

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1244

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,  
2 TO DELETE THE PROVISION REQUIRING THAT IF PROCEEDS OF BONDS ISSUED  
3 UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT FOR PROJECTS  
4 RELATED TO THE MERIDIAN NAVAL AUXILIARY AIR STATION ARE USED BY  
5 THE CITY OF MERIDIAN, MISSISSIPPI, FOR THE DEVELOPMENT OF A WATER  
6 AND SEWER SERVICE SYSTEM TO SERVE THE AIR STATION AND THE CITY OF  
7 MERIDIAN ANNEXES ANY OF THE TERRITORY SERVED BY THE WATER AND  
8 SEWER SERVICE SYSTEM, THEN THE CITY OF MERIDIAN MUST REPAY THE  
9 STATE OF MISSISSIPPI THE AMOUNT OF THE BOND PROCEEDS EXPENDED ON  
10 ANY PORTION OF THE WATER AND SEWER SERVICE SYSTEM PROJECT; AND FOR  
11 RELATED PURPOSES.

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

13 **SECTION 1.** Section 57-75-15, Mississippi Code of 1972, is  
14 amended as follows:

15 57-75-15. (1) Upon notification to the authority by the  
16 enterprise that the state has been finally selected as the site  
17 for the project, the State Bond Commission shall have the power  
18 and is hereby authorized and directed, upon receipt of a  
19 declaration from the authority as hereinafter provided, to borrow  
20 money and issue general obligation bonds of the state in one or  
21 more series for the purposes herein set out. Upon such  
22 notification, the authority may thereafter from time to time  
23 declare the necessity for the issuance of general obligation bonds  
24 as authorized by this section and forward such declaration to the  
25 State Bond Commission, provided that before such notification, the  
26 authority may enter into agreements with the United States  
27 government, private companies and others that will commit the  
28 authority to direct the State Bond Commission to issue bonds for  
29 eligible undertakings set out in subsection (4) of this section,  
30 conditioned on the siting of the project in the state.

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

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

40           (b) Bonds issued under the authority of this section  
41 for projects as defined in Section 57-75-5(f)(ii) shall not exceed  
42 Sixty-one Million Dollars (\$61,000,000.00). The authority, with  
43 the express direction of the State Bond Commission, is authorized  
44 to expend any remaining proceeds of bonds issued under the  
45 authority of this act prior to January 1, 1998, for the purpose of  
46 financing projects as then defined in Section 57-75-5(f)(ii) or  
47 for any other projects as defined in Section 57-75-5(f)(ii), as it  
48 may be amended from time to time. If there are any monetary  
49 proceeds derived from the disposition of any improvements located  
50 on real property in Kemper County purchased pursuant to this act  
51 for projects related to the NAAS and if there are any monetary  
52 proceeds derived from the disposition of any timber located on  
53 real property in Kemper County purchased pursuant to this act for  
54 projects related to the NAAS, all of such proceeds (both from the  
55 disposition of improvements and the disposition of timber)  
56 commencing July 1, 1996, through June 30, 2010, shall be paid to  
57 the Board of Education of Kemper County, Mississippi, for  
58 expenditure by such board of education to benefit the public  
59 schools of Kemper County. No bonds shall be issued under this  
60 paragraph (b) until the State Bond Commission by resolution adopts  
61 a finding that the issuance of such bonds will improve, expand or  
62 otherwise enhance the military installation, its support areas or  
63 military operations, or will provide employment opportunities to

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

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

73 (d) Bonds issued under the authority of this section  
74 for projects defined in Section 57-75-5(f)(iv) shall not exceed  
75 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An  
76 additional amount of bonds in an amount not to exceed Twelve  
77 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be  
78 issued under the authority of this section for the purpose of  
79 defraying costs associated with the construction of surface water  
80 transmission lines for a project defined in Section 57-75-5(f)(iv)  
81 or for any facility related to the project. No bonds shall be  
82 issued under this paragraph after June 30, 2005.

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

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

92 (g) Bonds issued under the authority of this section  
93 for projects defined in Section 57-75-5(f)(viii) shall not exceed  
94 Four Million Five Hundred Thousand Dollars (\$4,500,000.00). No  
95 bonds shall be issued under this paragraph after June 30, 2007.

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

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

104 (j) Bonds issued under the authority of this section  
105 for projects defined in Section 57-75-5(f)(xii) shall not exceed  
106 Twenty-three Million Seven Hundred Thousand Dollars  
107 (\$23,700,000.00). No bonds shall be issued under this paragraph  
108 until local governments in or near the county in which the project  
109 is located have irrevocably committed funds to the project in an  
110 amount of not less than Two Million Five Hundred Thousand Dollars  
111 (\$2,500,000.00) in the aggregate. No bonds shall be issued under  
112 this paragraph after June 30, 2008.

113 (k) Bonds issued under the authority of this section  
114 for projects defined in Section 57-75-5(f)(xiii) shall not exceed  
115 Three Million Dollars (\$3,000,000.00). No bonds shall be issued  
116 under this paragraph after June 30, 2009.

117 (l) Bonds issued under the authority of this section  
118 for projects defined in Section 57-75-5(f)(xiv) shall not exceed  
119 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued  
120 under this paragraph until local governments in the county in  
121 which the project is located have irrevocably committed funds to  
122 the project in an amount of not less than Two Million Dollars  
123 (\$2,000,000.00). No bonds shall be issued under this paragraph  
124 after June 30, 2009.

125 (m) Bonds issued under the authority of this section  
126 for projects defined in Section 57-75-5(f)(xv) shall not exceed  
127 Five Hundred Thousand Dollars (\$500,000.00). No bonds shall be  
128 issued under this paragraph after June 30, 2009.

129           (n) Bonds issued under the authority of this section  
130 for projects defined in Section 57-75-5(f)(xvi) shall not exceed  
131 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued  
132 under this paragraph after June 30, 2009.

133           (o) Bonds issued under the authority of this section  
134 for projects defined in Section 57-75-5(f)(xvii) shall not exceed  
135 Three Million Five Hundred Thousand Dollars (\$3,500,000.00). No  
136 bonds shall be issued under this paragraph after June 30, 2009.

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

139                   (i) Defraying all or any designated portion of the  
140 costs incurred with respect to acquisition, planning, design,  
141 construction, installation, rehabilitation, improvement,  
142 relocation and with respect to state-owned property, operation and  
143 maintenance of the project and any facility related to the project  
144 located within the project area, including costs of design and  
145 engineering, all costs incurred to provide land, easements and  
146 rights-of-way, relocation costs with respect to the project and  
147 with respect to any facility related to the project located within  
148 the project area, and costs associated with mitigation of  
149 environmental impacts and environmental impact studies;

150                   (ii) Defraying the cost of providing for the  
151 recruitment, screening, selection, training or retraining of  
152 employees, candidates for employment or replacement employees of  
153 the project and any related activity;

154                   (iii) Reimbursing the Mississippi Development  
155 Authority for expenses it incurred in regard to projects defined  
156 in Section 57-75-5(f)(iv) prior to November 6, 2000. The  
157 Mississippi Development Authority shall submit an itemized list of  
158 expenses it incurred in regard to such projects to the Chairmen of  
159 the Finance and Appropriations Committees of the Senate and the  
160 Chairmen of the Ways and Means and Appropriations Committees of  
161 the House of Representatives;

162                   (iv) Providing grants to enterprises operating  
163 projects defined in Section 57-75-5(f)(iv)1;  
164                   (v) Paying any warranty made by the authority  
165 regarding site work for a project defined in Section  
166 57-75-5(f)(iv)1;  
167                   (vi) Defraying the cost of marketing and promotion  
168 of a project as defined in Section 57-75-5(f)(iv)1. The authority  
169 shall submit an itemized list of costs incurred for marketing and  
170 promotion of such project to the Chairmen of the Finance and  
171 Appropriations Committees of the Senate and the Chairmen of the  
172 Ways and Means and Appropriations Committees of the House of  
173 Representatives;  
174                   (vii) Providing for the payment of interest on the  
175 bonds;  
176                   (viii) Providing debt service reserves;  
177                   (ix) Paying underwriters' discount, original issue  
178 discount, accountants' fees, engineers' fees, attorneys' fees,  
179 rating agency fees and other fees and expenses in connection with  
180 the issuance of the bonds;  
181                   (x) For purposes authorized in paragraphs (b),  
182 (c), (d), (e) and (f) of this subsection (4);  
183                   (xi) Providing grants to enterprises operating  
184 projects defined in Section 57-75-5(f)(v), or, in connection with  
185 a facility related to such a project, for any purposes deemed by  
186 the authority in its sole discretion to be necessary and  
187 appropriate;  
188                   (xii) Providing grant funds or loans to a public  
189 agency or an enterprise owning, leasing or operating a project  
190 defined in Section 57-75-5(f)(ii); and  
191                   (xiii) Providing grant funds or loans to an  
192 enterprise owning, leasing or operating a project defined in  
193 Section 57-75-5(f)(xiv).

194           Such bonds shall be issued from time to time and in such  
195 principal amounts as shall be designated by the authority, not to  
196 exceed in aggregate principal amounts the amount authorized in  
197 subsection (3) of this section. Proceeds from the sale of the  
198 bonds issued under this section may be invested, subject to  
199 federal limitations, pending their use, in such securities as may  
200 be specified in the resolution authorizing the issuance of the  
201 bonds or the trust indenture securing them, and the earning on  
202 such investment applied as provided in such resolution or trust  
203 indenture.

204           (b) (i) The proceeds of bonds issued after June 21,  
205 2002, under this section for projects described in Section  
206 57-75-5(f)(iv) may be used to reimburse reasonable actual and  
207 necessary costs incurred by the Mississippi Development Authority  
208 in providing assistance related to a project for which funding is  
209 provided from the use of proceeds of such bonds. The Mississippi  
210 Development Authority shall maintain an accounting of actual costs  
211 incurred for each project for which reimbursements are sought.  
212 Reimbursements under this paragraph (b)(i) shall not exceed Three  
213 Hundred Thousand Dollars (\$300,000.00) in the aggregate.  
214 Reimbursements under this paragraph (b)(i) shall satisfy any  
215 applicable federal tax law requirements.

216           (ii) The proceeds of bonds issued after June 21,  
217 2002, under this section for projects described in Section  
218 57-75-5(f)(iv) may be used to reimburse reasonable actual and  
219 necessary costs incurred by the Department of Audit in providing  
220 services related to a project for which funding is provided from  
221 the use of proceeds of such bonds. The Department of Audit shall  
222 maintain an accounting of actual costs incurred for each project  
223 for which reimbursements are sought. The Department of Audit may  
224 escalate its budget and expend such funds in accordance with rules  
225 and regulations of the Department of Finance and Administration in  
226 a manner consistent with the escalation of federal funds.

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

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

231 (c) (i) The proceeds of bonds issued under this  
232 section for projects described in Section 57-75-5(f)(ix) may be  
233 used to reimburse reasonable actual and necessary costs incurred  
234 by the Mississippi Development Authority in providing assistance  
235 related to a project for which funding is provided for the use of  
236 proceeds of such bonds. The Mississippi Development Authority  
237 shall maintain an accounting of actual costs incurred for each  
238 project for which reimbursements are sought. Reimbursements under  
239 this paragraph shall not exceed Twenty-five Thousand Dollars  
240 (\$25,000.00) in the aggregate.

241 (ii) The proceeds of bonds issued under this  
242 section for projects described in Section 57-75-5(f)(ix) may be  
243 used to reimburse reasonable actual and necessary costs incurred  
244 by the Department of Audit in providing services related to a  
245 project for which funding is provided from the use of proceeds of  
246 such bonds. The Department of Audit shall maintain an accounting  
247 of actual costs incurred for each project for which reimbursements  
248 are sought. The Department of Audit may escalate its budget and  
249 expend such funds in accordance with rules and regulations of the  
250 Department of Finance and Administration in a manner consistent  
251 with the escalation of federal funds. Reimbursements under this  
252 paragraph shall not exceed Twenty-five Thousand Dollars  
253 (\$25,000.00) in the aggregate. Reimbursements under this  
254 paragraph shall satisfy any applicable federal tax law  
255 requirements.

256 (d) (i) The proceeds of bonds issued under this  
257 section for projects described in Section 57-75-5(f)(x) may be  
258 used to reimburse reasonable actual and necessary costs incurred  
259 by the Mississippi Development Authority in providing assistance

260 related to a project for which funding is provided for the use of  
261 proceeds of such bonds. The Mississippi Development Authority  
262 shall maintain an accounting of actual costs incurred for each  
263 project for which reimbursements are sought. Reimbursements under  
264 this paragraph shall not exceed Twenty-five Thousand Dollars  
265 (\$25,000.00) in the aggregate.

266 (ii) The proceeds of bonds issued under this  
267 section for projects described in Section 57-75-5(f)(x) may be  
268 used to reimburse reasonable actual and necessary costs incurred  
269 by the Department of Audit in providing services related to a  
270 project for which funding is provided from the use of proceeds of  
271 such bonds. The Department of Audit shall maintain an accounting  
272 of actual costs incurred for each project for which reimbursements  
273 are sought. The Department of Audit may escalate its budget and  
274 expend such funds in accordance with rules and regulations of the  
275 Department of Finance and Administration in a manner consistent  
276 with the escalation of federal funds. Reimbursements under this  
277 paragraph shall not exceed Twenty-five Thousand Dollars  
278 (\$25,000.00) in the aggregate. Reimbursements under this  
279 paragraph shall satisfy any applicable federal tax law  
280 requirements.

281 (e) (i) The proceeds of bonds issued under this  
282 section for projects described in Section 57-75-5(f)(xii) may be  
283 used to reimburse reasonable actual and necessary costs incurred  
284 by the Mississippi Development Authority in providing assistance  
285 related to a project for which funding is provided from the use of  
286 proceeds of such bonds. The Mississippi Development Authority  
287 shall maintain an accounting of actual costs incurred for each  
288 project for which reimbursements are sought. Reimbursements under  
289 this paragraph (e)(i) shall not exceed Twenty-five Thousand  
290 Dollars (\$25,000.00) in the aggregate.

291 (ii) The proceeds of bonds issued under this  
292 section for projects described in Section 57-75-5(f)(xii) may be

293 used to reimburse reasonable actual and necessary costs incurred  
294 by the Department of Audit in providing services related to a  
295 project for which funding is provided from the use of proceeds of  
296 such bonds. The Department of Audit shall maintain an accounting  
297 of actual costs incurred for each project for which reimbursements  
298 are sought. The Department of Audit may escalate its budget and  
299 expend such funds in accordance with rules and regulations of the  
300 Department of Finance and Administration in a manner consistent  
301 with the escalation of federal funds. Reimbursements under this  
302 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars  
303 (\$25,000.00) in the aggregate. Reimbursements under this  
304 paragraph (e)(ii) shall satisfy any applicable federal tax law  
305 requirements.

306 (f) (i) The proceeds of bonds issued under this  
307 section for projects described in Section 57-75-5(f)(xiii),  
308 (f)(xiv), (f)(xv), (f)(xvi) and (f)(xvii) may be used to reimburse  
309 reasonable actual and necessary costs incurred by the Mississippi  
310 Development Authority in providing assistance related to a project  
311 for which funding is provided from the use of proceeds of such  
312 bonds. The Mississippi Development Authority shall maintain an  
313 accounting of actual costs incurred for each project for which  
314 reimbursements are sought. Reimbursements under this paragraph  
315 (f)(i) shall not exceed Twenty-five Thousand Dollars (\$25,000.00)  
316 for each project.

317 (ii) The proceeds of bonds issued under this  
318 section for projects described in Section 57-75-5(f)(xiii),  
319 (f)(xiv), (f)(xv), (f)(xvi) and (f)(xvii) may be used to reimburse  
320 reasonable actual and necessary costs incurred by the Department  
321 of Audit in providing services related to a project for which  
322 funding is provided from the use of proceeds of such bonds. The  
323 Department of Audit shall maintain an accounting of actual costs  
324 incurred for each project for which reimbursements are sought.  
325 The Department of Audit may escalate its budget and expend such

326 funds in accordance with rules and regulations of the Department  
327 of Finance and Administration in a manner consistent with the  
328 escalation of federal funds. Reimbursements under this paragraph  
329 (f)(ii) shall not exceed Twenty-five Thousand Dollars (\$25,000.00)  
330 for each project. Reimbursements under this paragraph (f)(ii)  
331 shall satisfy any applicable federal tax law requirements.

332 (5) The principal of and the interest on the bonds shall be  
333 payable in the manner hereinafter set forth. The bonds shall bear  
334 date or dates; be in such denomination or denominations; bear  
335 interest at such rate or rates; be payable at such place or places  
336 within or without the state; mature absolutely at such time or  
337 times; be redeemable before maturity at such time or times and  
338 upon such terms, with or without premium; bear such registration  
339 privileges; and be substantially in such form; all as shall be  
340 determined by resolution of the State Bond Commission except that  
341 such bonds shall mature or otherwise be retired in annual  
342 installments beginning not more than five (5) years from the date  
343 thereof and extending not more than twenty-five (25) years from  
344 the date thereof. The bonds shall be signed by the Chairman of  
345 the State Bond Commission, or by his facsimile signature, and the  
346 official seal of the State Bond Commission shall be imprinted on  
347 or affixed thereto, attested by the manual or facsimile signature  
348 of the Secretary of the State Bond Commission. Whenever any such  
349 bonds have been signed by the officials herein designated to sign  
350 the bonds, who were in office at the time of such signing but who  
351 may have ceased to be such officers before the sale and delivery  
352 of such bonds, or who may not have been in office on the date such  
353 bonds may bear, the signatures of such officers upon such bonds  
354 shall nevertheless be valid and sufficient for all purposes and  
355 have the same effect as if the person so officially signing such  
356 bonds had remained in office until the delivery of the same to the  
357 purchaser, or had been in office on the date such bonds may bear.

358           (6) All bonds issued under the provisions of this section  
359 shall be and are hereby declared to have all the qualities and  
360 incidents of negotiable instruments under the provisions of the  
361 Uniform Commercial Code and in exercising the powers granted by  
362 this chapter, the State Bond Commission shall not be required to  
363 and need not comply with the provisions of the Uniform Commercial  
364 Code.

365           (7) The State Bond Commission shall sell the bonds on sealed  
366 bids at public sale, and for such price as it may determine to be  
367 for the best interest of the State of Mississippi, but no such  
368 sale shall be made at a price less than par plus accrued interest  
369 to date of delivery of the bonds to the purchaser. The bonds  
370 shall bear interest at such rate or rates not exceeding the limits  
371 set forth in Section 75-17-101 as shall be fixed by the State Bond  
372 Commission. All interest accruing on such bonds so issued shall  
373 be payable semiannually or annually; provided that the first  
374 interest payment may be for any period of not more than one (1)  
375 year.

376           Notice of the sale of any bonds shall be published at least  
377 one time, the first of which shall be made not less than ten (10)  
378 days prior to the date of sale, and shall be so published in one  
379 or more newspapers having a general circulation in the City of  
380 Jackson and in one or more other newspapers or financial journals  
381 with a large national circulation, to be selected by the State  
382 Bond Commission.

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

388           (8) State bonds issued under the provisions of this section  
389 shall be the general obligations of the state and backed by the  
390 full faith and credit of the state. The Legislature shall

391 appropriate annually an amount sufficient to pay the principal of  
392 and the interest on such bonds as they become due. All bonds  
393 shall contain recitals on their faces substantially covering the  
394 foregoing provisions of this section.

395 (9) The State Treasurer is authorized to certify to the  
396 Department of Finance and Administration the necessity for  
397 warrants, and the Department of Finance and Administration is  
398 authorized and directed to issue such warrants payable out of any  
399 funds appropriated by the Legislature under this section for such  
400 purpose, in such amounts as may be necessary to pay when due the  
401 principal of and interest on all bonds issued under the provisions  
402 of this section. The State Treasurer shall forward the necessary  
403 amount to the designated place or places of payment of such bonds  
404 in ample time to discharge such bonds, or the interest thereon, on  
405 the due dates thereof.

406 (10) The bonds may be issued without any other proceedings  
407 or the happening of any other conditions or things other than  
408 those proceedings, conditions and things which are specified or  
409 required by this chapter. Any resolution providing for the  
410 issuance of general obligation bonds under the provisions of this  
411 section shall become effective immediately upon its adoption by  
412 the State Bond Commission, and any such resolution may be adopted  
413 at any regular or special meeting of the State Bond Commission by  
414 a majority of its members.

415 (11) In anticipation of the issuance of bonds hereunder, the  
416 State Bond Commission is authorized to negotiate and enter into  
417 any purchase, loan, credit or other agreement with any bank, trust  
418 company or other lending institution or to issue and sell interim  
419 notes for the purpose of making any payments authorized under this  
420 section. All borrowings made under this provision shall be  
421 evidenced by notes of the state which shall be issued from time to  
422 time, for such amounts not exceeding the amount of bonds  
423 authorized herein, in such form and in such denomination and

424 subject to such terms and conditions of sale and issuance,  
425 prepayment or redemption and maturity, rate or rates of interest  
426 not to exceed the maximum rate authorized herein for bonds, and  
427 time of payment of interest as the State Bond Commission shall  
428 agree to in such agreement. Such notes shall constitute general  
429 obligations of the state and shall be backed by the full faith and  
430 credit of the state. Such notes may also be issued for the  
431 purpose of refunding previously issued notes. No note shall  
432 mature more than three (3) years following the date of its  
433 issuance. The State Bond Commission is authorized to provide for  
434 the compensation of any purchaser of the notes by payment of a  
435 fixed fee or commission and for all other costs and expenses of  
436 issuance and service, including paying agent costs. Such costs  
437 and expenses may be paid from the proceeds of the notes.

438 (12) The bonds and interim notes authorized under the  
439 authority of this section may be validated in the First Judicial  
440 District of the Chancery Court of Hinds County, Mississippi, in  
441 the manner and with the force and effect provided now or hereafter  
442 by Chapter 13, Title 31, Mississippi Code of 1972, for the  
443 validation of county, municipal, school district and other bonds.  
444 The necessary papers for such validation proceedings shall be  
445 transmitted to the State Bond Attorney, and the required notice  
446 shall be published in a newspaper published in the City of  
447 Jackson, Mississippi.

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

454 (14) All bonds issued under this chapter shall be legal  
455 investments for trustees, other fiduciaries, savings banks, trust  
456 companies and insurance companies organized under the laws of the

457 State of Mississippi; and such bonds shall be legal securities  
458 which may be deposited with and shall be received by all public  
459 officers and bodies of the state and all municipalities and other  
460 political subdivisions thereof for the purpose of securing the  
461 deposit of public funds.

462 (15) The Attorney General of the State of Mississippi shall  
463 represent the State Bond Commission in issuing, selling and  
464 validating bonds herein provided for, and the Bond Commission is  
465 hereby authorized and empowered to expend from the proceeds  
466 derived from the sale of the bonds authorized hereunder all  
467 necessary administrative, legal and other expenses incidental and  
468 related to the issuance of bonds authorized under this chapter.

469 (16) There is hereby created a special fund in the State  
470 Treasury to be known as the Mississippi Major Economic Impact  
471 Authority Fund wherein shall be deposited the proceeds of the  
472 bonds issued under this chapter and all monies received by the  
473 authority to carry out the purposes of this chapter. Expenditures  
474 authorized herein shall be paid by the State Treasurer upon  
475 warrants drawn from the fund, and the Department of Finance and  
476 Administration shall issue warrants upon requisitions signed by  
477 the director of the authority.

478 (17) (a) There is hereby created the Mississippi Economic  
479 Impact Authority Sinking Fund from which the principal of and  
480 interest on such bonds shall be paid by appropriation. All monies  
481 paid into the sinking fund not appropriated to pay accruing bonds  
482 and interest shall be invested by the State Treasurer in such  
483 securities as are provided by law for the investment of the  
484 sinking funds of the state.

485 (b) In the event that all or any part of the bonds and  
486 notes are purchased, they shall be canceled and returned to the  
487 loan and transfer agent as canceled and paid bonds and notes and  
488 thereafter all payments of interest thereon shall cease and the  
489 canceled bonds, notes and coupons, together with any other

490 canceled bonds, notes and coupons, shall be destroyed as promptly  
491 as possible after cancellation but not later than two (2) years  
492 after cancellation. A certificate evidencing the destruction of  
493 the canceled bonds, notes and coupons shall be provided by the  
494 loan and transfer agent to the seller.

495 (c) The State Treasurer shall determine and report to  
496 the Department of Finance and Administration and Legislative  
497 Budget Office by September 1 of each year the amount of money  
498 necessary for the payment of the principal of and interest on  
499 outstanding obligations for the following fiscal year and the  
500 times and amounts of the payments. It shall be the duty of the  
501 Governor to include in every executive budget submitted to the  
502 Legislature full information relating to the issuance of bonds and  
503 notes under the provisions of this chapter and the status of the  
504 sinking fund for the payment of the principal of and interest on  
505 the bonds and notes.

506 (d) Any monies repaid to the state from loans  
507 authorized in Section 57-75-11(hh) shall be deposited into the  
508 Mississippi Major Economic Impact Authority Sinking Fund unless  
509 the State Bond Commission, at the request of the authority, shall  
510 determine that such loan repayments are needed to provide  
511 additional loans as authorized under Section 57-75-11(hh). For  
512 purposes of providing additional loans, there is hereby created  
513 the Mississippi Major Economic Impact Authority Revolving Loan  
514 Fund and loan repayments shall be deposited into the fund. The  
515 fund shall be maintained for such period as determined by the  
516 State Bond Commission for the sole purpose of making additional  
517 loans as authorized by Section 57-75-11(hh). Unexpended amounts  
518 remaining in the fund at the end of a fiscal year shall not lapse  
519 into the State General Fund and any interest earned on amounts in  
520 such fund shall be deposited to the credit of the fund.

521           (e) Any monies repaid to the state from loans  
522 authorized in Section 57-75-11(ii) shall be deposited into the  
523 Mississippi Major Economic Impact Authority Sinking Fund.

524           (18) (a) Upon receipt of a declaration by the authority  
525 that it has determined that the state is a potential site for a  
526 project, the State Bond Commission is authorized and directed to  
527 authorize the State Treasurer to borrow money from any special  
528 fund in the State Treasury not otherwise appropriated to be  
529 utilized by the authority for the purposes provided for in this  
530 subsection.

531           (b) The proceeds of the money borrowed under this  
532 subsection may be utilized by the authority for the purpose of  
533 defraying all or a portion of the costs incurred by the authority  
534 with respect to acquisition options and planning, design and  
535 environmental impact studies with respect to a project defined in  
536 Section 57-75-5(f)(xi). The authority may escalate its budget and  
537 expend the proceeds of the money borrowed under this subsection in  
538 accordance with rules and regulations of the Department of Finance  
539 and Administration in a manner consistent with the escalation of  
540 federal funds.

541           (c) The authority shall request an appropriation or  
542 additional authority to issue general obligation bonds to repay  
543 the borrowed funds and establish a date for the repayment of the  
544 funds so borrowed.

545           (d) Borrowings made under the provisions of this  
546 subsection shall not exceed Five Hundred Thousand Dollars  
547 (\$500,000.00) at any one time.

548           **SECTION 2.** This act shall take effect and be in force from  
549 and after July 1, 2005.