

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 3

1 AN ACT TO CREATE THE MISSISSIPPI EXISTING INDUSTRY
 2 PRODUCTIVITY LOAN PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI
 3 DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING LOANS TO
 4 CERTAIN INDUSTRIES THAT HAVE BEEN OPERATING IN THIS STATE FOR NOT
 5 LESS THAN TWO YEARS; TO PROVIDE THAT THE LOANS SHALL BE UTILIZED
 6 BY INDUSTRIES TO DEPLOY LONG-TERM FIXED ASSETS THAT THROUGH NEW
 7 TECHNOLOGY WILL IMPROVE PRODUCTIVITY AND COMPETITIVENESS; TO
 8 CREATE THE MISSISSIPPI EXISTING INDUSTRY PRODUCTIVITY LOAN FUND TO
 9 BE ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO
 10 AUTHORIZE THE ISSUANCE OF \$6,000,000.00 IN STATE GENERAL
 11 OBLIGATION BONDS TO PROVIDE FUNDS FOR THE MISSISSIPPI EXISTING
 12 INDUSTRY PRODUCTIVITY LOAN FUND; TO AUTHORIZE THE ISSUANCE OF
 13 \$7,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS
 14 FOR THE ACE FUND; TO AMEND SECTION 57-1-16, MISSISSIPPI CODE OF
 15 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO
 16 UTILIZE THE PROCEEDS OF GENERAL OBLIGATION BONDS ISSUED FOR THE
 17 ACE FUND TO REIMBURSE THE AUTHORITY FOR REASONABLE ACTUAL AND
 18 NECESSARY COSTS INCURRED IN PROVIDING ASSISTANCE FROM THE ACE
 19 FUND; TO LIMIT THE AMOUNT OF SUCH REIMBURSEMENTS TO AN AMOUNT NOT
 20 TO EXCEED 3% OF THE GENERAL OBLIGATION BONDS ISSUED FOR GRANTS; TO
 21 REQUIRE THAT BUSINESSES OR INDUSTRIES SEEKING ASSISTANCE FROM THE
 22 ACE FUND PROVIDE CERTAIN INFORMATION AND ENTER INTO CERTAIN
 23 AGREEMENTS; TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
 24 TO INCREASE BY \$14,000,000.00 THE AMOUNT OF GENERAL OBLIGATION
 25 BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT
 26 ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF 1972, TO
 27 INCREASE BY \$7,000,000.00 THE AMOUNT OF BOND PROCEEDS THAT THE
 28 MISSISSIPPI DEVELOPMENT AUTHORITY MAY UTILIZE UNDER THE
 29 MISSISSIPPI BUSINESS INVESTMENT ACT FOR INTEREST-BEARING LOANS TO
 30 MUNICIPALITIES OR PRIVATE COMPANIES TO AID IN THE ESTABLISHMENT OF
 31 BUSINESS INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING
 32 RESEARCH AND DEVELOPMENT AND TECHNOLOGY-BASED BUSINESS AND
 33 INDUSTRY; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972, TO
 34 INCREASE BY \$7,000,000.00 THE AMOUNT OF BOND PROCEEDS THAT THE
 35 MISSISSIPPI DEVELOPMENT AUTHORITY MAY UTILIZE UNDER THE
 36 MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE GRANTS OR LOANS TO
 37 COUNTIES AND MUNICIPALITIES THROUGH AN EQUIPMENT AND PUBLIC
 38 FACILITIES GRANT AND LOAN FUND TO AID IN INFRASTRUCTURE-RELATED
 39 IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND IN THE PURCHASE,
 40 CONSTRUCTION OR REPAIR AND RENOVATION OF PUBLIC FACILITIES; TO
 41 CREATE THE MISSISSIPPI DEVELOPMENT AUTHORITY LEGISLATIVE OVERSIGHT
 42 COMMITTEE TO SERVE IN AN ADVISORY CAPACITY TO THE MISSISSIPPI
 43 DEVELOPMENT AUTHORITY REGARDING MATTERS UNDER THE JURISDICTION OF
 44 THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO PROVIDE THAT THE
 45 OVERSIGHT COMMITTEE WILL CONSIST OF TWO MEMBERS APPOINTED BY THE
 46 GOVERNOR, TWO SENATORS APPOINTED BY THE LIEUTENANT GOVERNOR AND
 47 TWO REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF
 48 REPRESENTATIVES, AND TWO SENATORS APPOINTED BY THE LIEUTENANT
 49 GOVERNOR; TO PROVIDE THAT THE OVERSIGHT COMMITTEE SHALL HAVE NO
 50 JURISDICTION OR VOTE ON ANY MATTER WITHIN THE JURISDICTION OF THE
 51 MISSISSIPPI DEVELOPMENT AUTHORITY; TO CREATE THE MISSISSIPPI JOB
 52 PROTECTION ACT GRANT AND LOAN PROGRAM TO BE ADMINISTERED BY THE

53 MISSISSIPPI DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING
54 GRANTS OR LOANS TO CERTAIN INDUSTRIES THAT HAVE BEEN OPERATING IN
55 THIS STATE FOR NOT LESS THAN THREE YEARS; TO PROVIDE THAT THE
56 GRANTS OR LOANS SHALL BE UTILIZED BY INDUSTRIES TO RETAIN JOBS IN
57 THE STATE OF MISSISSIPPI AND IMPROVE PRODUCTIVITY AND
58 COMPETITIVENESS; TO CREATE THE MISSISSIPPI JOB PROTECTION ACT FUND
59 TO BE ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO
60 AUTHORIZE THE ISSUANCE OF \$12,000,000.00 IN STATE GENERAL
61 OBLIGATION BONDS TO PROVIDE FUNDS FOR THE MISSISSIPPI JOB
62 PROTECTION ACT FUND; TO PROVIDE AN INCOME TAX CREDIT FOR EACH NET
63 NEW FULL-TIME EMPLOYEE JOB CREATED BY AN ALTERNATIVE FUELS PROJECT
64 THAT USES A MAJORITY OF MISSISSIPPI GROWN PRODUCTS AND THAT
65 CREATES AT LEAST 25 JOBS; TO AMEND SECTION 27-65-75, MISSISSIPPI
66 CODE OF 1972, IN CONFORMITY THERETO; TO REQUIRE THE MISSISSIPPI
67 DEVELOPMENT AUTHORITY TO FILE A QUARTERLY REPORT WITH THE
68 SECRETARY OF STATE REGARDING THE ECONOMIC IMPACT OF INCENTIVES OR
69 OTHER FORMS OF ASSISTANCE AUTHORIZED UNDER THIS ACT; AND FOR
70 RELATED PURPOSES.

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

72 **SECTION 1.** (1) As used in this section:

73 (a) "Existing industry" means a manufacturing
74 enterprise that has been operating in this state for not less than
75 two (2) consecutive years that meets minimum criteria established
76 by the Mississippi Development Authority.

77 (b) "Long-term fixed assets" means assets that:

78 (i) Through new technology will improve an
79 enterprise's productivity and competitiveness; and

80 (ii) Meet criteria established by the Mississippi
81 Development Authority.

82 (c) "MDA" means the Mississippi Development Authority.

83 (2) (a) There is established the Mississippi Existing
84 Industry Productivity Loan Program to be administered by the MDA
85 for the purpose of providing loans to existing industries to
86 deploy long-term fixed assets that through new technology will
87 improve productivity and competitiveness. An existing industry
88 that accepts a loan under this program shall not reduce employment
89 by more than twenty percent (20%) through the use of the long-term
90 fixed assets for which the loan is granted.

91 (b) An enterprise desiring a loan under this section
92 must submit an application to the MDA. The application shall
93 include:

94 (i) A description of the purpose for which the
95 loan is requested;
96 (ii) The amount of the loan requested;
97 (iii) The estimated total cost of the project;
98 (iv) A two-year business plan for the project;
99 (v) Financial statements or tax returns for the
100 two (2) years immediately prior to the application;
101 (vi) Credit reports on all persons or entities
102 with a twenty percent (20%) or greater interest in the enterprise;
103 and

104 (vii) Any other information required by the MDA.

105 (c) The MDA shall require that binding commitments be
106 entered into requiring that:

107 (i) The minimum requirements of this section and
108 such other requirements as the MDA considers proper shall be met;
109 and

110 (ii) If such requirements are not met, all or a
111 portion of the funds provided by this section as determined by the
112 MDA shall be repaid.

113 (d) The amount of a loan under this section shall not
114 exceed fifty percent (50%) of the total cost of the project or
115 Five Hundred Thousand Dollars (\$500,000.00), whichever is less.

116 (e) The rate of interest on loans under this section
117 shall be at the true interest cost on the most recent issue of
118 twenty-year state general obligation bonds occurring prior to the
119 date the loan is made.

120 (f) The MDA shall have all powers necessary to
121 implement and administer the program established under this
122 section, and the MDA shall promulgate rules and regulations, in
123 accordance with the Mississippi Administrative Procedures Law,
124 necessary for the implementation of this section. However, in
125 making loans under this section, the MDA shall attempt to provide
126 for an equitable distribution of such loans among each of the

127 congressional districts of this state in order to promote economic
128 development across the entire state.

129 (2) (a) There is created in the State Treasury a special
130 fund to be designated as the "Mississippi Existing Industry
131 Productivity Loan Fund," which shall consist of funds appropriated
132 or otherwise made available by the Legislature in any manner and
133 funds from any other source designated for deposit into such fund.
134 Unexpended amounts remaining in the fund at the end of a fiscal
135 year shall not lapse into the State General Fund, and any
136 investment earnings or interest earned on amounts in the fund
137 shall be deposited to the credit of the fund. Monies in the fund
138 shall be used by the MDA for the purposes described in this
139 section.

140 (b) Monies in the fund which are derived from the
141 proceeds of general obligation bonds may be used to reimburse
142 reasonable actual and necessary costs incurred by the MDA in
143 providing loans under this section through the use of general
144 obligation bonds. An accounting of actual costs incurred for
145 which reimbursement is sought shall be maintained for each loan by
146 the MDA. Reimbursement of reasonable actual and necessary costs
147 shall not exceed three percent (3%) of the proceeds of bonds
148 issued under Sections 2 through 17 of this act. Monies authorized
149 for a particular loan may not be used to reimburse administrative
150 costs for unrelated loans. Reimbursements made under this
151 subsection shall satisfy any applicable federal tax law
152 requirements.

153 **SECTION 2.** As used in Sections 2 through 17 of this act, the
154 following words shall have the meanings ascribed herein unless the
155 context clearly requires otherwise:

156 (a) "Accreted value" of any bonds means, as of any date
157 of computation, an amount equal to the sum of (i) the stated
158 initial value of such bond, plus (ii) the interest accrued thereon
159 from the issue date to the date of computation at the rate,

160 compounded semiannually, that is necessary to produce the
161 approximate yield to maturity shown for bonds of the same
162 maturity.

163 (b) "Act" means Sections 2 through 17 of this act.

164 (c) "State" means the State of Mississippi.

165 (d) "Commission" means the State Bond Commission.

166 **SECTION 3.** (1) The Mississippi Development Authority, at
167 one time, or from time to time, may declare by resolution the
168 necessity for issuance of general obligation bonds of the State of
169 Mississippi to provide funds for the program authorized in Section
170 1 of House Bill No. __, 2005 Third Extraordinary Session. Upon
171 the adoption of a resolution by the Mississippi Development
172 Authority, declaring the necessity for the issuance of any part or
173 all of the general obligation bonds authorized by this section,
174 the Mississippi Development Authority shall deliver a certified
175 copy of its resolution or resolutions to the commission. Upon
176 receipt of such resolution, the commission, in its discretion, may
177 act as the issuing agent, prescribe the form of the bonds,
178 advertise for and accept bids, issue and sell the bonds so
179 authorized to be sold and do any and all other things necessary
180 and advisable in connection with the issuance and sale of such
181 bonds. The total amount of bonds issued under this act shall not
182 exceed Six Million Dollars (\$6,000,000.00). No bonds shall be
183 issued under this act after July 1, 2008.

184 (2) The proceeds of bonds issued pursuant to this act shall
185 be deposited into the Mississippi Existing Industry Productivity
186 Loan Fund created pursuant to Section 1 of House Bill No. __, 2005
187 Third Extraordinary Session. Any investment earnings on bonds
188 issued pursuant to this act shall be used to pay debt service on
189 bonds issued under this act, in accordance with the proceedings
190 authorizing issuance of such bonds.

191 **SECTION 4.** The principal of and interest on the bonds
192 authorized under this act shall be payable in the manner provided

193 in this section. Such bonds shall bear such date or dates, be in
194 such denomination or denominations, bear interest at such rate or
195 rates (not to exceed the limits set forth in Section 75-17-101,
196 Mississippi Code of 1972), be payable at such place or places
197 within or without the State of Mississippi, shall mature
198 absolutely at such time or times not to exceed twenty-five (25)
199 years from date of issue, be redeemable before maturity at such
200 time or times and upon such terms, with or without premium, shall
201 bear such registration privileges, and shall be substantially in
202 such form, all as shall be determined by resolution of the
203 commission.

204 **SECTION 5.** The bonds authorized by this act shall be signed
205 by the chairman of the commission, or by his facsimile signature,
206 and the official seal of the commission shall be affixed thereto,
207 attested by the secretary of the commission. The interest
208 coupons, if any, to be attached to such bonds may be executed by
209 the facsimile signatures of such officers. Whenever any such
210 bonds shall have been signed by the officials designated to sign
211 the bonds who were in office at the time of such signing but who
212 may have ceased to be such officers before the sale and delivery
213 of such bonds, or who may not have been in office on the date such
214 bonds may bear, the signatures of such officers upon such bonds
215 and coupons shall nevertheless be valid and sufficient for all
216 purposes and have the same effect as if the person so officially
217 signing such bonds had remained in office until their delivery to
218 the purchaser, or had been in office on the date such bonds may
219 bear. However, notwithstanding anything herein to the contrary,
220 such bonds may be issued as provided in the Registered Bond Act of
221 the State of Mississippi.

222 **SECTION 6.** All bonds and interest coupons issued under the
223 provisions of this act have all the qualities and incidents of
224 negotiable instruments under the provisions of the Uniform
225 Commercial Code, and in exercising the powers granted by this act,

226 the commission shall not be required to and need not comply with
227 the provisions of the Uniform Commercial Code.

228 **SECTION 7.** The commission shall act as the issuing agent for
229 the bonds authorized under this act, prescribe the form of the
230 bonds, advertise for and accept bids, issue and sell the bonds so
231 authorized to be sold, pay all fees and costs incurred in such
232 issuance and sale, and do any and all other things necessary and
233 advisable in connection with the issuance and sale of such bonds.
234 The commission is authorized and empowered to pay the costs that
235 are incident to the sale, issuance and delivery of the bonds
236 authorized under this act from the proceeds derived from the sale
237 of such bonds. The commission shall sell such bonds on sealed
238 bids at public sale, and for such price as it may determine to be
239 for the best interest of the State of Mississippi, but no such
240 sale shall be made at a price less than par plus accrued interest
241 to the date of delivery of the bonds to the purchaser. All
242 interest accruing on such bonds so issued shall be payable
243 semiannually or annually; however, the first interest payment may
244 be for any period of not more than one (1) year.

245 Notice of the sale of any such bonds shall be published at
246 least one time, not less than ten (10) days before the date of
247 sale, and shall be so published in one or more newspapers
248 published or having a general circulation in the City of Jackson,
249 Mississippi, and in one or more other newspapers or financial
250 journals with a national circulation, to be selected by the
251 commission.

252 The commission, when issuing any bonds under the authority of
253 this act, may provide that bonds, at the option of the State of
254 Mississippi, may be called in for payment and redemption at the
255 call price named therein and accrued interest on such date or
256 dates named therein.

257 **SECTION 8.** The bonds issued under the provisions of this act
258 are general obligations of the State of Mississippi, and for the

259 payment thereof the full faith and credit of the State of
260 Mississippi is irrevocably pledged. If the funds appropriated by
261 the Legislature are insufficient to pay the principal of and the
262 interest on such bonds as they become due, then the deficiency
263 shall be paid by the State Treasurer from any funds in the State
264 Treasury not otherwise appropriated. All such bonds shall contain
265 recitals on their faces substantially covering the provisions of
266 this section.

267 **SECTION 9.** Upon the issuance and sale of bonds under the
268 provisions of this act, the commission shall transfer the proceeds
269 of any such sale or sales to the Mississippi Existing Industry
270 Productivity Loan Fund created in Section 1 of House Bill No. __,
271 2005 Third Extraordinary Session. The proceeds of such bonds
272 shall be disbursed solely upon the order of the Mississippi
273 Development Authority under such restrictions, if any, as may be
274 contained in the resolution providing for the issuance of the
275 bonds.

276 **SECTION 10.** The bonds authorized under this act may be
277 issued without any other proceedings or the happening of any other
278 conditions or things other than those proceedings, conditions and
279 things which are specified or required by this act. Any
280 resolution providing for the issuance of bonds under the
281 provisions of this act shall become effective immediately upon its
282 adoption by the commission, and any such resolution may be adopted
283 at any regular or special meeting of the commission by a majority
284 of its members.

285 **SECTION 11.** The bonds authorized under the authority of this
286 act may be validated in the Chancery Court of the First Judicial
287 District of Hinds County, Mississippi, in the manner and with the
288 force and effect provided by Chapter 13, Title 31, Mississippi
289 Code of 1972, for the validation of county, municipal, school
290 district and other bonds. The notice to taxpayers required by

291 such statutes shall be published in a newspaper published or
292 having a general circulation in the City of Jackson, Mississippi.

293 **SECTION 12.** Any holder of bonds issued under the provisions
294 of this act or of any of the interest coupons pertaining thereto
295 may, either at law or in equity, by suit, action, mandamus or
296 other proceeding, protect and enforce any and all rights granted
297 under this act, or under such resolution, and may enforce and
298 compel performance of all duties required by this act to be
299 performed, in order to provide for the payment of bonds and
300 interest thereon.

301 **SECTION 13.** All bonds issued under the provisions of this
302 act shall be legal investments for trustees and other fiduciaries,
303 and for savings banks, trust companies and insurance companies
304 organized under the laws of the State of Mississippi, and such
305 bonds shall be legal securities which may be deposited with and
306 shall be received by all public officers and bodies of this state
307 and all municipalities and political subdivisions for the purpose
308 of securing the deposit of public funds.

309 **SECTION 14.** Bonds issued under the provisions of this act
310 and income therefrom shall be exempt from all taxation in the
311 State of Mississippi.

312 **SECTION 15.** The proceeds of the bonds issued under this act
313 shall be used solely for the purposes therein provided, including
314 the costs incident to the issuance and sale of such bonds.

315 **SECTION 16.** The State Treasurer is authorized, without
316 further process of law, to certify to the Department of Finance
317 and Administration the necessity for warrants, and the Department
318 of Finance and Administration is authorized and directed to issue
319 such warrants, in such amounts as may be necessary to pay when due
320 the principal of, premium, if any, and interest on, or the
321 accreted value of, all bonds issued under this act; and the State
322 Treasurer shall forward the necessary amount to the designated
323 place or places of payment of such bonds in ample time to

324 discharge such bonds, or the interest thereon, on the due dates
325 thereof.

326 **SECTION 17.** This act shall be deemed to be full and complete
327 authority for the exercise of the powers therein granted, but this
328 act shall not be deemed to repeal or to be in derogation of any
329 existing law of this state.

330 **SECTION 18.** As used in Sections 18 through 33 of this act,
331 the following words shall have the meanings ascribed herein unless
332 the context clearly requires otherwise:

333 (a) "Accreted value" of any bonds means, as of any date
334 of computation, an amount equal to the sum of (i) the stated
335 initial value of such bond, plus (ii) the interest accrued thereon
336 from the issue date to the date of computation at the rate,
337 compounded semiannually, that is necessary to produce the
338 approximate yield to maturity shown for bonds of the same
339 maturity.

340 (b) "Act" means Sections 18 through 33 of this act.

341 (c) "State" means the State of Mississippi.

342 (d) "Commission" means the State Bond Commission.

343 **SECTION 19.** (1) The Mississippi Development Authority, at
344 one time, or from time to time, may declare by resolution the
345 necessity for issuance of general obligation bonds of the State of
346 Mississippi to provide funds for the program authorized in Section
347 57-1-16. Upon the adoption of a resolution by the Mississippi
348 Development Authority, declaring the necessity for the issuance of
349 any part or all of the general obligation bonds authorized by this
350 section, the Mississippi Development Authority shall deliver a
351 certified copy of its resolution or resolutions to the commission.
352 Upon receipt of such resolution, the commission, in its
353 discretion, may act as the issuing agent, prescribe the form of
354 the bonds, advertise for and accept bids, issue and sell the bonds
355 so authorized to be sold and do any and all other things necessary
356 and advisable in connection with the issuance and sale of such

357 bonds. The total amount of bonds issued under this act shall not
358 exceed Seven Million Dollars (\$7,000,000.00). No bonds authorized
359 under this act shall be issued after July 1, 2009.

360 (2) The proceeds of bonds issued pursuant to this act shall
361 be deposited into the ACE Fund created pursuant to Section
362 57-1-16. Any investment earnings on bonds issued pursuant to this
363 act shall be used to pay debt service on bonds issued under this
364 act, in accordance with the proceedings authorizing issuance of
365 such bonds.

366 (3) The program authorized in Section 57-1-16 pertains to
367 that program administered by the MDA for the purpose of making
368 grants from the ACE fund for the benefit of allowing a local
369 economic development entity to participate in an extraordinary
370 economic development opportunity with a new or expanded business
371 or industry. In addition to any other requirements specified in
372 Section 57-1-16, the MDA shall require that any business or
373 industry desiring assistance from a local economic development
374 entity under Section 57-1-16 enter into a binding commitment to
375 meet the following minimum obligations, in return for obtaining a
376 grant derived from the proceeds of any bonds issued under this
377 section:

378 (a) The business or industry shall create a certain
379 minimum number of jobs over a certain period of time, as
380 determined by the authority, and such jobs must be held by persons
381 eligible for employment in the United States under applicable
382 state and federal law;

383 (b) The business or industry shall invest, over a
384 certain period of time, a certain minimum amount of capital within
385 the state, as determined by the authority; and

386 (c) The business or industry must meet the minimum
387 requirements of this section and such other requirements as the
388 MDA considers proper.

389 If any business or industry fails to satisfy any commitment
390 under this subsection, then the business or industry must repay an
391 amount equal to all or a portion of the funds provided by the
392 state under this subsection and Section 57-1-16, as determined by
393 the authority.

394 **SECTION 20.** The principal of and interest on the bonds
395 authorized under this act shall be payable in the manner provided
396 in this section. Such bonds shall bear such date or dates, be in
397 such denomination or denominations, bear interest at such rate or
398 rates (not to exceed the limits set forth in Section 75-17-101,
399 Mississippi Code of 1972), be payable at such place or places
400 within or without the State of Mississippi, shall mature
401 absolutely at such time or times not to exceed twenty-five (25)
402 years from date of issue, be redeemable before maturity at such
403 time or times and upon such terms, with or without premium, shall
404 bear such registration privileges, and shall be substantially in
405 such form, all as shall be determined by resolution of the
406 commission.

407 **SECTION 21.** The bonds authorized by this act shall be signed
408 by the chairman of the commission, or by his facsimile signature,
409 and the official seal of the commission shall be affixed thereto,
410 attested by the secretary of the commission. The interest
411 coupons, if any, to be attached to such bonds may be executed by
412 the facsimile signatures of such officers. Whenever any such
413 bonds shall have been signed by the officials designated to sign
414 the bonds who were in office at the time of such signing but who
415 may have ceased to be such officers before the sale and delivery
416 of such bonds, or who may not have been in office on the date such
417 bonds may bear, the signatures of such officers upon such bonds
418 and coupons shall nevertheless be valid and sufficient for all
419 purposes and have the same effect as if the person so officially
420 signing such bonds had remained in office until their delivery to
421 the purchaser, or had been in office on the date such bonds may

422 bear. However, notwithstanding anything herein to the contrary,
423 such bonds may be issued as provided in the Registered Bond Act of
424 the State of Mississippi.

425 **SECTION 22.** All bonds and interest coupons issued under the
426 provisions of this act have all the qualities and incidents of
427 negotiable instruments under the provisions of the Uniform
428 Commercial Code, and in exercising the powers granted by this act,
429 the commission shall not be required to and need not comply with
430 the provisions of the Uniform Commercial Code.

431 **SECTION 23.** The commission shall act as the issuing agent
432 for the bonds authorized under this act, prescribe the form of the
433 bonds, advertise for and accept bids, issue and sell the bonds so
434 authorized to be sold, pay all fees and costs incurred in such
435 issuance and sale, and do any and all other things necessary and
436 advisable in connection with the issuance and sale of such bonds.
437 The commission is authorized and empowered to pay the costs that
438 are incident to the sale, issuance and delivery of the bonds
439 authorized under this act from the proceeds derived from the sale
440 of such bonds. The commission shall sell such bonds on sealed
441 bids at public sale, and for such price as it may determine to be
442 for the best interest of the State of Mississippi, but no such
443 sale shall be made at a price less than par plus accrued interest
444 to the date of delivery of the bonds to the purchaser. All
445 interest accruing on such bonds so issued shall be payable
446 semiannually or annually; however, the first interest payment may
447 be for any period of not more than one (1) year.

448 Notice of the sale of any such bonds shall be published at
449 least one time, not less than ten (10) days before the date of
450 sale, and shall be so published in one or more newspapers
451 published or having a general circulation in the City of Jackson,
452 Mississippi, and in one or more other newspapers or financial
453 journals with a national circulation, to be selected by the
454 commission.

455 The commission, when issuing any bonds under the authority of
456 this act, may provide that bonds, at the option of the State of
457 Mississippi, may be called in for payment and redemption at the
458 call price named therein and accrued interest on such date or
459 dates named therein.

460 **SECTION 24.** The bonds issued under the provisions of this
461 act are general obligations of the State of Mississippi, and for
462 the payment thereof the full faith and credit of the State of
463 Mississippi is irrevocably pledged. If the funds appropriated by
464 the Legislature are insufficient to pay the principal of and the
465 interest on such bonds as they become due, then the deficiency
466 shall be paid by the State Treasurer from any funds in the State
467 Treasury not otherwise appropriated. All such bonds shall contain
468 recitals on their faces substantially covering the provisions of
469 this section.

470 **SECTION 25.** Upon the issuance and sale of bonds under the
471 provisions of this act, the commission shall transfer the proceeds
472 of any such sale or sales to the ACE Fund created in Section
473 57-1-16. The proceeds of such bonds shall be disbursed solely
474 upon the order of the Mississippi Development Authority under such
475 restrictions, if any, as may be contained in the resolution
476 providing for the issuance of the bonds.

477 **SECTION 26.** The bonds authorized under this act may be
478 issued without any other proceedings or the happening of any other
479 conditions or things other than those proceedings, conditions and
480 things which are specified or required by this act. Any
481 resolution providing for the issuance of bonds under the
482 provisions of this act shall become effective immediately upon its
483 adoption by the commission, and any such resolution may be adopted
484 at any regular or special meeting of the commission by a majority
485 of its members.

486 **SECTION 27.** The bonds authorized under the authority of this
487 act may be validated in the Chancery Court of the First Judicial

488 District of Hinds County, Mississippi, in the manner and with the
489 force and effect provided by Chapter 13, Title 31, Mississippi
490 Code of 1972, for the validation of county, municipal, school
491 district and other bonds. The notice to taxpayers required by
492 such statutes shall be published in a newspaper published or
493 having a general circulation in the City of Jackson, Mississippi.

494 **SECTION 28.** Any holder of bonds issued under the provisions
495 of this act or of any of the interest coupons pertaining thereto
496 may, either at law or in equity, by suit, action, mandamus or
497 other proceeding, protect and enforce any and all rights granted
498 under this act, or under such resolution, and may enforce and
499 compel performance of all duties required by this act to be
500 performed, in order to provide for the payment of bonds and
501 interest thereon.

502 **SECTION 29.** All bonds issued under the provisions of this
503 act shall be legal investments for trustees and other fiduciaries,
504 and for savings banks, trust companies and insurance companies
505 organized under the laws of the State of Mississippi, and such
506 bonds shall be legal securities which may be deposited with and
507 shall be received by all public officers and bodies of this state
508 and all municipalities and political subdivisions for the purpose
509 of securing the deposit of public funds.

510 **SECTION 30.** Bonds issued under the provisions of this act
511 and income therefrom shall be exempt from all taxation in the
512 State of Mississippi.

513 **SECTION 31.** The proceeds of the bonds issued under this act
514 shall be used solely for the purposes therein provided, including
515 the costs incident to the issuance and sale of such bonds.

516 **SECTION 32.** The State Treasurer is authorized, without
517 further process of law, to certify to the Department of Finance
518 and Administration the necessity for warrants, and the Department
519 of Finance and Administration is authorized and directed to issue
520 such warrants, in such amounts as may be necessary to pay when due

521 the principal of, premium, if any, and interest on, or the
522 accreted value of, all bonds issued under this act; and the State
523 Treasurer shall forward the necessary amount to the designated
524 place or places of payment of such bonds in ample time to
525 discharge such bonds, or the interest thereon, on the due dates
526 thereof.

527 **SECTION 33.** This act shall be deemed to be full and complete
528 authority for the exercise of the powers therein granted, but this
529 act shall not be deemed to repeal or to be in derogation of any
530 existing law of this state.

531 **SECTION 34.** Section 57-1-16, Mississippi Code of 1972, is
532 amended as follows:

533 57-1-16. (1) As used in this section:

534 (a) "Extraordinary economic development opportunity"
535 means a new or expanded business or industry which maintains a
536 strong financial condition and minimal credit risk and creates
537 substantial employment, particularly in areas of high
538 unemployment.

539 (b) "Local economic development entities" means public
540 or private nonprofit local economic development entities,
541 including, but not limited to, chambers of commerce, local
542 authorities, commissions or other entities created by local and
543 private legislation or districts created pursuant to Section
544 19-5-99.

545 (c) "MDA" means the Mississippi Development Authority.

546 (2) (a) There is hereby created in the State Treasury a
547 special fund to be designated as the ACE Fund, which shall consist
548 of money from any public or private source designated for deposit
549 into such fund. Unexpended amounts remaining in the fund at the
550 end of a fiscal year shall not lapse into the State General Fund,
551 and any interest earned on amounts in the fund shall be deposited
552 to the credit of the fund. The purpose of the fund shall be to
553 assist in maximizing extraordinary economic development

554 opportunities related to any new or expanded business or industry.
555 Such funds may be used to make grants to local economic
556 development entities to assist any new or expanding business or
557 industry that meets the criteria provided in this section when
558 such assistance aids the consummation of a project within the
559 State of Mississippi.

560 (b) Monies in the fund which are derived from the
561 proceeds of general obligation bonds may be used to reimburse
562 reasonable actual and necessary costs incurred by the MDA in
563 providing assistance under this section through the use of general
564 obligation bonds. An accounting of actual costs incurred for
565 which reimbursement is sought shall be maintained for each grant
566 by the MDA. Reimbursement of reasonable actual and necessary
567 costs for a grant shall not exceed three percent (3%) of the
568 proceeds of bonds issued for such grant. Monies authorized for a
569 particular grant may not be used to reimburse administrative costs
570 for unrelated grants. Reimbursements made under this subsection
571 shall satisfy any applicable federal tax law requirements.

572 (3) The MDA shall establish a grant program to make grants
573 from the ACE Fund created under this section. Local economic
574 development entities may apply to the MDA for a grant under this
575 section in the manner provided for in subsection (4) of this
576 section.

577 (4) (a) Any business or industry desiring assistance from a
578 local economic development entity under this section shall submit
579 an application to the local economic development entity which
580 shall include, at a minimum:

581 (i) Evidence that the business or industry meets
582 the definition of an extraordinary economic development
583 opportunity;

584 (ii) A demonstration that the business or industry
585 is at an economic disadvantage by locating the new or expanded
586 project in the county;

587 (iii) A description, including the cost, of the
588 requested assistance;

589 (iv) A description of the purpose for which the
590 assistance is requested;

591 (v) A two-year business plan;

592 (vi) Financial statements or tax returns for the
593 three (3) years immediately prior to the application;

594 (vii) Credit reports on all persons or entities
595 with a twenty percent (20%) or greater interest in the business or
596 industry; and

597 (viii) Any other information required by the MDA.

598 (b) The MDA shall require that binding commitments be
599 entered into requiring that:

600 (i) The minimum requirements of this section and
601 such other requirements as the MDA considers proper shall be met;
602 and

603 (ii) If such requirements are not met, all or a
604 portion of the funds provided by this section as determined by the
605 MDA shall be repaid.

606 (c) Upon receipt of the application from a business or
607 industry, the local economic development entity may apply to the
608 MDA for assistance under this section. Such application must
609 contain evidence that the business or industry meets the
610 definition of an extraordinary economic development opportunity, a
611 demonstration that the business or industry is at an economic
612 disadvantage by locating the new or expanded project in the
613 county, a description, including the cost, of the requested
614 assistance, and a statement of what efforts have been made or are
615 being made by the business or industry for securing or qualifying
616 for other local, state, federal or private funds for the project.

617 (d) The MDA shall have sole discretion in the awarding
618 of ACE funds, provided that the business or industry and the local
619 economic development entity have met the statutory requirements of

620 this section. However, in making grants under this section, the
621 MDA shall attempt to provide for an equitable distribution of such
622 grants among each of the congressional districts of this state in
623 order to promote economic development across the entire state.

624 (5) The MDA shall promulgate rules and regulations, in
625 accordance with the Mississippi Administrative Procedures Law, for
626 the implementation of this section. However, before the
627 implementation of any such rules and regulations, they shall be
628 submitted to a committee consisting of five (5) members of the
629 Senate Finance Committee and five (5) members of the House of
630 Representatives Ways and Means Committee, appointed by the
631 respective committee chairmen.

632 **SECTION 35.** Section 57-61-25, Mississippi Code of 1972, is
633 amended as follows:

634 57-61-25. (1) The seller is authorized to borrow, on the
635 credit of the state upon receipt of a resolution from the
636 Mississippi Development Authority requesting the same, money not
637 exceeding the aggregate sum of Three Hundred Six Million Dollars
638 (\$306,000,000.00), not including money borrowed to refund
639 outstanding bonds, notes or replacement notes, as may be necessary
640 to carry out the purposes of this chapter. The rate of interest
641 on any such bonds or notes which are not subject to taxation shall
642 not exceed the rates set forth in Section 75-17-101, Mississippi
643 Code of 1972, for general obligation bonds.

644 (2) As evidence of indebtedness authorized in this chapter,
645 general or limited obligation bonds of the state shall be issued
646 from time to time, to provide monies necessary to carry out the
647 purposes of this chapter for such total amounts, in such form, in
648 such denominations payable in such currencies (either domestic or
649 foreign or both) and subject to such terms and conditions of
650 issue, redemption and maturity, rate of interest and time of
651 payment of interest as the seller directs, except that such bonds
652 shall mature or otherwise be retired in annual installments

653 beginning not more than five (5) years from date thereof and
654 extending not more than thirty (30) years from date thereof.

655 (3) All bonds and notes issued under authority of this
656 chapter shall be signed by the chairman of the seller, or by his
657 facsimile signature, and the official seal of the seller shall be
658 affixed thereto, attested by the secretary of the seller.

659 (4) All bonds and notes issued under authority of this
660 chapter may be general or limited obligations of the state, and
661 the full faith and credit of the State of Mississippi as to
662 general obligation bonds, or the revenues derived from projects
663 assisted as to limited obligation bonds, are hereby pledged for
664 the payment of the principal of and interest on such bonds and
665 notes.

666 (5) Such bonds and notes and the income therefrom shall be
667 exempt from all taxation in the State of Mississippi.

668 (6) The bonds may be issued as coupon bonds or registered as
669 to both principal and interest, as the seller may determine. If
670 interest coupons are attached, they shall contain the facsimile
671 signature of the chairman and secretary of the seller.

672 (7) The seller is authorized to provide, by resolution, for
673 the issuance of refunding bonds for the purpose of refunding any
674 debt issued under the provision of this chapter and then
675 outstanding, either by voluntary exchange with the holders of the
676 outstanding debt or to provide funds to redeem and the costs of
677 issuance and retirement of the debt, at maturity or at any call
678 date. The issuance of the refunding bonds, the maturities and
679 other details thereof, the rights of the holders thereof and the
680 duties of the issuing officials in respect to the same shall be
681 governed by the provisions of this section, insofar as they may be
682 applicable.

683 (8) As to bonds issued hereunder and designated as taxable
684 bonds by the seller, any immunity of the state to taxation by the

685 United States government of interest on bonds or notes issued by
686 the state is hereby waived.

687 (9) The proceeds of bonds issued under this chapter after
688 April 9, 2002, may be used to reimburse reasonable actual and
689 necessary costs incurred by the Mississippi Development Authority
690 in administering a program or providing assistance related to a
691 project, or both, for which funding is provided from the use of
692 proceeds of such bonds. An accounting of actual costs incurred
693 for which reimbursement is sought shall be maintained for each
694 project by the Mississippi Development Authority. Reimbursement
695 of reasonable actual and necessary costs for a program or project
696 shall not exceed three percent (3%) of the proceeds of bonds
697 issued for such program or project. Monies authorized for a
698 particular program or project may not be used to reimburse
699 administrative costs for unrelated programs or projects.
700 Reimbursements under this subsection shall satisfy any applicable
701 federal tax law requirements.

702 **SECTION 36.** Section 57-61-34, Mississippi Code of 1972, is
703 amended as follows:

704 57-61-34. (1) Notwithstanding any provision of this chapter
705 to the contrary, the Mississippi Development Authority shall
706 utilize not more than Sixteen Million Dollars (\$16,000,000.00) out
707 of the proceeds of bonds authorized to be issued in this chapter
708 to be made available as interest-bearing loans to municipalities
709 or private companies to aid in the establishment of business
710 incubation centers and the creation of new and expanding research
711 and development and technology-based business and industry. In
712 making loans under this section, the Mississippi Development
713 Authority shall attempt to provide for an equitable distribution
714 of such loans among each of the congressional districts of this
715 state in order to promote economic development across the entire
716 state.

717 (2) The Mississippi Development Authority shall require that
718 any private company receiving a loan under subsection (1) of this
719 section enter into a binding commitment to meet the following
720 minimum obligations, in return for obtaining a loan derived from
721 the proceeds of any bonds issued under this section after the
722 effective date of this act:

723 (a) The private company shall create a certain minimum
724 number of jobs over a certain period of time, as determined by the
725 authority, and such jobs must be held by persons eligible for
726 employment in the United States under applicable state and federal
727 law;

728 (b) The private company shall invest, over a certain
729 period of time, a certain minimum amount of capital within the
730 state, as determined by the authority; and

731 (c) The private company must meet such other
732 requirements as the Mississippi Development Authority considers
733 proper.

734 If the private company fails to satisfy any commitment under
735 this subsection, then the company must repay an amount equal to
736 all or a portion of the funds loaned by the state under this
737 subsection, as determined by the Mississippi Development
738 Authority.

739 (3) In exercising the power given it under this section, the
740 Mississippi Development Authority shall work in conjunction with
741 the University Research Center and may contract with the center to
742 provide space and assistance to business incubation centers as the
743 center is authorized to do pursuant to Section 57-13-13.

744 (4) The requirements of Section 57-61-9 shall not apply to
745 any loan made under this section. The Mississippi Development
746 Authority shall establish criteria and guidelines to govern loans
747 made pursuant to this section.

748 **SECTION 37.** Section 57-61-36, Mississippi Code of 1972, is
749 amended as follows:

750 57-61-36. (1) Notwithstanding any provision of this chapter
751 to the contrary, the Mississippi Development Authority shall
752 utilize not more than Twelve Million Five Hundred Thousand Dollars
753 (\$12,500,000.00) out of the proceeds of bonds authorized to be
754 issued in this chapter for the purpose of making grants to
755 municipalities through a development infrastructure grant fund to
756 complete infrastructure related to new or expanded industry.

757 (2) Notwithstanding any provision of this chapter to the
758 contrary, the Mississippi Development Authority may utilize not
759 more than Seven Million Dollars (\$7,000,000.00) out of the
760 proceeds of bonds authorized to be issued in this chapter for the
761 purpose of making interest-bearing loans to any agency,
762 department, institution, instrumentality or political subdivision
763 of the state; or any agency, department, institution or
764 instrumentality of any political subdivision of the state; or any
765 business, organization, corporation, association or other legal
766 entity meeting criteria established by the department, through a
767 housing development revolving loan fund, to construct or repair
768 housing for low or moderate income earners; provided, however,
769 that the department may not utilize any bond proceeds authorized
770 under this chapter for the purpose of making any loans to the
771 Mississippi Home Corporation for any purpose whatsoever. No more
772 than forty percent (40%) of the additional bonds authorized by
773 Chapter 559, Laws of 1998, may be used for multiple family housing
774 activities. Funds authorized under this subsection may be
775 deposited in the Mississippi Affordable Housing Development Fund
776 authorized in Section 43-33-759 and used for purposes authorized
777 by that section. This subsection (2) shall be repealed from and
778 after July 1, 2006.

779 (3) Notwithstanding any provision of this chapter to the
780 contrary, the Mississippi Development Authority shall utilize not
781 more than Seventeen Million Five Hundred Thousand Dollars
782 (\$17,500,000.00) out of the proceeds of bonds authorized to be

783 issued in this chapter for the purpose of making grants or loans
784 to municipalities through an equipment and public facilities grant
785 and loan fund to aid in infrastructure-related improvements as
786 determined by the Mississippi Development Authority, the purchase
787 of equipment and in the purchase, construction or repair and
788 renovation of public facilities. Any bonds previously issued for
789 the Development Infrastructure Revolving Loan Program which have
790 not been loaned or applied for are eligible to be administered as
791 grants or loans. In making grants and loans under this section,
792 the Mississippi Development Authority shall attempt to provide for
793 an equitable distribution of such grants and loans among each of
794 the congressional districts of this state in order to promote
795 economic development across the entire state.

796 The requirements of Section 57-61-9 shall not apply to any
797 grant made under this subsection. The Mississippi Development
798 Authority may establish criteria and guidelines to govern grants
799 made pursuant to this subsection.

800 (4) Notwithstanding any provision of this chapter to the
801 contrary, the Mississippi Development Authority may utilize not
802 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
803 of the proceeds of bonds authorized to be issued in this chapter
804 in order to match federal funds available from the United States
805 Department of Agriculture for the purpose of establishing an
806 intermediary relending program to be administered by the
807 Mississippi Development Authority. The Mississippi Development
808 Authority may establish criteria and guidelines to govern loans
809 made under such program. This subsection (4) shall be repealed
810 from and after April 9, 2002.

811 (5) The Mississippi Development Authority may establish a
812 capital access program and may contract with any financial
813 institution to participate in the program upon such terms and
814 conditions as the authority shall consider necessary and proper.
815 The Mississippi Development Authority may establish loss reserve

816 accounts at financial institutions that participate in the program
817 and require payments by the financial institution and the borrower
818 to such loss reserve accounts. All money in such loss reserve
819 accounts is the property of the Mississippi Development Authority.

820 Under the capital access program a participating financial
821 institution may make a loan to any borrower the Mississippi
822 Development Authority determines to be qualified under rules and
823 regulations adopted by the authority and be protected against
824 losses from such loans as provided in the program. Under such
825 rules and regulations as may be adopted by the Mississippi
826 Development Authority, a participating financial institution may
827 submit claims for the reimbursement for losses incurred as a
828 result of default on loans by qualified borrowers.

829 Notwithstanding any provision of this chapter to the
830 contrary, the Mississippi Development Authority may utilize not
831 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
832 of the proceeds of bonds authorized to be issued in this chapter
833 for the purpose of making payments to loan loss reserve accounts
834 established at financial institutions that participate in the
835 capital access program established by the Mississippi Development
836 Authority.

837 (6) Notwithstanding any provision of this chapter to the
838 contrary, the Mississippi Development Authority shall utilize not
839 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
840 proceeds of bonds authorized to be issued in this chapter for the
841 purpose of assisting Warren County, Mississippi, in the
842 continuation and completion of the study for the proposed Kings
843 Point levee.

844 (7) Notwithstanding any provision of this chapter to the
845 contrary, the Mississippi Development Authority shall utilize not
846 more than One Hundred Thousand Dollars (\$100,000.00) out of the
847 proceeds of bonds authorized to be issued in this chapter for the
848 purpose of developing a long-range plan for coordinating the

849 resources of the state institutions of higher learning, the
850 community and junior colleges, the Mississippi Development
851 Authority and other state agencies in order to promote economic
852 development in the state.

853 (8) Notwithstanding any other provision of this chapter to
854 the contrary, the Mississippi Development Authority shall use not
855 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
856 the proceeds of bonds authorized to be issued in this chapter for
857 the purpose of providing assistance to municipalities that have
858 received community development block grant funds for repair,
859 renovation and other improvements to buildings for use as
860 community centers. Assistance provided to a municipality under
861 this subsection shall be used by the municipality to match such
862 community development block grant funds. The maximum amount of
863 assistance that may be provided to a municipality under this
864 subsection shall not exceed Seventy-five Thousand Dollars
865 (\$75,000.00) in the aggregate.

866 **SECTION 38.** (1) There is created the Mississippi
867 Development Authority Legislative Oversight Committee to serve in
868 an advisory capacity to the Mississippi Development Authority
869 ("MDA") regarding matters under the jurisdiction of the MDA. The
870 committee shall consist of six (6) members, two (2) members to be
871 appointed by the Governor, two (2) Senators to be appointed by the
872 Lieutenant Governor and two (2) Representatives to be appointed by
873 the Speaker of the House of Representatives. The committee shall
874 have no jurisdiction or vote on any matter within the jurisdiction
875 of the MDA.

876 (2) Members of the committee who are not legislators, state
877 officials or state employees shall be compensated at the per diem
878 rate authorized by Section 25-3-69 and shall be reimbursed in
879 accordance with Section 25-3-41 for mileage and actual expenses
880 incurred in the performance of their duties. Legislative members
881 of the committee shall be paid from the contingent expense funds

882 of their respective houses in the same manner as provided for
883 committee meetings when the Legislature is not in session.
884 However, no per diem or expense for attending meetings of the
885 committee may be paid to legislative members of the committee
886 while the Legislature is in session. No committee member may
887 incur per diem, travel or other expenses unless previously
888 authorized by vote, at a meeting of the committee, which action
889 shall be recorded in the official minutes of the meeting.
890 Nonlegislative members shall be paid from any funds made available
891 to the committee for that purpose.

892 (3) The terms of the legislative members of the committee
893 shall expire at the end of their terms of office, and the
894 Governor's appointees shall serve for a term concurrent with the
895 term of office of the appointing Governor. Any vacancy on the
896 advisory committee shall be filled by appointment by the original
897 appointing authority for the remainder of the members' unexpired
898 term.

899 **SECTION 39.** (1) As used in this section:

900 (a) "At-risk industry" means any enterprise that has
901 been operating in this state for not less than three (3)
902 consecutive years that has lost jobs or is at-risk to lose jobs
903 because such jobs have been outsourced.

904 (b) "MDA" means the Mississippi Development Authority.

905 (c) "Outsource" means to send out work or jobs of a
906 certain provider or manufacturer of the State of Mississippi to an
907 overseas provider or manufacturer.

908 (2) (a) There is established the Mississippi Job Protection
909 Act to be administered by the MDA for the purpose of providing
910 grants and loans to at-risk industries to be used for job
911 retention and to improve productivity and competitiveness. An
912 at-risk industry that accepts a grant or loan under this program
913 shall not reduce employment by more than twenty percent (20%).

914 (b) An enterprise desiring a grant or loan under this
915 section must submit an application to the MDA. The application
916 shall include:

917 (i) A description of the purpose for which the
918 grant or loan is requested;

919 (ii) The amount of the grant or loan requested;

920 (iii) The estimated total cost of the project;

921 (iv) A two-year business plan for the project;

922 (v) Financial statements or tax returns for the
923 two (2) years immediately prior to the application;

924 (vi) Credit reports on all persons or entities
925 with a twenty percent (20%) or greater interest in the enterprise;
926 and

927 (vii) Any other information required by the MDA.

928 (c) The MDA shall require that binding commitments be
929 entered into requiring that:

930 (i) The minimum requirements of this section and
931 such other requirements as the MDA considers proper shall be met;
932 and

933 (ii) If such requirements are not met, all or a
934 portion of the funds provided by this section as determined by the
935 MDA shall be repaid.

936 (d) The amount of a grant or loan under this section
937 shall not exceed fifty percent (50%) of the total cost of the
938 project.

939 (e) The MDA shall have all powers necessary to
940 implement and administer the program established under this
941 section, and the MDA shall promulgate rules and regulations, in
942 accordance with the Mississippi Administrative Procedures Law,
943 necessary for the implementation of this section.

944 (2) (a) There is created in the State Treasury a special
945 fund to be designated as the " Mississippi Job Protection Act
946 Fund," which shall consist of funds appropriated or otherwise made

947 available by the Legislature in any manner and funds from any
948 other source designated for deposit into such fund. Unexpended
949 amounts remaining in the fund at the end of a fiscal year shall
950 not lapse into the State General Fund, and any investment earnings
951 or interest earned on amounts in the fund shall be deposited to
952 the credit of the fund. Monies in the fund shall be used by the
953 MDA for the purposes described in this section.

954 (b) Monies in the fund which are derived from the
955 proceeds of general obligation bonds may be used to reimburse
956 reasonable actual and necessary costs incurred by the MDA in
957 providing grants or loans under this section through the use of
958 general obligation bonds. An accounting of actual costs incurred
959 for which reimbursement is sought shall be maintained for each
960 grant or loan by the MDA. Reimbursement of reasonable actual and
961 necessary costs shall not exceed three percent (3%) of the
962 proceeds of bonds issued under Sections 40 through 55 of this act.
963 Monies authorized for a particular grant or loan may not be used
964 to reimburse administrative costs for unrelated grants or loans.
965 Reimbursements made under this subsection shall satisfy any
966 applicable federal tax law requirements.

967 **SECTION 40.** As used in Sections 40 through 55 of this act,
968 the following words shall have the meanings ascribed herein unless
969 the context clearly requires otherwise:

970 (a) "Accreted value" of any bonds means, as of any date
971 of computation, an amount equal to the sum of (i) the stated
972 initial value of such bond, plus (ii) the interest accrued thereon
973 from the issue date to the date of computation at the rate,
974 compounded semiannually, that is necessary to produce the
975 approximate yield to maturity shown for bonds of the same
976 maturity.

977 (b) "Act" means Sections 40 through 55 of this act.

978 (c) "State" means the State of Mississippi.

979 (d) "Commission" means the State Bond Commission.

980 **SECTION 41.** (1) The Mississippi Development Authority, at
981 one time, or from time to time, may declare by resolution the
982 necessity for issuance of general obligation bonds of the State of
983 Mississippi to provide funds for the program authorized in Section
984 39 of House Bill No. ____, 2005 Third Extraordinary Session. Upon
985 the adoption of a resolution by the Mississippi Development
986 Authority, declaring the necessity for the issuance of any part or
987 all of the general obligation bonds authorized by this section,
988 the Mississippi Development Authority shall deliver a certified
989 copy of its resolution or resolutions to the commission. Upon
990 receipt of such resolution, the commission, in its discretion, may
991 act as the issuing agent, prescribe the form of the bonds,
992 advertise for and accept bids, issue and sell the bonds so
993 authorized to be sold and do any and all other things necessary
994 and advisable in connection with the issuance and sale of such
995 bonds. The total amount of bonds issued under this act shall not
996 exceed Twelve Million Dollars (\$12,000,000.00). No bonds shall be
997 issued under this act after July 1, 2008.

998 (2) The proceeds of bonds issued pursuant to this act shall
999 be deposited into the Mississippi Job Protection Act Fund created
1000 pursuant to Section 39 of House Bill No. ____, 2005 Third
1001 Extraordinary Session. Any investment earnings on bonds issued
1002 pursuant to this act shall be used to pay debt service on bonds
1003 issued under this act, in accordance with the proceedings
1004 authorizing issuance of such bonds.

1005 **SECTION 42.** The principal of and interest on the bonds
1006 authorized under this act shall be payable in the manner provided
1007 in this section. Such bonds shall bear such date or dates, be in
1008 such denomination or denominations, bear interest at such rate or
1009 rates (not to exceed the limits set forth in Section 75-17-101,
1010 Mississippi Code of 1972), be payable at such place or places
1011 within or without the State of Mississippi, shall mature
1012 absolutely at such time or times not to exceed twenty-five (25)

1013 years from date of issue, be redeemable before maturity at such
1014 time or times and upon such terms, with or without premium, shall
1015 bear such registration privileges, and shall be substantially in
1016 such form, all as shall be determined by resolution of the
1017 commission.

1018 **SECTION 43.** The bonds authorized by this act shall be signed
1019 by the chairman of the commission, or by his facsimile signature,
1020 and the official seal of the commission shall be affixed thereto,
1021 attested by the secretary of the commission. The interest
1022 coupons, if any, to be attached to such bonds may be executed by
1023 the facsimile signatures of such officers. Whenever any such
1024 bonds shall have been signed by the officials designated to sign
1025 the bonds who were in office at the time of such signing but who
1026 may have ceased to be such officers before the sale and delivery
1027 of such bonds, or who may not have been in office on the date such
1028 bonds may bear, the signatures of such officers upon such bonds
1029 and coupons shall nevertheless be valid and sufficient for all
1030 purposes and have the same effect as if the person so officially
1031 signing such bonds had remained in office until their delivery to
1032 the purchaser, or had been in office on the date such bonds may
1033 bear. However, notwithstanding anything herein to the contrary,
1034 such bonds may be issued as provided in the Registered Bond Act of
1035 the State of Mississippi.

1036 **SECTION 44.** All bonds and interest coupons issued under the
1037 provisions of this act have all the qualities and incidents of
1038 negotiable instruments under the provisions of the Uniform
1039 Commercial Code, and in exercising the powers granted by this act,
1040 the commission shall not be required to and need not comply with
1041 the provisions of the Uniform Commercial Code.

1042 **SECTION 45.** The commission shall act as the issuing agent
1043 for the bonds authorized under this act, prescribe the form of the
1044 bonds, advertise for and accept bids, issue and sell the bonds so
1045 authorized to be sold, pay all fees and costs incurred in such

1046 issuance and sale, and do any and all other things necessary and
1047 advisable in connection with the issuance and sale of such bonds.
1048 The commission is authorized and empowered to pay the costs that
1049 are incident to the sale, issuance and delivery of the bonds
1050 authorized under this act from the proceeds derived from the sale
1051 of such bonds. The commission shall sell such bonds on sealed
1052 bids at public sale, and for such price as it may determine to be
1053 for the best interest of the State of Mississippi, but no such
1054 sale shall be made at a price less than par plus accrued interest
1055 to the date of delivery of the bonds to the purchaser. All
1056 interest accruing on such bonds so issued shall be payable
1057 semiannually or annually; however, the first interest payment may
1058 be for any period of not more than one (1) year.

1059 Notice of the sale of any such bonds shall be published at
1060 least one time, not less than ten (10) days before the date of
1061 sale, and shall be so published in one or more newspapers
1062 published or having a general circulation in the City of Jackson,
1063 Mississippi, and in one or more other newspapers or financial
1064 journals with a national circulation, to be selected by the
1065 commission.

1066 The commission, when issuing any bonds under the authority of
1067 this act, may provide that bonds, at the option of the State of
1068 Mississippi, may be called in for payment and redemption at the
1069 call price named therein and accrued interest on such date or
1070 dates named therein.

1071 **SECTION 46.** The bonds issued under the provisions of this
1072 act are general obligations of the State of Mississippi, and for
1073 the payment thereof the full faith and credit of the State of
1074 Mississippi is irrevocably pledged. If the funds appropriated by
1075 the Legislature are insufficient to pay the principal of and the
1076 interest on such bonds as they become due, then the deficiency
1077 shall be paid by the State Treasurer from any funds in the State
1078 Treasury not otherwise appropriated. All such bonds shall contain

1079 recitals on their faces substantially covering the provisions of
1080 this section.

1081 **SECTION 47.** Upon the issuance and sale of bonds under the
1082 provisions of this act, the commission shall transfer the proceeds
1083 of any such sale or sales to the Mississippi Job Protection Act
1084 Fund created in Section 39 of House Bill No. ____, 2005 Third
1085 Extraordinary Session. The proceeds of such bonds shall be
1086 disbursed solely upon the order of the Mississippi Development
1087 Authority under such restrictions, if any, as may be contained in
1088 the resolution providing for the issuance of the bonds.

1089 **SECTION 48.** The bonds authorized under this act may be
1090 issued without any other proceedings or the happening of any other
1091 conditions or things other than those proceedings, conditions and
1092 things which are specified or required by this act. Any
1093 resolution providing for the issuance of bonds under the
1094 provisions of this act shall become effective immediately upon its
1095 adoption by the commission, and any such resolution may be adopted
1096 at any regular or special meeting of the commission by a majority
1097 of its members.

1098 **SECTION 49.** The bonds authorized under the authority of this
1099 act may be validated in the Chancery Court of the First Judicial
1100 District of Hinds County, Mississippi, in the manner and with the
1101 force and effect provided by Chapter 13, Title 31, Mississippi
1102 Code of 1972, for the validation of county, municipal, school
1103 district and other bonds. The notice to taxpayers required by
1104 such statutes shall be published in a newspaper published or
1105 having a general circulation in the City of Jackson, Mississippi.

1106 **SECTION 50.** Any holder of bonds issued under the provisions
1107 of this act or of any of the interest coupons pertaining thereto
1108 may, either at law or in equity, by suit, action, mandamus or
1109 other proceeding, protect and enforce any and all rights granted
1110 under this act, or under such resolution, and may enforce and
1111 compel performance of all duties required by this act to be

1112 performed, in order to provide for the payment of bonds and
1113 interest thereon.

1114 **SECTION 51.** All bonds issued under the provisions of this
1115 act shall be legal investments for trustees and other fiduciaries,
1116 and for savings banks, trust companies and insurance companies
1117 organized under the laws of the State of Mississippi, and such
1118 bonds shall be legal securities which may be deposited with and
1119 shall be received by all public officers and bodies of this state
1120 and all municipalities and political subdivisions for the purpose
1121 of securing the deposit of public funds.

1122 **SECTION 52.** Bonds issued under the provisions of this act
1123 and income therefrom shall be exempt from all taxation in the
1124 State of Mississippi.

1125 **SECTION 53.** The proceeds of the bonds issued under this act
1126 shall be used solely for the purposes therein provided, including
1127 the costs incident to the issuance and sale of such bonds.

1128 **SECTION 54.** The State Treasurer is authorized, without
1129 further process of law, to certify to the Department of Finance
1130 and Administration the necessity for warrants, and the Department
1131 of Finance and Administration is authorized and directed to issue
1132 such warrants, in such amounts as may be necessary to pay when due
1133 the principal of, premium, if any, and interest on, or the
1134 accreted value of, all bonds issued under this act; and the State
1135 Treasurer shall forward the necessary amount to the designated
1136 place or places of payment of such bonds in ample time to
1137 discharge such bonds, or the interest thereon, on the due dates
1138 thereof.

1139 **SECTION 55.** This act shall be deemed to be full and complete
1140 authority for the exercise of the powers therein granted, but this
1141 act shall not be deemed to repeal or to be in derogation of any
1142 existing law of this state.

1143 **SECTION 56.** As used in Sections 56 through 57 of this act,
1144 the following terms and phrases shall have the meanings ascribed
1145 in this section unless the context clearly indicates otherwise:

1146 (a) "Alternative fuels project" means a business
1147 enterprise engaged in manufacturing or producing alternative fuels
1148 in this state with not less than fifty percent (50%) of the
1149 finished product being obtained from products that were grown in
1150 this state.

1151 (b) "Authority" means the Mississippi Development
1152 Authority.

1153 (c) "Producer" means a manufacturer or producer of
1154 alternative fuels through an alternative fuels project.

1155 (d) "State" means the State of Mississippi.

1156 **SECTION 57.** (1) Producers are allowed a job tax credit for
1157 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
1158 (\$1,000.00) annually for each net new full-time employee job for a
1159 period of twenty (20) years from the date the credit begins. The
1160 credit shall begin on the date selected by the producer; however,
1161 the beginning date shall not be more than five (5) years from the
1162 date the producer begins manufacturing or producing alternative
1163 fuels. For the year in which the beginning date occurs, the
1164 number of new full-time jobs shall be determined by using the
1165 monthly average number of full-time employees subject to the
1166 Mississippi income tax withholding. Thereafter, the number of new
1167 full-time jobs shall be determined by comparing the monthly
1168 average number of full-time employees subject to the Mississippi
1169 income tax withholding for the taxable year with the corresponding
1170 period of the prior taxable year. Once a producer creates
1171 twenty-five (25) or more new full-time employee jobs, the producer
1172 shall be eligible for the credit. The credit is not allowed for
1173 any year of the twenty-year period in which the overall monthly
1174 average number of full-time employees subject to the Mississippi
1175 income tax withholding falls below twenty-five (25). The State

1176 Tax Commission shall adjust the credit allowed each year for the
1177 net new employment fluctuations above twenty-five (25).

1178 (2) Any tax credit claimed under this section but not used
1179 in any taxable year may be carried forward for five (5)
1180 consecutive years from the close of the tax year in which the
1181 credits were earned. The credit that may be utilized each year
1182 shall be limited to an amount not greater than the total state
1183 income tax liability of the producer that is generated by, or
1184 arises out of, the alternative fuels project.

1185 (3) The tax credits provided for in this section shall be in
1186 lieu of the tax credits provided for in Section 57-73-21 and any
1187 producer utilizing the tax credit authorized in this section shall
1188 not utilize the tax credit authorized in Section 57-73-21.

1189 **SECTION 58.** It is the policy of the Mississippi Development
1190 Authority and the Mississippi Development Authority is authorized
1191 to accommodate and support any entity using funds authorized and
1192 made available under Sections 1 through 37 of this act that wishes
1193 to have a program of diversity in contracting, and/or that wishes
1194 to do business with or cause its prime contractor to do business
1195 with Mississippi companies, including those companies that are
1196 small business concerns owned and controlled by socially and
1197 economically disadvantaged individuals. The term "socially and
1198 economically disadvantaged individuals" shall have the meaning
1199 ascribed to that term under Section 8(d) of the Small Business Act
1200 (15 USCS 637(d)) and relevant subcontracting regulations
1201 promulgated pursuant thereto; except that women shall be presumed
1202 to be socially and economically disadvantaged individuals for the
1203 purposes of this section.

1204 **SECTION 59.** The Mississippi Development Authority shall
1205 prepare and file a quarterly report with the Secretary of State
1206 regarding the net economic impact on the state as a result of
1207 incentives or other forms of assistance authorized under Sections
1208 1 through 37 of this act, the number of enterprises benefited and

1209 the number of jobs created. Each report shall estimate the number
1210 of jobs created or retained at each enterprise or business as a
1211 result of the incentives or other forms of assistance authorized
1212 under Sections 1 through 37 of this act.

1213 **SECTION 60.** Section 57 of this act shall take effect and be
1214 in force from and after January 1, 2005, and the remainder of this
1215 act shall take effect and be in force from and after July 1, 2005.