

**\*\*\* Pending \*\*\***

**COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2002**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

41           **SECTION 1.** Section 27-107-321, Mississippi Code of 1972, is  
42 amended as follows:

43           27-107-321. (1) (a) There is established an emergency aid  
44 to local governments loan and grant program to be administered by  
45 the Department of Finance and Administration, referred to in this  
46 section as "department," for the purpose of assisting counties,  
47 incorporated municipalities and public school districts that  
48 suffer revenue losses as a result of a natural disaster for which  
49 a state of emergency has been duly proclaimed. Loan and grant  
50 proceeds distributed to counties, incorporated municipalities and  
51 public school districts shall be considered to be, and shall be  
52 utilized by recipient in the same manner as, governmental,  
53 enterprise or internal service fund type revenues, specifically  
54 for essential government services, including the payment of debt  
55 service.

56           (b) The department may contract for facilities and  
57 staff needed to administer this section, including routine  
58 management, as it deems necessary. The department may advertise  
59 for or solicit proposals from public or private sources, or both,

60 for administration of this section or any services required for  
61 administration of this section or any portion thereof. It is the  
62 intent of the Legislature that the department endeavor to ensure  
63 that the costs of administration of this section are as low as  
64 possible.

65 (2) (a) There is created a special fund in the State  
66 Treasury to be designated as the "Emergency Aid to Local  
67 Governments Fund," referred to in this section as "fund," which  
68 fund shall consist of money transferred from the Disaster Recovery  
69 Fund created in Section 31-17-123 and money designated for deposit  
70 therein from any other source, public or private, including, but  
71 not limited to, appropriations, bond proceeds, grants, gifts or  
72 donations. The fund shall be credited with all repayments of  
73 principal and interest derived from loans made from the fund.  
74 Unexpended amounts remaining in the fund at the end of a fiscal  
75 year shall not lapse into the State General Fund, and any interest  
76 earned or investment earnings on amounts in the fund shall be  
77 deposited to the credit of the Emergency Aid to Local Governments  
78 Fund. Monies in the fund may not be used or expended for any  
79 purpose except as authorized under this section.

80 (b) The department shall establish a loan and grant  
81 program by which loans and grants may be made available to  
82 counties, incorporated municipalities and public school districts,  
83 to assist those counties, incorporated municipalities and public  
84 school districts. Any governmental entity in the current fiscal  
85 year that demonstrates a projected revenue loss equal to or  
86 exceeding twenty-five percent (25%) of its governmental fund type  
87 revenues in the fiscal year prior to the occurrence of the natural  
88 disaster eligible under this section may qualify for a loan and/or  
89 grant. The interest rate on loans made under this section may  
90 vary from time to time and from loan to loan, and shall be at or  
91 below market interest rates as determined by the department. The

92 department shall act as quickly as is practicable and prudent in  
93 deciding on any loan or grant request that it receives. No loan  
94 or grant shall be approved under this section unless the county,  
95 municipality or public school district requesting the loan or  
96 grant has exhausted all other available public or private programs  
97 to obtain funds for the revenue loss that it is projected to  
98 suffer. Such public or private programs shall include, but not be  
99 limited to, loans, grants and donations.

100 (c) The aggregate amount of any loans or grants  
101 received under this section by a county, incorporated municipality  
102 or public school district shall not exceed one hundred percent  
103 (100%) of the difference between the revenue received by a county,  
104 incorporated municipality or public school district from  
105 governmental fund type revenues that are used to fund essential  
106 services in the fiscal year prior to the occurrence of the natural  
107 disaster and the estimated revenue from such sources after the  
108 occurrence of the natural disaster plus available cash reserves or  
109 fund balances at the fiscal year end, as determined by the  
110 department. The State Bond Commission shall set the maximum  
111 amount of any loan or grant made under this section at an amount  
112 that will ensure the equitable distribution of the amounts  
113 available for loans and grants to the eligible governmental  
114 entities affected by the natural disaster, but in no event shall a  
115 grant exceed Three Million Dollars (\$3,000,000.00) or the total  
116 aggregate amount of all grants exceed Twenty-five Million Dollars  
117 (\$25,000,000.00).

118 (d) A county or public school district that receives a  
119 loan from the fund shall pledge for repayment of the loan any part  
120 of the homestead exemption annual tax loss reimbursement to which  
121 it may be entitled under Section 27-33-77, as may be required by  
122 the department. An incorporated municipality that receives a loan  
123 from the fund or the emergency fund shall pledge for repayment of

124 the loan any part of the sales tax revenue distribution to which  
125 it may be entitled under Section 27-65-75 or any part of the  
126 homestead exemption annual tax loss reimbursement to which it may  
127 be entitled under Section 27-33-77, as may be required by the  
128 department. All recipients of such loans shall establish a  
129 dedicated source of revenue for repayment of the loan. Before any  
130 county, incorporated municipality or public school district shall  
131 receive any loan, it shall have executed with the department a  
132 loan agreement evidencing that loan, a copy of which shall be  
133 filed by the department with the State Tax Commission. The loan  
134 agreement shall not be construed to prohibit any recipient from  
135 prepaying any part or all of the funds received. The repayment  
136 schedule in each loan agreement shall provide for (i) monthly  
137 payments, (ii) semiannual payments or (iii) other periodic  
138 payments. The loan agreement shall provide for the repayment of  
139 all funds received from the fund within not more than three (3)  
140 years. The State Tax Commission shall, at the direction of the  
141 department, withhold semiannually from counties, incorporated  
142 municipalities and public school districts and monthly from  
143 incorporated municipalities, from the amount to be remitted to the  
144 county, municipality or public school district, the sum necessary  
145 to pay all or a portion of the periodic payments for the loan.

146 (e) Any county, incorporated municipality or public  
147 school district which receives a loan from the state for that  
148 purpose but which is not eligible to pledge for repayment under  
149 the provisions of paragraph (d) of this subsection, shall repay  
150 that loan by making payments each month to the State Treasurer  
151 through the Department of Finance and Administration for and on  
152 behalf of the department according to Section 7-7-15, to be  
153 credited to the fund in lieu of pledging homestead exemption  
154 annual tax loss reimbursement or sales tax revenue distribution.

155           Loan repayments shall be according to a repayment schedule  
156 contained in each loan agreement as provided in paragraph (d) of  
157 this subsection.

158           (f) Evidences of indebtedness which are issued pursuant  
159 to this section shall not be deemed indebtedness within the  
160 meaning specified in Section 21-33-303 with regard to cities and  
161 incorporated towns, in Section 19-9-5 with regard to counties and  
162 in Section 37-59-5 with regard to public school districts.

163           (g) The State Auditor, upon request of the department,  
164 shall audit the receipts and expenditures of a county, an  
165 incorporated municipality or a public school district if loan  
166 repayments appear to be in arrears, and if the Auditor finds that  
167 the county, incorporated municipality or public school district is  
168 in arrears in those repayments, the Auditor shall immediately  
169 notify the executive director of the department who may take any  
170 action as may be necessary to enforce the terms of the loan  
171 agreement, including liquidation and enforcement of the security  
172 given for repayment of the loan, and the executive director of the  
173 department may, in his discretion, notify the State Tax Commission  
174 to withhold all future payments to the county, incorporated  
175 municipality or school district of homestead exemption annual tax  
176 loss reimbursements under Section 27-33-77 and/or all sums  
177 allocated to the incorporated municipality under Section 27-65-75,  
178 until such time as the county, incorporated municipality or public  
179 school district is again current in its loan repayments as  
180 certified by the department.

181           (h) All monies deposited in the fund shall be used only  
182 for providing the loans and grants authorized under this section.  
183 In addition, any amounts in the fund may be used to defray the  
184 reasonable costs of administering the fund; however, no monies in  
185 the fund which are to be used for grant purposes may be used to  
186 defray any costs of administering the fund or program. The

187 department is authorized to use amounts available to it from the  
188 fund to contract for those facilities and staff needed to  
189 administer and provide routine management for the funds and loan  
190 program.

191 (3) In administering this section the department shall have  
192 the following powers and duties:

193 (a) To supervise the use of all funds made available  
194 under this section;

195 (b) To promulgate rules and regulations, to make  
196 variances and exceptions thereto, and to establish procedures in  
197 accordance with this section for the implementation of the loan  
198 and grant program;

199 (c) To requisition monies in the fund and distribute  
200 those monies in accordance with this section;

201 (d) To maintain, in accordance with generally accepted  
202 government accounting standards, an accurate record of all monies  
203 in the fund made available to counties, incorporated  
204 municipalities and public school districts under this section;

205 (e) To file annually with the Legislature a report  
206 detailing how monies in the fund were distributed during the  
207 preceding fiscal year to each county, incorporated municipality  
208 and public school district.

209 (4) The State Bond Commission, at one time, or from time to  
210 time, may declare the necessity for funds for the purposes  
211 provided in this section, including the costs incident to the  
212 administration of the loan and grant program. Upon approval by  
213 the State Bond Commission, the department is authorized to  
214 transfer any necessary amount from the Disaster Recovery Fund  
215 created in Section 31-17-123 to the fund in ample time to  
216 discharge such loans, grants and incidental costs.

217 (5) The department is authorized, without further process of  
218 law, to certify the necessity for warrants and is authorized and

219 directed to issue such warrants, in such amounts as may be  
220 necessary to make loans and grants under the program authorized by  
221 this section.

222 (6) After any state funds in the fund are no longer needed  
223 for the particular purpose for which they were appropriated,  
224 deposited or transferred into the fund, the department shall  
225 transfer those state funds back to the particular fund or funds in  
226 the State Treasury from which they were appropriated or  
227 transferred into the fund, upon certification of the State Fiscal  
228 Officer that the state funds are not currently needed.

229 (7) At least five (5) days before any public ceremony to  
230 announce the award of a grant to a county, municipality or public  
231 school district under this section, the department shall notify  
232 all of the members of the Mississippi House of Representatives and  
233 Mississippi Senate whose districts include any portion of the  
234 county, municipality or school district to which the grant is  
235 being made.

236 (8) The department shall include the following language at a  
237 prominent location on any documents prepared by the department in  
238 connection with a grant made under this section that are to be  
239 provided to the county, municipality or school district to which  
240 the grant is made or to the public: "The funds for this grant  
241 were made available by the Mississippi Legislature."

242 **SECTION 2.** The Legislature hereby finds that Hurricane  
243 Katrina resulted in a natural catastrophe severely impacting the  
244 State of Mississippi and many of the political subdivisions of the  
245 state. The Legislature hereby determines that the issuance of  
246 general obligation bonds of the state to provide funds to pay the  
247 principal of, interest on and premium, if any, on qualified bonds,  
248 notes, certificates of indebtedness, and other debt obligations of  
249 the state is in all respects a public and governmental purpose to  
250 protect and/or improve the credit rating of the state, that this

251 purpose is a public purpose, that the state will be performing an  
252 essential governmental function and meeting a public obligation in  
253 the exercise of the powers conferred upon it by this act, is a  
254 permitted use of the funds and credit of the state, will result in  
255 economic and financial benefits to the state and the political  
256 subdivisions of the state, and will provide relief from the  
257 consequences of Hurricane Katrina.

258 **SECTION 3.** As used in Sections 2 through 17 of this act:

259 (a) "Bonds" means the gulf tax credit bonds, notes or  
260 other evidences of indebtedness of the state issued pursuant to  
261 the provisions of Sections 2 through 17 of this act.

262 (b) "Commission" means the State Bond Commission.

263 (c) "Debt service" means the payment of principal of,  
264 interest on, premium, if any, sinking or reserve funds or other  
265 requirements, costs or expenses due and payable on general  
266 obligation bonds, notes, certificates of indebtedness, or other  
267 written general obligations for the repayment of borrowed money of  
268 the state during the state's fiscal year ending June 30, 2007.

269 (d) "Fund" means the Tax Credit Bond Proceeds Fund.

270 (e) "Gulf Opportunity Zone Act" means the Gulf  
271 Opportunity Zone Act of 2005 enacted by the United States Congress  
272 in response to Hurricanes Katrina, Rita and Wilma.

273 (f) "Gulf Tax Credit Bonds" means general obligation  
274 bonds of the state or other general obligations of the state  
275 issued pursuant to the provisions of this act and the Gulf  
276 Opportunity Zone Act.

277 (g) "Natural catastrophe" means the consequences of  
278 Hurricane Katrina on the state and the resulting fiscal emergency  
279 caused to exist in the state.

280 (h) "Qualified Bond" means any general obligation of  
281 the State which was outstanding on August 28, 2005, as defined in



282 and subject to the limitations imposed by the Gulf Opportunity  
283 Zone Act.

284 (i) "State" means the State of Mississippi.

285 (j) "This act" means Sections 2 through 17 of this act.

286 **SECTION 4.** (1) (a) A special fund, to be designated as the  
287 "Tax Credit Bond Proceeds Fund," is created within the State  
288 Treasury. The fund shall be maintained by the State Treasurer  
289 as a separate and special fund, separate and apart from the  
290 General Fund of the state. Unexpended amounts remaining in the  
291 fund at the end of a fiscal year shall not lapse into the state's  
292 General Fund, and any interest earned or investment earnings on  
293 amounts in the fund shall be deposited into such fund and used as  
294 provided in Section 5 of this act.

295 (b) There shall be deposited into the fund the proceeds  
296 of the bonds issued pursuant to Section 5 of this act and the  
297 money pledged to meet the state matching requirement under the  
298 Gulf Opportunity Zone Act as provided in Section 6 of this act.

299 (2) Money deposited into the fund shall be used solely as  
300 provided in this act and the Gulf Opportunity Zone Act to make  
301 debt service payments on qualified bonds of the state.

302 (3) All money deposited into the fund shall be expended in  
303 accordance with the provisions of this act and the Gulf  
304 Opportunity Zone Act.

305 **SECTION 5.** (1) The commission, at one time, or from time to  
306 time, may declare by resolution the necessity for the issuance of  
307 general obligation bonds or other general obligations of the state  
308 to provide funds for the relief of a natural catastrophe through  
309 the payment of debt service on qualified bonds of the state. The  
310 commission shall act as the issuing agent for the bonds authorized  
311 under this act, prescribe the form of the bonds, issue and sell  
312 the bonds so authorized to be sold, pay all fees and costs  
313 incurred in such issuance and sale from the money on deposit in

314 the Tax Credit Bond Proceeds Fund, and do any and all other things  
315 necessary and advisable in connection with the issuance and sale  
316 of such bonds. The bonds authorized to be issued pursuant hereto  
317 shall be issued as gulf tax credit bonds as provided in the Gulf  
318 Opportunity Zone Act, shall bear interest at a rate of zero  
319 percent (0%), shall mature not more than two (2) years from their  
320 date of issuance, shall be issued before January 1, 2007, and  
321 shall entitle the owner of the bonds to a credit against federal  
322 taxation to the extent allowed by and in accordance with the  
323 provisions of the Gulf Opportunity Zone Act. Such bonds may be  
324 issued in one or more series, may bear such date or dates, may be  
325 in such denominations, may be sold at public or private sale, from  
326 time to time, in such manner and at such price as may be  
327 determined by the commission to be most advantageous, at par, or  
328 at any discount (which sale shall be on such terms and in such  
329 manner as the commission shall determine), and may contain such  
330 other terms and covenants (including, without limitation,  
331 covenants for the security and better marketability of such  
332 bonds), as may be provided by resolution of the commission. The  
333 commission is authorized and empowered to pay the costs that are  
334 incident to the sale, issuance and delivery of the bonds  
335 authorized under this act from the proceeds derived from the sale  
336 of such bonds or from other lawfully available funds. Pursuant to  
337 the provisions of this act, the commission may enter into such  
338 agreements as may be necessary in connection with the sale and  
339 issuance of such bonds. The total amount of bonds issued under  
340 this act shall not exceed One Hundred Million Dollars  
341 (\$100,000,000.00). No bonds shall be issued under this act from  
342 and after January 1, 2007.

343 (2) Any investment earnings on amounts deposited into the  
344 special fund created in Section 4 of this act shall be used to pay  
345 debt service or used as otherwise directed by the commission in

346 accordance with applicable federal and state law and in accordance  
347 with the proceedings authorizing the issuance of such bonds.

348 (3) Bonds issued by the commission pursuant to this act must  
349 comply with and satisfy the requirements for the issuance of "Gulf  
350 Tax Credit Bonds" pursuant to the Gulf Opportunity Zone Act.

351 **SECTION 6.** To satisfy the state matching requirement of the  
352 Gulf Opportunity Zone Act in connection with the gulf tax credit  
353 bonds authorized to be issued by this act, the commission is  
354 hereby authorized to pledge, as of the date of the issuance of the  
355 gulf tax credit bonds, any funds of the state available for debt  
356 service or any other available funds of the state to make debt  
357 service payments on qualified bonds of the state in an amount  
358 equal to the face amount of the gulf tax credit bonds issued  
359 pursuant to Section 5 of this act. Upon issuance of the gulf tax  
360 credit bonds, the funds of the state pledged to satisfy the state  
361 matching requirement of the Gulf Opportunity Zone Act shall be  
362 deposited in the fund and used to make debt service payments on  
363 qualified bonds of the state in accordance with this act and the  
364 Gulf Opportunity Zone Act. The State Treasurer, acting on behalf  
365 of the commission, is authorized to use all money on deposit in  
366 the fund to make debt service payments in accordance with the  
367 provisions of this act and the Gulf Opportunity Zone Act.

368 **SECTION 7.** The bonds authorized by this act shall be signed  
369 by the chairman of the commission, or by his facsimile signature,  
370 and the official seal of the commission shall be affixed thereto,  
371 attested by the secretary of the commission. The interest  
372 coupons, if any, to be attached to such bonds may be executed by  
373 the facsimile signatures of such officers. Whenever any such  
374 bonds shall have been signed by the officials designated to sign  
375 the bonds who were in office at the time of such signing but who  
376 may have ceased to be such officers before the sale and delivery  
377 of such bonds, or who may not have been in office on the date such

378 bonds may bear, the signatures of such officers upon such bonds  
379 and coupons shall nevertheless be valid and sufficient for all  
380 purposes and have the same effect as if the person so officially  
381 signing such bonds had remained in office until their delivery to  
382 the purchaser, or had been in office on the date such bonds may  
383 bear. However, notwithstanding anything in this act to the  
384 contrary, such bonds may be issued as provided in the Registered  
385 Bond Act.

386         **SECTION 8.** All bonds issued under this act shall be fully  
387 negotiable in accordance with their terms and shall be  
388 "securities" within the meaning of Article 8 of the Uniform  
389 Commercial Code, subject to the provisions of such bonds  
390 pertaining to registration. It shall not be necessary to file  
391 financing statements or continuation statements to protect the  
392 lien and pledge granted by the state to the holders of any bonds  
393 issued under this act.

394         **SECTION 9.** The bonds issued under the provisions of this act  
395 are general obligations of the State of Mississippi, and for the  
396 payment thereof the full faith and credit of the State of  
397 Mississippi is irrevocably pledged. If the funds appropriated by  
398 the Legislature are insufficient to pay the principal of such  
399 bonds as they become due, then the deficiency shall be paid by the  
400 State Treasurer from any funds in the State Treasury not otherwise  
401 appropriated. All such bonds shall contain recitals on their  
402 faces substantially covering the provisions of this section.

403         **SECTION 10.** The bonds authorized under this act may be  
404 issued without any other proceedings or the happening of any other  
405 conditions or things other than those proceedings, conditions and  
406 things which are specified or required by this act. Any  
407 resolution providing for the issuance of bonds under the  
408 provisions of this act shall become effective immediately upon its  
409 adoption by the commission, and any such resolution may be adopted

410 at any regular or special meeting of the commission by a majority  
411 of its members.

412         **SECTION 11.** The bonds authorized under the authority of this  
413 act may be validated in the Chancery Court of the First Judicial  
414 District of Hinds County, Mississippi, in the manner and with the  
415 force and effect provided by Chapter 13, Title 31, Mississippi  
416 Code of 1972, for the validation of county, municipal, school  
417 district and other bonds. The notice to taxpayers required by  
418 such statutes shall be published in a newspaper published or  
419 having a general circulation in the City of Jackson, Mississippi.

420         **SECTION 12.** Any holder of bonds issued under the provisions  
421 of this act may, either at law or in equity, by suit, action,  
422 mandamus or other proceeding, protect and enforce any and all  
423 rights granted under this act, or under such resolution, and may  
424 enforce and compel performance of all duties required by this act  
425 to be performed, in order to provide for the payment of such  
426 bonds.

427         **SECTION 13.** All bonds issued under the provisions of this  
428 act shall be legal investments for trustees and other fiduciaries,  
429 and for savings banks, trust companies and insurance companies  
430 organized under the laws of the state, and such bonds shall be  
431 legal securities which may be deposited with and shall be received  
432 by all public officers and bodies of this state and all  
433 municipalities and political subdivisions for the purpose of  
434 securing the deposit of public funds.

435         **SECTION 14.** Bonds issued under the provisions of this act  
436 and income, if any, therefrom shall be exempt from all taxation in  
437 the State of Mississippi. In addition, the amount of credit  
438 determined in accordance with the provisions of the Gulf  
439 Opportunity Zone Act and received by a holder of the bonds issued  
440 under the provisions of this act shall not be included in the  
441 income of such holder for state income tax purposes.

442           **SECTION 15.** The proceeds of the bonds issued under this act  
443 shall be used solely for the purposes herein provided, including  
444 the costs incident to the issuance and sale of such bonds.

445           **SECTION 16.** The State Treasurer is authorized, without  
446 further process of law, to certify to the Department of Finance  
447 and Administration the necessity for warrants, and the Department  
448 of Finance and Administration is authorized and directed to issue  
449 such warrants, in such amounts as may be necessary to pay when due  
450 the principal of all bonds issued under this act; and the State  
451 Treasurer shall forward the necessary amount to the designated  
452 place or places of payment of such bonds in ample time to  
453 discharge such bonds on the due dates thereof.

454           **SECTION 17.** This act shall be deemed to be full and complete  
455 authority for the exercise of the powers granted in this act, but  
456 this act shall not be deemed to repeal or to be in derogation of  
457 any existing law of this state.

458           **SECTION 18.** Section 31-17-123, Mississippi Code of 1972, is  
459 amended as follows:

460           31-17-123. (1) The intent of the Legislature is to  
461 authorize borrowing funds under the provisions of Sections  
462 31-17-101 through 31-17-123 to offset any temporary cash flow  
463 deficiencies and should not be construed to authorize the  
464 borrowing of any funds in an amount that cannot be repaid during  
465 the fiscal year in which the funds are borrowed.

466           (2) (a) Notwithstanding any provision of this chapter to  
467 the contrary, in the event that the State Fiscal Officer and the  
468 State Treasurer make a determination that (i) state-source special  
469 funds are not sufficient to cover deficiencies in the General  
470 Fund, (ii) the State of Mississippi is unable to repay special  
471 fund borrowing within the fiscal year in which it was borrowed, or  
472 (iii) state-source funds are insufficient for disaster support  
473 and/or assistance purposes due to Hurricanes Katrina and/or Rita;

474 and that the State Bond Commission makes a determination that such  
475 deficiency, inability to repay, or insufficiency is the result of  
476 a state of emergency within the State of Mississippi, the State  
477 Bond Commission is authorized to obtain a line of credit, in an  
478 amount not to exceed Five Hundred Million Dollars  
479 (\$500,000,000.00), from a commercial lender, investment banking  
480 group or a consortium of either, or both. The length of  
481 indebtedness under this subsection shall not extend past three (3)  
482 years following the origination of the line of credit. The line  
483 of credit shall be authorized and approved by the State Bond  
484 Commission and shall have such terms and details as may be  
485 provided by resolution of the State Bond Commission. Loan  
486 proceeds shall be received and disbursed by the State Treasurer  
487 and deposited into the Disaster Recovery Fund, a special fund  
488 hereby created in the State Treasury, and shall be used to cover  
489 deficiencies in the General Fund, to repay special fund borrowing  
490 and/or to cover any insufficiency in disaster support and/or  
491 assistance. Monies remaining in the Disaster Recovery Fund at the  
492 end of a fiscal year shall not lapse into the State General Fund,  
493 but shall remain in the Disaster Recovery Fund and any interest  
494 earned or investment earnings on amounts in the Disaster Recovery  
495 Fund shall remain in the fund.

496 (b) As security for the repayment of the principal and  
497 interest on the line of credit provided for in paragraph (a) of  
498 this subsection, the full faith, credit and resources of the State  
499 of Mississippi are hereby irrevocably pledged.

500 (c) Upon approval of the State Fiscal Officer, the  
501 Director of the Mississippi Emergency Management Agency is  
502 authorized to use amounts from the line of credit to match federal  
503 funds, and for personnel, call-back wages, base and overtime  
504 wages, travel, per diem and other out-of-pocket expenses incurred  
505 as a result of Hurricanes Katrina and/or Rita.

506 (d) This subsection (2) shall be complete authority for  
507 the borrowing authorized hereunder and shall not be subject to the  
508 limitations provided in the other provisions of this chapter or  
509 otherwise under state law.

510 (e) The State Treasurer shall notify the Legislative  
511 Budget Office and the State Department of Finance and  
512 Administration of each transfer into and out of the Disaster  
513 Recovery Fund on a quarterly basis.

514 **SECTION 19.** Section 3, Chapter 534, Laws of 2006, is amended  
515 as follows:

516 Section 3. There is hereby created in the State Treasury a  
517 special fund, separate and apart from any other special fund, to  
518 be designated as the Hurricane Disaster Reserve Fund. The State  
519 Fiscal Officer shall transfer from the State General Fund into the  
520 Hurricane Disaster Reserve Fund an amount equal to Two Hundred  
521 Sixty-eight Million Dollars (\$268,000,000.00) during the period  
522 beginning July 1, 2006, and ending June 30, 2007.

523 The funds transferred herein to the Hurricane Disaster  
524 Reserve Fund shall be utilized to defray the state's share of any  
525 nonfederal matching requirements for Federal Emergency Management  
526 Agency grants associated with Hurricane Katrina and other  
527 disasters. Unexpended funds remaining in the Hurricane Disaster  
528 Reserve Fund at the end of the fiscal year shall not lapse into  
529 the State General Fund but shall remain in the fund and any  
530 interest earned or investment earnings on amounts in the Hurricane  
531 Disaster Reserve Fund shall remain in the fund; however, any  
532 interest earned or investment earnings on amounts in the fund  
533 during fiscal years 2007 and 2008 shall be transferred by the  
534 State Treasurer to the Emergency Aid to Local Governments Fund  
535 created in Section 27-107-1.

536 Funds deposited into the Hurricane Disaster Reserve Fund  
537 shall be used only for the purposes specified in this section, and



538 as long as the provisions of this section remain in effect, no  
539 other expenditure, appropriation or transfer of funds in the  
540 Hurricane Disaster Reserve Fund shall be made except by act of the  
541 Legislature making specific reference to the Hurricane Disaster  
542 Reserve Fund as the source of those funds.

543 **SECTION 20.** Section 6, Chapter 17, Laws of 2006, is amended  
544 as follows:

545 Section 6. Of the funds appropriated under the provisions of  
546 Section 2, Two Million Eight Hundred Thirty-nine Thousand Nine  
547 Hundred Eight Dollars (\$2,839,908.00) shall be derived from the  
548 Budget Contingency Fund created in Section 27-103-301, Mississippi  
549 Code of 1972, and not more than One Hundred Million Dollars  
550 (\$100,000,000.00) shall be derived from the proceeds of the sale  
551 of the bonds authorized in Sections 2 through 17 of Senate Bill  
552 No. \_\_\_\_\_, 2006 First Extraordinary Session, and deposited into the  
553 Tax Credit Bond Proceeds Fund created in Section 4 of Senate Bill  
554 No. \_\_\_\_\_, 2006 First Extraordinary Session, for the purpose of  
555 paying maturing bonds and interest on the full faith and credit  
556 bonds of the State of Mississippi.

557 **SECTION 21.** Upon passage of this act, the State Fiscal  
558 Officer shall transfer One Hundred Million Dollars  
559 (\$100,000,000.00) from the Budget Contingency Fund created in  
560 Section 27-103-301 to the Disaster Recovery Fund created in  
561 Section 31-17-123.

562 **SECTION 22.** This act shall take effect and be in force from  
563 and after its passage.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-107-321, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO MAKE  
3 GRANTS TO LOCAL GOVERNMENTS FROM THE EMERGENCY AID TO LOCAL  
4 GOVERNMENTS FUND; TO PROVIDE THAT INTEREST EARNED OR INVESTMENT  
5 EARNINGS ON AMOUNTS IN THE FUND SHALL BE DEPOSITED TO THE CREDIT  
6 OF THE FUND AND TO PROVIDE THAT GRANTS FROM THE FUND MAY NOT  
7 EXCEED \$3,000,000.00 AND THAT THE TOTAL AGGREGATE AMOUNT OF ALL

8 GRANTS SHALL NOT EXCEED \$25,000,000.00; TO REQUIRE NOTICE TO BE  
9 GIVEN TO CERTAIN MEMBERS OF THE LEGISLATURE BEFORE A PUBLIC  
10 CEREMONY TO ANNOUNCE THE AWARD OF A GRANT UNDER THIS ACT; TO  
11 REQUIRE THAT CERTAIN DOCUMENTS PREPARED IN CONNECTION WITH A GRANT  
12 MADE UNDER THIS ACT CONTAIN LANGUAGE THAT THE GRANT FUNDS WERE  
13 MADE AVAILABLE BY THE LEGISLATURE; TO AUTHORIZE THE ISSUANCE OF  
14 STATE GENERAL OBLIGATION GULF TAX CREDIT BONDS IN A PRINCIPAL  
15 AMOUNT NOT TO EXCEED \$100,000,000.00 AS AUTHORIZED BY THE GULF  
16 OPPORTUNITY ZONE ACT OF 2005 ENACTED BY THE UNITED STATES CONGRESS  
17 IN RESPONSE TO HURRICANE KATRINA; TO AUTHORIZE THE USE OF THE  
18 PROCEEDS OF SUCH GENERAL OBLIGATION BONDS TO PAY DEBT SERVICE ON  
19 ANY OUTSTANDING GENERAL OBLIGATION BONDS OF THE STATE FOR FISCAL  
20 YEAR 2007; TO PROVIDE FOR THE TERMS AND PROVISIONS OF SUCH GENERAL  
21 OBLIGATION BONDS AND THE IMPLEMENTATION OF CERTAIN PROVISIONS OF  
22 THE GULF OPPORTUNITY ZONE ACT OF 2005 RELATED TO SUCH GENERAL  
23 OBLIGATION BONDS; TO AMEND SECTION 31-17-123, MISSISSIPPI CODE OF  
24 1972, TO MAKE IT CLEAR THAT INTEREST EARNED ON THE DISASTER  
25 RECOVERY FUND SHALL BE DEPOSITED TO THE CREDIT OF SUCH FUND; TO  
26 AMEND SECTION 3, CHAPTER 534, LAWS OF 2006, TO PROVIDE THAT THE  
27 STATE TREASURER SHALL TRANSFER DURING FISCAL YEARS 2007 AND 2008  
28 INTEREST EARNED OR INVESTMENT EARNINGS ON AMOUNTS IN THE HURRICANE  
29 DISASTER ASSISTANCE FUND TO THE EMERGENCY AID TO LOCAL GOVERNMENTS  
30 FUND; TO AMEND SECTION 6, CHAPTER 17, LAWS OF 2006, TO REDUCE THE  
31 AMOUNT OF FUNDS UTILIZED FROM THE BUDGET CONTINGENCY FUND FOR  
32 PAYMENT OF MATURING BONDS AND INTEREST ON THE FULL FAITH AND  
33 CREDIT BONDS OF THE STATE OF MISSISSIPPI FALLING DUE DURING FISCAL  
34 YEAR 2007; TO PROVIDE THAT \$200,000,000.00 SHALL BE UTILIZED FROM  
35 THE TAX CREDIT BOND PROCEEDS FUND FOR PAYMENT OF MATURING BONDS  
36 AND INTEREST ON THE FULL FAITH AND CREDIT BONDS OF THE STATE OF  
37 MISSISSIPPI FALLING DUE DURING FISCAL YEAR 2007; TO REQUIRE THE  
38 TRANSFER OF \$100,000,000.00 FROM THE BUDGET CONTINGENCY FUND TO  
39 THE DISASTER RECOVERY FUND; AND FOR RELATED PURPOSES.