

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1245

1 AN ACT TO BRING FORWARD SECTION 57-75-15, MISSISSIPPI CODE OF  
2 1972, WHICH AUTHORIZES THE ISSUANCE OF BONDS FOR PROJECTS UNDER  
3 THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT AND PROVIDES FOR THE USE  
4 OF BOND PROCEEDS UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT,  
5 FOR THE PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 57-75-15, Mississippi Code of 1972, is  
8 brought forward as follows:

9 57-75-15. (1) Upon notification to the authority by the  
10 enterprise that the state has been finally selected as the site  
11 for the project, the State Bond Commission shall have the power  
12 and is hereby authorized and directed, upon receipt of a  
13 declaration from the authority as hereinafter provided, to borrow  
14 money and issue general obligation bonds of the state in one or  
15 more series for the purposes herein set out. Upon such  
16 notification, the authority may thereafter from time to time  
17 declare the necessity for the issuance of general obligation bonds  
18 as authorized by this section and forward such declaration to the  
19 State Bond Commission, provided that before such notification, the  
20 authority may enter into agreements with the United States  
21 government, private companies and others that will commit the  
22 authority to direct the State Bond Commission to issue bonds for  
23 eligible undertakings set out in subsection (4) of this section,  
24 conditioned on the siting of the project in the state.

25 (2) Upon receipt of any such declaration from the authority,  
26 the State Bond Commission shall verify that the state has been  
27 selected as the site of the project and shall act as the issuing

28 agent for the series of bonds directed to be issued in such  
29 declaration pursuant to authority granted in this section.

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

34 (b) Bonds issued under the authority of this section  
35 for projects as defined in Section 57-75-5(f)(ii) shall not exceed  
36 Sixty-one Million Dollars (\$61,000,000.00). The authority, with  
37 the express direction of the State Bond Commission, is authorized  
38 to expend any remaining proceeds of bonds issued under the  
39 authority of this act prior to January 1, 1998, for the purpose of  
40 financing projects as then defined in Section 57-75-5(f)(ii) or  
41 for any other projects as defined in Section 57-75-5(f)(ii), as it  
42 may be amended from time to time. If any proceeds of bonds issued  
43 for projects related to the Meridian Naval Auxiliary Air Station  
44 ("NAAS") are used for the development of a water and sewer service  
45 system by the City of Meridian, Mississippi, to serve the NAAS and  
46 if the City of Meridian annexes any of the territory served by the  
47 water and sewer service system, the city shall repay the State of  
48 Mississippi the amount of all bond proceeds expended on any  
49 portion of the water and sewer service system project; and if  
50 there are any monetary proceeds derived from the disposition of  
51 any improvements located on real property in Kemper County  
52 purchased pursuant to this act for projects related to the NAAS  
53 and if there are any monetary proceeds derived from the  
54 disposition of any timber located on real property in Kemper  
55 County purchased pursuant to this act for projects related to the  
56 NAAS, all of such proceeds (both from the disposition of  
57 improvements and the disposition of timber) commencing July 1,  
58 1996, through June 30, 2010, shall be paid to the Board of  
59 Education of Kemper County, Mississippi, for expenditure by such  
60 board of education to benefit the public schools of Kemper County.

61 No bonds shall be issued under this paragraph (b) until the State  
62 Bond Commission by resolution adopts a finding that the issuance  
63 of such bonds will improve, expand or otherwise enhance the  
64 military installation, its support areas or military operations,  
65 or will provide employment opportunities to replace those lost by  
66 closure or reductions in operations at the military installation  
67 or will support critical studies or investigations authorized by  
68 Section 57-75-5(f)(ii); however, not more than One Million Dollars  
69 (\$1,000,000.00) in the aggregate shall be authorized for such  
70 studies or investigations.

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

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

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

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

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

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

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

106 (j) Bonds issued under the authority of this section  
107 for projects defined in Section 57-75-5(f)(xii) shall not exceed  
108 Twenty-three Million Seven Hundred Thousand Dollars  
109 (\$23,700,000.00). No bonds shall be issued under this paragraph  
110 until local governments in or near the county in which the project  
111 is located have irrevocably committed funds to the project in an  
112 amount of not less than Two Million Five Hundred Thousand Dollars  
113 (\$2,500,000.00) in the aggregate. No bonds shall be issued under  
114 this paragraph after June 30, 2008.

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

119 (l) Bonds issued under the authority of this section  
120 for projects defined in Section 57-75-5(f)(xiv) shall not exceed  
121 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued  
122 under this paragraph until local governments in the county in  
123 which the project is located have irrevocably committed funds to  
124 the project in an amount of not less than Two Million Dollars  
125 (\$2,000,000.00). No bonds shall be issued under this paragraph  
126 after June 30, 2009.

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

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

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

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

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

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

156 (iii) Reimbursing the Mississippi Development  
157 Authority for expenses it incurred in regard to projects defined  
158 in Section 57-75-5(f)(iv) prior to November 6, 2000. The  
159 Mississippi Development Authority shall submit an itemized list of

160 expenses it incurred in regard to such projects to the Chairmen of  
161 the Finance and Appropriations Committees of the Senate and the  
162 Chairmen of the Ways and Means and Appropriations Committees of  
163 the House of Representatives;

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

166 (v) Paying any warranty made by the authority  
167 regarding site work for a project defined in Section  
168 57-75-5(f)(iv)1;

169 (vi) Defraying the cost of marketing and promotion  
170 of a project as defined in Section 57-75-5(f)(iv)1. The authority  
171 shall submit an itemized list of costs incurred for marketing and  
172 promotion of such project to the Chairmen of the Finance and  
173 Appropriations Committees of the Senate and the Chairmen of the  
174 Ways and Means and Appropriations Committees of the House of  
175 Representatives;

176 (vii) Providing for the payment of interest on the  
177 bonds;

178 (viii) Providing debt service reserves;

179 (ix) Paying underwriters' discount, original issue  
180 discount, accountants' fees, engineers' fees, attorneys' fees,  
181 rating agency fees and other fees and expenses in connection with  
182 the issuance of the bonds;

183 (x) For purposes authorized in paragraphs (b),  
184 (c), (d), (e) and (f) of this subsection (4);

185 (xi) Providing grants to enterprises operating  
186 projects defined in Section 57-75-5(f)(v), or, in connection with  
187 a facility related to such a project, for any purposes deemed by  
188 the authority in its sole discretion to be necessary and  
189 appropriate;

190 (xii) Providing grant funds or loans to a public  
191 agency or an enterprise owning, leasing or operating a project  
192 defined in Section 57-75-5(f)(ii); and

193                   (xiii) Providing grant funds or loans to an  
194 enterprise owning, leasing or operating a project defined in  
195 Section 57-75-5(f)(xiv).

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

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

218           (ii) The proceeds of bonds issued after June 21,  
219 2002, under this section for projects described in Section  
220 57-75-5(f)(iv) may be used to reimburse reasonable actual and  
221 necessary costs incurred by the Department of Audit in providing  
222 services related to a project for which funding is provided from  
223 the use of proceeds of such bonds. The Department of Audit shall  
224 maintain an accounting of actual costs incurred for each project  
225 for which reimbursements are sought. The Department of Audit may

226 escalate its budget and expend such funds in accordance with rules  
227 and regulations of the Department of Finance and Administration in  
228 a manner consistent with the escalation of federal funds.

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

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

233           (c) (i) The proceeds of bonds issued under this  
234 section for projects described in Section 57-75-5(f)(ix) may be  
235 used to reimburse reasonable actual and necessary costs incurred  
236 by the Mississippi Development Authority in providing assistance  
237 related to a project for which funding is provided for the use of  
238 proceeds of such bonds. The Mississippi Development Authority  
239 shall maintain an accounting of actual costs incurred for each  
240 project for which reimbursements are sought. Reimbursements under  
241 this paragraph shall not exceed Twenty-five Thousand Dollars  
242 (\$25,000.00) in the aggregate.

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



258           (d) (i) The proceeds of bonds issued under this  
259 section for projects described in Section 57-75-5(f)(x) may be  
260 used to reimburse reasonable actual and necessary costs incurred  
261 by the Mississippi Development Authority in providing assistance  
262 related to a project for which funding is provided for the use of  
263 proceeds of such bonds. The Mississippi Development Authority  
264 shall maintain an accounting of actual costs incurred for each  
265 project for which reimbursements are sought. Reimbursements under  
266 this paragraph shall not exceed Twenty-five Thousand Dollars  
267 (\$25,000.00) in the aggregate.

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

283           (e) (i) The proceeds of bonds issued under this  
284 section for projects described in Section 57-75-5(f)(xii) may be  
285 used to reimburse reasonable actual and necessary costs incurred  
286 by the Mississippi Development Authority in providing assistance  
287 related to a project for which funding is provided from the use of  
288 proceeds of such bonds. The Mississippi Development Authority  
289 shall maintain an accounting of actual costs incurred for each  
290 project for which reimbursements are sought. Reimbursements under

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

293 (ii) The proceeds of bonds issued under this  
294 section for projects described in Section 57-75-5(f)(xii) may be  
295 used to reimburse reasonable actual and necessary costs incurred  
296 by the Department of Audit in providing services related to a  
297 project for which funding is provided from the use of proceeds of  
298 such bonds. The Department of Audit shall maintain an accounting  
299 of actual costs incurred for each project for which reimbursements  
300 are sought. The Department of Audit may escalate its budget and  
301 expend such funds in accordance with rules and regulations of the  
302 Department of Finance and Administration in a manner consistent  
303 with the escalation of federal funds. Reimbursements under this  
304 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars  
305 (\$25,000.00) in the aggregate. Reimbursements under this  
306 paragraph (e)(ii) shall satisfy any applicable federal tax law  
307 requirements.

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

319 (ii) The proceeds of bonds issued under this  
320 section for projects described in Section 57-75-5(f)(xiii),  
321 (f)(xiv), (f)(xv), (f)(xvi) and (f)(xvii) may be used to reimburse  
322 reasonable actual and necessary costs incurred by the Department  
323 of Audit in providing services related to a project for which

324 funding is provided from the use of proceeds of such bonds. The  
325 Department of Audit shall maintain an accounting of actual costs  
326 incurred for each project for which reimbursements are sought.  
327 The Department of Audit may escalate its budget and expend such  
328 funds in accordance with rules and regulations of the Department  
329 of Finance and Administration in a manner consistent with the  
330 escalation of federal funds. Reimbursements under this paragraph  
331 (f)(ii) shall not exceed Twenty-five Thousand Dollars (\$25,000.00)  
332 for each project. Reimbursements under this paragraph (f)(ii)  
333 shall satisfy any applicable federal tax law requirements.

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

357 have the same effect as if the person so officially signing such  
358 bonds had remained in office until the delivery of the same to the  
359 purchaser, or had been in office on the date such bonds may bear.

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

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

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

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

390           (8) State bonds issued under the provisions of this section  
391 shall be the general obligations of the state and backed by the  
392 full faith and credit of the state. The Legislature shall  
393 appropriate annually an amount sufficient to pay the principal of  
394 and the interest on such bonds as they become due. All bonds  
395 shall contain recitals on their faces substantially covering the  
396 foregoing provisions of this section.

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

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

417           (11) In anticipation of the issuance of bonds hereunder, the  
418 State Bond Commission is authorized to negotiate and enter into  
419 any purchase, loan, credit or other agreement with any bank, trust  
420 company or other lending institution or to issue and sell interim  
421 notes for the purpose of making any payments authorized under this  
422 section. All borrowings made under this provision shall be

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

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

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

456           (14) All bonds issued under this chapter shall be legal  
457 investments for trustees, other fiduciaries, savings banks, trust  
458 companies and insurance companies organized under the laws of the  
459 State of Mississippi; and such bonds shall be legal securities  
460 which may be deposited with and shall be received by all public  
461 officers and bodies of the state and all municipalities and other  
462 political subdivisions thereof for the purpose of securing the  
463 deposit of public funds.

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

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

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

487           (b) In the event that all or any part of the bonds and  
488 notes are purchased, they shall be canceled and returned to the

489 loan and transfer agent as canceled and paid bonds and notes and  
490 thereafter all payments of interest thereon shall cease and the  
491 canceled bonds, notes and coupons, together with any other  
492 canceled bonds, notes and coupons, shall be destroyed as promptly  
493 as possible after cancellation but not later than two (2) years  
494 after cancellation. A certificate evidencing the destruction of  
495 the canceled bonds, notes and coupons shall be provided by the  
496 loan and transfer agent to the seller.

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

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



521 into the State General Fund and any interest earned on amounts in  
522 such fund shall be deposited to the credit of the fund.

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

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

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

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

547 (d) Borrowings made under the provisions of this  
548 subsection shall not exceed Five Hundred Thousand Dollars  
549 (\$500,000.00) at any one time.

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