 reimburse reasonable actual and necessary costs incurred by the
451 Mississippi Development Authority in providing assistance related
452 to a project for which funding is provided for the use of proceeds
453 of such bonds. The Mississippi Development Authority shall
454 maintain an accounting of actual costs incurred for each project
455 for which reimbursements are sought. Reimbursements under this
456 paragraph shall not exceed Twenty-five Thousand Dollars
457 (\$25,000.00) in the aggregate.

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

473 (5) The principal of and the interest on the bonds shall be
474 payable in the manner hereinafter set forth. The bonds shall bear
475 date or dates; be in such denomination or denominations; bear
476 interest at such rate or rates; be payable at such place or places
477 within or without the state; mature absolutely at such time or
478 times; be redeemable before maturity at such time or times and
479 upon such terms, with or without premium; bear such registration
480 privileges; and be substantially in such form; all as shall be
481 determined by resolution of the State Bond Commission except that
482 such bonds shall mature or otherwise be retired in annual
483 installments beginning not more than five (5) years from the date
484 thereof and extending not more than twenty-five (25) years from
485 the date thereof. The bonds shall be signed by the Chairman of
486 the State Bond Commission, or by his facsimile signature, and the
487 official seal of the State Bond Commission shall be imprinted on
488 or affixed thereto, attested by the manual or facsimile signature
489 of the Secretary of the State Bond Commission. Whenever any such
490 bonds have been signed by the officials herein designated to sign

491 the bonds, who were in office at the time of such signing but who
492 may have ceased to be such officers before the sale and delivery
493 of such bonds, or who may not have been in office on the date such
494 bonds may bear, the signatures of such officers upon such bonds
495 shall nevertheless be valid and sufficient for all purposes and
496 have the same effect as if the person so officially signing such
497 bonds had remained in office until the delivery of the same to the
498 purchaser, or had been in office on the date such bonds may bear.

499 (6) All bonds issued under the provisions of this section
500 shall be and are hereby declared to have all the qualities and
501 incidents of negotiable instruments under the provisions of the
502 Uniform Commercial Code and in exercising the powers granted by
503 this chapter, the State Bond Commission shall not be required to
504 and need not comply with the provisions of the Uniform Commercial
505 Code.

506 (7) The State Bond Commission shall sell the bonds on sealed
507 bids at public sale, and for such price as it may determine to be
508 for the best interest of the State of Mississippi, but no such
509 sale shall be made at a price less than par plus accrued interest
510 to date of delivery of the bonds to the purchaser. The bonds
511 shall bear interest at such rate or rates not exceeding the limits
512 set forth in Section 75-17-101 as shall be fixed by the State Bond
513 Commission. All interest accruing on such bonds so issued shall
514 be payable semiannually or annually; provided that the first
515 interest payment may be for any period of not more than one (1)
516 year.

517 Notice of the sale of any bonds shall be published at least
518 one time, the first of which shall be made not less than ten (10)
519 days prior to the date of sale, and shall be so published in one
520 or more newspapers having a general circulation in the City of
521 Jackson and in one or more other newspapers or financial journals
522 with a large national circulation, to be selected by the State
523 Bond Commission.

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

529 (8) State bonds issued under the provisions of this section
530 shall be the general obligations of the state and backed by the
531 full faith and credit of the state. The Legislature shall
532 appropriate annually an amount sufficient to pay the principal of
533 and the interest on such bonds as they become due. All bonds
534 shall contain recitals on their faces substantially covering the
535 foregoing provisions of this section.

536 (9) The State Treasurer is authorized to certify to the
537 Department of Finance and Administration the necessity for
538 warrants, and the Department of Finance and Administration is
539 authorized and directed to issue such warrants payable out of any
540 funds appropriated by the Legislature under this section for such
541 purpose, in such amounts as may be necessary to pay when due the
542 principal of and interest on all bonds issued under the provisions
543 of this section. The State Treasurer shall forward the necessary
544 amount to the designated place or places of payment of such bonds
545 in ample time to discharge such bonds, or the interest thereon, on
546 the due dates thereof.

547 (10) The bonds may be issued without any other proceedings
548 or the happening of any other conditions or things other than
549 those proceedings, conditions and things which are specified or
550 required by this chapter. Any resolution providing for the
551 issuance of general obligation bonds under the provisions of this
552 section shall become effective immediately upon its adoption by
553 the State Bond Commission, and any such resolution may be adopted
554 at any regular or special meeting of the State Bond Commission by
555 a majority of its members.

556 (11) In anticipation of the issuance of bonds hereunder, the
557 State Bond Commission is authorized to negotiate and enter into
558 any purchase, loan, credit or other agreement with any bank, trust
559 company or other lending institution or to issue and sell interim
560 notes for the purpose of making any payments authorized under this
561 section. All borrowings made under this provision shall be
562 evidenced by notes of the state which shall be issued from time to
563 time, for such amounts not exceeding the amount of bonds
564 authorized herein, in such form and in such denomination and
565 subject to such terms and conditions of sale and issuance,
566 prepayment or redemption and maturity, rate or rates of interest
567 not to exceed the maximum rate authorized herein for bonds, and
568 time of payment of interest as the State Bond Commission shall
569 agree to in such agreement. Such notes shall constitute general
570 obligations of the state and shall be backed by the full faith and
571 credit of the state. Such notes may also be issued for the
572 purpose of refunding previously issued notes. No note shall
573 mature more than three (3) years following the date of its
574 issuance. The State Bond Commission is authorized to provide for
575 the compensation of any purchaser of the notes by payment of a
576 fixed fee or commission and for all other costs and expenses of
577 issuance and service, including paying agent costs. Such costs
578 and expenses may be paid from the proceeds of the notes.

579 (12) The bonds and interim notes authorized under the
580 authority of this section may be validated in the First Judicial
581 District of the Chancery Court of Hinds County, Mississippi, in
582 the manner and with the force and effect provided now or hereafter
583 by Chapter 13, Title 31, Mississippi Code of 1972, for the
584 validation of county, municipal, school district and other bonds.
585 The necessary papers for such validation proceedings shall be
586 transmitted to the State Bond Attorney, and the required notice
587 shall be published in a newspaper published in the City of
588 Jackson, Mississippi.

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

595 (14) All bonds issued under this chapter shall be legal
596 investments for trustees, other fiduciaries, savings banks, trust
597 companies and insurance companies organized under the laws of the
598 State of Mississippi; and such bonds shall be legal securities
599 which may be deposited with and shall be received by all public
600 officers and bodies of the state and all municipalities and other
601 political subdivisions thereof for the purpose of securing the
602 deposit of public funds.

603 (15) The Attorney General of the State of Mississippi shall
604 represent the State Bond Commission in issuing, selling and
605 validating bonds herein provided for, and the Bond Commission is
606 hereby authorized and empowered to expend from the proceeds
607 derived from the sale of the bonds authorized hereunder all
608 necessary administrative, legal and other expenses incidental and
609 related to the issuance of bonds authorized under this chapter.

610 (16) There is hereby created a special fund in the State
611 Treasury to be known as the Mississippi Major Economic Impact
612 Authority Fund wherein shall be deposited the proceeds of the
613 bonds issued under this chapter and all monies received by the
614 authority to carry out the purposes of this chapter. Expenditures
615 authorized herein shall be paid by the State Treasurer upon
616 warrants drawn from the fund, and the Department of Finance and
617 Administration shall issue warrants upon requisitions signed by
618 the director of the authority.

619 (17) (a) There is hereby created the Mississippi Economic
620 Impact Authority Sinking Fund from which the principal of and
621 interest on such bonds shall be paid by appropriation. All monies

622 paid into the sinking fund not appropriated to pay accruing bonds
623 and interest shall be invested by the State Treasurer in such
624 securities as are provided by law for the investment of the
625 sinking funds of the state.

626 (b) In the event that all or any part of the bonds and
627 notes are purchased, they shall be canceled and returned to the
628 loan and transfer agent as canceled and paid bonds and notes and
629 thereafter all payments of interest thereon shall cease and the
630 canceled bonds, notes and coupons, together with any other
631 canceled bonds, notes and coupons, shall be destroyed as promptly
632 as possible after cancellation but not later than two (2) years
633 after cancellation. A certificate evidencing the destruction of
634 the canceled bonds, notes and coupons shall be provided by the
635 loan and transfer agent to the seller.

636 (c) The State Treasurer shall determine and report to
637 the Department of Finance and Administration and Legislative
638 Budget Office by September 1 of each year the amount of money
639 necessary for the payment of the principal of and interest on
640 outstanding obligations for the following fiscal year and the
641 times and amounts of the payments. It shall be the duty of the
642 Governor to include in every executive budget submitted to the
643 Legislature full information relating to the issuance of bonds and
644 notes under the provisions of this chapter and the status of the
645 sinking fund for the payment of the principal of and interest on
646 the bonds and notes.

647 (18) (a) Upon receipt of a declaration by the authority
648 that it has determined that the state is a potential site for a
649 project, the State Bond Commission is authorized and directed to
650 authorize the State Treasurer to borrow money from any special
651 fund in the State Treasury not otherwise appropriated to be
652 utilized by the authority for the purposes provided for in this
653 subsection.

654 (b) The proceeds of the money borrowed under this
655 subsection may be utilized by the authority for the purpose of
656 defraying all or a portion of the costs incurred by the authority
657 with respect to acquisition options and planning, design and
658 environmental impact studies with respect to a project defined in
659 Section 57-75-5(f)(xi). The authority may escalate its budget and
660 expend the proceeds of the money borrowed under this subsection in
661 accordance with rules and regulations of the Department of Finance
662 and Administration in a manner consistent with the escalation of
663 federal funds.

664 (c) The authority shall request an appropriation or
665 additional authority to issue general obligation bonds to repay
666 the borrowed funds and establish a date for the repayment of the
667 funds so borrowed.

668 (d) Borrowings made under the provisions of this
669 subsection shall not exceed Five Hundred Thousand Dollars
670 (\$500,000.00) at any one time.

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