

By: Representatives Franks, Reeves

To: Ways and Means

## HOUSE BILL NO. 879

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
 2 BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO THE MISSISSIPPI  
 3 DEPARTMENT OF AGRICULTURE AND COMMERCE FOR USE IN MAKING PAYMENTS  
 4 TO ETHANOL AND BIODIESEL PRODUCERS; TO REQUIRE ANY MOTOR VEHICLES  
 5 PURCHASED BY A STATE AGENCY, DEPARTMENT, INSTITUTION OR AGENCY TO  
 6 MEET THE FEDERAL CORPORATE AVERAGE FUEL ECONOMY (CAFE) STANDARDS  
 7 OR TO CONTAIN A HYBRID GAS-ELECTRIC MOTOR OR A MOTOR EQUIPPED FOR  
 8 USING ALTERNATIVE FUELS; TO REQUIRE A STATE AGENCY, DEPARTMENT,  
 9 INSTITUTION OR AGENCY TO PURCHASE A CERTAIN PERCENTAGE OF SUCH  
 10 VEHICLES BY THE SCHEDULED TIME SPECIFIED IN THIS ACT; TO PROVIDE  
 11 AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS WHO PURCHASE NEW HYBRID  
 12 ELECTRIC VEHICLES; TO LIMIT THE AMOUNT OF THE TAX CREDIT TO  
 13 FEDERAL LIMITS OR THE AMOUNT OF INCOME TAX IMPOSED UPON THE  
 14 TAXPAYER FOR THE TAXABLE YEAR REDUCED BY THE SUM OF ALL OTHER  
 15 CREDITS ALLOWABLE TO THE TAXPAYER UNDER THE STATE INCOME TAX LAWS;  
 16 TO PROVIDE THAT ANY UNUSED PORTION OF THE TAX CREDIT MAY BE  
 17 CARRIED FORWARD FOR THE NEXT FIVE SUCCEEDING TAX YEARS; TO PROVIDE  
 18 INCOME TAX CREDITS TO THOSE WHO BUILD NEW BUILDINGS OR  
 19 REHABILITATE OLD BUILDINGS IN ACCORDANCE WITH THE UNITED STATES  
 20 GREEN BUILDING COUNCIL; TO CLARIFY THAT THE OFFICE OF THE ATTORNEY  
 21 GENERAL IS TO MONITOR PETROLEUM BASED FUEL PRICES THROUGHOUT THE  
 22 STATE; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** As used in this act, the following words shall  
 25 have the meanings ascribed herein unless the context clearly  
 26 requires otherwise:

27 (a) "Accreted value" of any bond means, as of any date  
 28 of computation, an amount equal to the sum of (i) the stated  
 29 initial value of such bond, plus (ii) the interest accrued thereon  
 30 from the issue date to the date of computation at the rate,  
 31 compounded semiannually, that is necessary to produce the  
 32 approximate yield to maturity shown for bonds of the same  
 33 maturity.

34 (b) "State" means the State of Mississippi.

35 (c) "Commission" means the State Bond Commission.

36 **SECTION 2.** (1) (a) A special fund, to be designated as the  
 37 "Ethanol and Biodiesel Producers Payment Fund" is created within

38 the State Treasury. The fund shall be maintained by the State  
39 Treasurer as a separate and special fund, separate and apart from  
40 the General Fund of the state. Unexpended amounts remaining in  
41 the fund at the end of a fiscal year shall not lapse into the  
42 State General Fund, and any interest earned or investment earnings  
43 on amounts in the fund shall be deposited into such fund.

44 (b) Monies deposited into the fund shall be disbursed,  
45 in the discretion of the Mississippi Department of Agriculture and  
46 Commerce, for the purpose of making payments to ethanol and  
47 biodiesel producers under Section 69-51-5.

48 (2) The expenditure of monies deposited into the special  
49 fund shall be under the direction of the Mississippi Department of  
50 Agriculture and Commerce, and such funds shall be paid by the  
51 State Treasurer upon warrants issued by such department, which  
52 warrants shall be issued upon requisitions signed by the  
53 Commissioner of the Mississippi Department of Agriculture and  
54 Commerce, or his designee.

55 **SECTION 3.** (1) The commission, at one time, or from time to  
56 time, may declare by resolution the necessity for issuance of  
57 general obligation bonds of the State of Mississippi to provide  
58 funds for all costs incurred or to be incurred for the purposes  
59 described in Section 2 of this act. Upon the adoption of a  
60 resolution by the Mississippi Department Agriculture and Commerce,  
61 declaring the necessity for the issuance of any part or all of the  
62 general obligation bonds authorized by this section, the  
63 Mississippi Department of Agriculture and Commerce shall deliver a  
64 certified copy of its resolution or resolutions to the commission.  
65 Upon receipt of such resolution, the commission, in its  
66 discretion, may act as the issuing agent, prescribe the form of  
67 the bonds, advertise for and accept bids, issue and sell the bonds  
68 so authorized to be sold and do any and all other things necessary  
69 and advisable in connection with the issuance and sale of such

70 bonds. The total amount of bonds issued under this act shall not  
71 exceed Twenty-five Million Dollars (\$25,000,000.00).

72 (2) Any investment earnings on amounts deposited into the  
73 special fund created in Section 2 of this act shall be used to pay  
74 debt service on bonds issued under this act, in accordance with  
75 the proceedings authorizing issuance of such bonds.

76 **SECTION 4.** The principal of and interest on the bonds  
77 authorized under this act shall be payable in the manner provided  
78 in this section. Such bonds shall bear such date or dates, be in  
79 such denomination or denominations, bear interest at such rate or  
80 rates (not to exceed the limits set forth in Section 75-17-101,  
81 Mississippi Code of 1972), be payable at such place or places  
82 within or without the State of Mississippi, shall mature  
83 absolutely at such time or times not to exceed twenty-five (25)  
84 years from date of issue, be redeemable before maturity at such  
85 time or times and upon such terms, with or without premium, shall  
86 bear such registration privileges, and shall be substantially in  
87 such form, all as shall be determined by resolution of the  
88 commission.

89 **SECTION 5.** The bonds authorized by this act shall be signed  
90 by the chairman of the commission, or by his facsimile signature,  
91 and the official seal of the commission shall be affixed thereto,  
92 attested by the secretary of the commission. The interest  
93 coupons, if any, to be attached to such bonds may be executed by  
94 the facsimile signatures of such officers. Whenever any such  
95 bonds shall have been signed by the officials designated to sign  
96 the bonds who were in office at the time of such signing but who  
97 may have ceased to be such officers before the sale and delivery  
98 of such bonds, or who may not have been in office on the date such  
99 bonds may bear, the signatures of such officers upon such bonds  
100 and coupons shall nevertheless be valid and sufficient for all  
101 purposes and have the same effect as if the person so officially  
102 signing such bonds had remained in office until their delivery to

103 the purchaser, or had been in office on the date such bonds may  
104 bear. However, notwithstanding anything herein to the contrary,  
105 such bonds may be issued as provided in the Registered Bond Act of  
106 the State of Mississippi.

107       **SECTION 6.** All bonds and interest coupons issued under the  
108 provisions of this act have all the qualities and incidents of  
109 negotiable instruments under the provisions of the Uniform  
110 Commercial Code, and in exercising the powers granted by this act,  
111 the commission shall not be required to and need not comply with  
112 the provisions of the Uniform Commercial Code.

113       **SECTION 7.** The commission shall act as the issuing agent for  
114 the bonds authorized under this act, prescribe the form of the  
115 bonds, advertise for and accept bids, issue and sell the bonds so  
116 authorized to be sold, pay all fees and costs incurred in such  
117 issuance and sale, and do any and all other things necessary and  
118 advisable in connection with the issuance and sale of such bonds.  
119 The commission is authorized and empowered to pay the costs that  
120 are incident to the sale, issuance and delivery of the bonds  
121 authorized under this act from the proceeds derived from the sale  
122 of such bonds. The commission shall sell such bonds on sealed  
123 bids at public sale, and for such price as it may determine to be  
124 for the best interest of the State of Mississippi, but no such  
125 sale shall be made at a price less than par plus accrued interest  
126 to the date of delivery of the bonds to the purchaser. All  
127 interest accruing on such bonds so issued shall be payable  
128 semiannually or annually; however, the first interest payment may  
129 be for any period of not more than one (1) year.

130       Notice of the sale of any such bonds shall be published at  
131 least one time, not less than ten (10) days before the date of  
132 sale, and shall be so published in one or more newspapers  
133 published or having a general circulation in the City of Jackson,  
134 Mississippi, and in one or more other newspapers or financial

135 journals with a national circulation, to be selected by the  
136 commission.

137 The commission, when issuing any bonds under the authority of  
138 this act, may provide that bonds, at the option of the State of  
139 Mississippi, may be called in for payment and redemption at the  
140 call price named therein and accrued interest on such date or  
141 dates named therein.

142 **SECTION 8.** The bonds issued under the provisions of this act  
143 are general obligations of the State of Mississippi, and for the  
144 payment thereof the full faith and credit of the State of  
145 Mississippi is irrevocably pledged. If the funds appropriated by  
146 the Legislature are insufficient to pay the principal of and the  
147 interest on such bonds as they become due, then the deficiency  
148 shall be paid by the State Treasurer from any funds in the State  
149 Treasury not otherwise appropriated. All such bonds shall contain  
150 recitals on their faces substantially covering the provisions of  
151 this section.

152 **SECTION 9.** Upon the issuance and sale of bonds under the  
153 provisions of this act, the commission shall transfer the proceeds  
154 of any such sale or sales to the special fund created in Section 2  
155 of this act. The proceeds of such bonds shall be disbursed solely  
156 upon the order of the Mississippi Department of Agriculture and  
157 Commerce under such restrictions, if any, as may be contained in  
158 the resolution providing for the issuance of the bonds.

159 **SECTION 10.** The bonds authorized under this act may be  
160 issued without any other proceedings or the happening of any other  
161 conditions or things other than those proceedings, conditions and  
162 things which are specified or required by this act. Any  
163 resolution providing for the issuance of bonds under the  
164 provisions of this act shall become effective immediately upon its  
165 adoption by the commission, and any such resolution may be adopted  
166 at any regular or special meeting of the commission by a majority  
167 of its members.

168           **SECTION 11.** The bonds authorized under the authority of this  
169 act may be validated in the Chancery Court of the First Judicial  
170 District of Hinds County, Mississippi, in the manner and with the  
171 force and effect provided by Chapter 13, Title 31, Mississippi  
172 Code of 1972, for the validation of county, municipal, school  
173 district and other bonds. The notice to taxpayers required by  
174 such statutes shall be published in a newspaper published or  
175 having a general circulation in the City of Jackson, Mississippi.

176           **SECTION 12.** Any holder of bonds issued under the provisions  
177 of this act or of any of the interest coupons pertaining thereto  
178 may, either at law or in equity, by suit, action, mandamus or  
179 other proceeding, protect and enforce any and all rights granted  
180 under this act, or under such resolution, and may enforce and  
181 compel performance of all duties required by this act to be  
182 performed, in order to provide for the payment of bonds and  
183 interest thereon.

184           **SECTION 13.** All bonds issued under the provisions of this  
185 act shall be legal investments for trustees and other fiduciaries,  
186 and for savings banks, trust companies and insurance companies  
187 organized under the laws of the State of Mississippi, and such  
188 bonds shall be legal securities which may be deposited with and  
189 shall be received by all public officers and bodies of this state  
190 and all municipalities and political subdivisions for the purpose  
191 of securing the deposit of public funds.

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

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

198           **SECTION 16.** The State Treasurer is authorized, without  
199 further process of law, to certify to the Department of Finance  
200 and Administration the necessity for warrants, and the Department

201 of Finance and Administration is authorized and directed to issue  
202 such warrants, in such amounts as may be necessary to pay when due  
203 the principal of, premium, if any, and interest on, or the  
204 accreted value of, all bonds issued under this act; and the State  
205 Treasurer shall forward the necessary amount to the designated  
206 place or places of payment of such bonds in ample time to  
207 discharge such bonds, or the interest thereon, on the due dates  
208 thereof.

209       **SECTION 17.** This act shall be deemed to be full and complete  
210 authority for the exercise of the powers herein granted, but this  
211 act shall not be deemed to repeal or to be in derogation of any  
212 existing law of this state.

213       **SECTION 18.** (1) Beginning July 1, 2007, any motor vehicle  
214 purchased or leased by any state department, institution or agency  
215 shall meet the federal Corporate Average Fuel Economy (CAFE)  
216 Standards or contain a hybrid motor powered by a combination of  
217 gasoline and electricity or a motor equipped for using an  
218 alternative fuel. For purposes of this section, the term  
219 "alternative fuel" means compressed natural gas, liquefied  
220 petroleum gas, reformulated gasoline, methanol, ethanol,  
221 electricity, and any other fuel which meet or exceed federal Clean  
222 Air Act standards.

223       (2) All state departments, institutions or agencies shall  
224 achieve the following percentages of replacement vehicles that  
225 exceed twenty-five (25) miles per gallon, contain a hybrid motor  
226 powered by a combination of gasoline and electricity, or a motor  
227 equipped for using alternative fuels, by the times specified:

228           (a) The percentage shall be equal to or greater than  
229 twenty percent (20%) of the number of the department's,  
230 institution's or agency's fleet vehicles operated by January 1,  
231 2009.

232           (b) The percentage shall be equal to or greater than  
233 thirty percent (30%) of the number of the department's,

234 institution's or agency's fleet vehicles operated by January 1,  
235 2010.

236 (c) The percentage shall be equal to or greater than  
237 fifty percent (50%) of the number of the department's,  
238 institution's or agency's fleet vehicles operated by January 1,  
239 2012.

240 (3) The State Auditor in its annual report to the Senate and  
241 House Conservation and Water Committees and the Joint Legislative  
242 Budget Committee shall show the progress in achieving the  
243 percentage requirements prescribed in paragraph (b).

244 **SECTION 19.** (1) For the purposes of this section, the term  
245 "hybrid electric vehicle" means a private carrier of passengers or  
246 light carrier of property, as defined in Section 27-51-101, that:

247 (a) Meets all applicable federal and state regulatory  
248 requirements;

249 (b) Meets the current vehicle exhaust standard set  
250 under the National Low-Emission Vehicle Program for gasoline  
251 powered passenger cars; and

252 (c) Draws propulsion energy from the following sources:

253 (i) An internal combustion engine or heat engine  
254 using any combustible fuel; and

255 (ii) An onboard rechargeable energy storage  
256 system.

257 (2) Subject to the provisions of this section, any taxpayer  
258 who purchases a new hybrid electric vehicle without the intent to  
259 resell the vehicle and who does not resell the vehicle within five  
260 (5) years from the date of purchase shall be entitled to a credit  
261 against the taxes imposed by this chapter in an amount equal to  
262 the amount established by federal law or the amount of income tax  
263 imposed upon the taxpayer for the taxable year reduced by the sum  
264 of all other credits allowable to the taxpayer under the state  
265 income tax laws, except credit for tax payments made by or on  
266 behalf of the taxpayer. In the case of married individuals filing

267 separate returns, each person may claim an amount not to exceed  
268 one-half (1/2) of the tax credit that would have been allowed for  
269 a joint return. The tax credit is available only for the taxable  
270 year during which the hybrid electric vehicle was purchased, and a  
271 hybrid electric vehicle may qualify for the credit only one (1)  
272 time. To the extent that the allowable tax credit exceeds the  
273 amount of the taxpayer's liability for the taxable year, the  
274 unused portion of the tax credit may be carried forward for the  
275 next five (5) succeeding tax years until the full amount of the  
276 tax credit has been used.

277 (3) No person who receives a credit under the provisions of  
278 this section shall alter the vehicle for which a credit is  
279 received in any manner that changes the vehicle to such a  
280 condition that the vehicle is no longer a hybrid-electric vehicle.

281 **SECTION 20.** Section 19 of this act shall be codified as a  
282 separate section in Chapter 7, Title 27, Mississippi Code of 1972.

283 **SECTION 21.** Nothing in this act shall affect or defeat any  
284 claim, assessment, appeal, suit, right or cause of action for  
285 taxes due or accrued under the income tax laws before the date on  
286 which this act becomes effective, whether those claims,  
287 assessments, appeals, suits or actions have been begun before the  
288 date on which this act becomes effective or are begun after; and  
289 the provisions of the income tax laws are expressly continued in  
290 full force, effect and operation for the purpose of the  
291 assessment, collection and enrollment of liens for any taxes due  
292 or accrued and the execution of any warrant under those laws  
293 before the date on which this act becomes effective, and for the  
294 imposition of any penalties, forfeitures or claims for failure to  
295 comply with those laws.

296 **SECTION 22.** (1) As used in this section, the following  
297 words shall have the meanings ascribed herein unless the context  
298 clearly requires otherwise:

299 (a) "Department" means the Department of Environmental  
300 Quality.

301 (b) (i) "Allowable costs" means amounts that are paid  
302 or incurred on or after July 1, 2007, for construction or  
303 rehabilitation, commissioning costs, interest paid or incurred  
304 during the construction or rehabilitation period, architectural,  
305 engineering or other fees able to be allocated to construction or  
306 rehabilitation, closing costs for construction, rehabilitation, or  
307 mortgage loans, recording taxes and filing fees incurred with  
308 respect to construction or rehabilitation, finishes and  
309 furnishings consistent with the regulations adopted by the  
310 department under this section, lighting, plumbing, electrical  
311 wiring, and ventilation.

312 (ii) "Allowable costs" does not include: the cost  
313 of telephone systems and computers, other than electrical wiring  
314 costs, legal fees allocable to construction or rehabilitation,  
315 site costs, including temporary electric wiring, scaffolding,  
316 demolition costs, and fencing and security facilities, finishes or  
317 furnishings that are not consistent with the regulations adopted  
318 by the department under this section, the cost of purchasing or  
319 installing fuel cells, wind turbines, or photovoltaic module.

320 (c) "Applicable energy efficiency standards" means  
321 ASHRAE/IESNA Standard 90.1-1999, Energy Standard for Buildings  
322 Except Low-Rise Residential Buildings, published by the American  
323 Society of Heating, Refrigerating and Air-Conditioning Engineers  
324 and the Leadership in Energy and Environmental Design (LEED) Green  
325 Building Rating System and any applicable standard established by  
326 the federal Department of Energy.

327 (d) "Base building" means all areas of a building not  
328 intended for occupancy by a tenant or owner, including the  
329 structural components of the building, exterior walls, floors,  
330 windows, roofs, foundations, chimneys and stacks, parking areas,  
331 mechanical rooms and mechanical systems, and owner-controlled or

332 operated service spaces, sidewalks, main lobby, shafts and  
333 vertical transportation mechanisms, stairways, and corridors.

334 (e) "Commissioning" has the following meanings: (i) the  
335 testing and fine-tuning of heat, ventilating, and air-conditioning  
336 systems and other systems to assure proper functioning and  
337 adherence to design criteria; and (ii) the preparation of system  
338 operation manuals and instruction of maintenance personnel.

339 (f) "Credit allowance year" means the later of: (i)  
340 the taxable year during which the property, construction,  
341 completion, or rehabilitation on which the credit allowed under  
342 this section is based is originally placed in service; or a fuel  
343 cell, wind turbine, or photovoltaic module constitutes a  
344 qualifying alternate energy source and is fully operational;  
345 or the earliest taxable year for which the credit may be claimed  
346 under the initial credit certificate issued under subsection (k)  
347 of this section.

348 (g) "Eligible building" means a building located in the  
349 state that:

350 (i) Is a building used primarily for residential  
351 purposes;

352 (ii) 1. Is a building used primarily for  
353 nonresidential purposes if the building contains at least twenty  
354 thousand (20,000) square feet of interior space; or 2. Is a  
355 residential multifamily building with at least twelve (12)  
356 dwelling units that contains at least twenty thousand (20,000)  
357 square feet of interior space; or 3. Is any combination of  
358 buildings described in this subparagraph (g);

359 (iii) Is a newly constructed building for which a  
360 certificate of occupancy was not issued before the effective date  
361 of this act, and: 1. Is located on a qualified brownfields site,  
362 as defined under state law; 2. Is located in a priority funding  
363 area and is not located on wetlands, the alteration of which

364 requires a permit under § 404 of the federal Clean Water Act, 33  
365 USCS § 1344; or

366 (iv) Is a rehabilitated building that is not an  
367 increase of more than twenty-five percent (25%) in the square  
368 footage of the building, meet applicable energy efficiency  
369 standards.

370 (h) "Fuel cell" means a device that produces  
371 electricity directly from hydrogen or hydrocarbon fuel through a  
372 noncombustive electrochemical process.

373 (i) "Green base building" means a base building that is  
374 part of an eligible building and meets the requirements set out in  
375 this section.

376 (j) "Green whole building" means a building for which  
377 the base building is a green base building and all space is green  
378 space.

379 (k) "Green tenant space" means tenant space in a  
380 building if the building is an eligible building and the tenant  
381 space meets the requirements of this section.

382 (l) "Incremental cost of building-integrated  
383 photovoltaic modules" means:

384 (i) The cost of building-integrated photovoltaic  
385 modules and any associated inverter, additional wiring or other  
386 electrical equipment for the photovoltaic modules, or additional  
387 mounting or structural materials, less the cost of spandrel glass  
388 or other building material that would have been used if  
389 building-integrated photovoltaic modules were not installed;

390 (ii) Incremental labor costs properly allocable to  
391 on-site preparation, assembly, and original installation of  
392 photovoltaic modules; and

393 (iii) Incremental costs of architectural and  
394 engineering services and designs and plans directly related to the  
395 construction or installation of photovoltaic modules.

396 (m) "Qualifying alternate energy sources" means  
397 building-integrated and nonbuilding-integrated photovoltaic  
398 modules, wind turbines, and fuel cells installed to serve the base  
399 building or tenant space that:

400 (i) Have the capability to monitor their actual  
401 power output;

402 (ii) Are fully commissioned upon installation, and  
403 annually thereafter, to ensure that the systems meet their design  
404 specifications; and

405 (iii) In the case of wind turbines, meet any  
406 applicable noise ordinances.

407 (n) "Tenant improvements" means improvements that are  
408 necessary or appropriate to support or conduct the business of a  
409 tenant or occupying owner.

410 (o) "Tenant space" means the portion of a building  
411 intended for occupancy by a tenant or occupying owner.

412 (2) **Credit authorized.** (a) An individual or a corporation  
413 may claim a credit against the state income tax as provided under  
414 this section for green buildings and green building components.

415 (b) If the credit allowed under this section exceeds  
416 the state income tax, any unused credit may be carried forward and  
417 applied for succeeding taxable years until the earlier of:

418 (i) The full amount of the credit is used; or

419 (ii) The expiration of the tenth (10th) year after  
420 the taxable year for which the credit was allowed.

421 (c) For each of the credits under this section, the  
422 credit may not be allowed for any taxable year unless:

423 (i) The taxpayer has obtained and filed an initial  
424 credit certificate and an eligibility certificate issued under  
425 this section;

426 (ii) A certificate of occupancy for the building  
427 has been issued; and

428 (iii) The property with respect to which the  
429 credit is claimed is in service during the taxable year.

430 (d) The total amount allowed in the aggregate for all  
431 credits under this section may not exceed the maximum set forth in  
432 the initial credit certificate obtained under this section.

433 (e) In determining the amount of the credits under this  
434 section, a cost paid or incurred may not be the basis for more  
435 than one credit.

436 (3) **Amount of credit - Green whole building.** (a) For the  
437 taxable year that is the credit allowance year, an owner or tenant  
438 may claim a credit in an amount equal to ten percent (10%) of the  
439 allowable costs paid or incurred by the owner or tenant for the  
440 construction of a green whole building or the rehabilitation of a  
441 building that is not a green whole building to be a green whole  
442 building.

443 (b) The allowable costs used to determine the credit  
444 amount allowed under this subsection for a green whole building  
445 may not exceed in the aggregate:

446 (i) One Hundred Twenty Dollars (\$120) per square  
447 foot for that portion of the building that comprises the base  
448 building; and

449 (ii) Sixty Dollars (\$60) per square foot for that  
450 portion of the building that comprises the tenant space.

451 (4) **Amount of credit - Green base building.** (a) For the  
452 taxable year that is the credit allowance year, an owner may claim  
453 a credit in an amount equal to ten percent (10%) of the allowable  
454 costs paid or incurred by the owner for the construction of a  
455 green base building or the rehabilitation of a building that is  
456 not a green base building to be a green base building.

457 (b) The allowable costs used to determine the credit  
458 amount allowed under this subsection for a green base building may  
459 not exceed, in the aggregate, One Hundred Twenty Dollars (\$120.00)  
460 per square foot.

461           (5) **Amount of credit - Green tenant space.** (a) For the  
462 taxable year that is the credit allowance year, an owner or tenant  
463 may claim a credit in an amount equal to six percent (6%) of the  
464 allowable costs for tenant improvements paid or incurred by the  
465 owner or tenant in the construction or completion of green tenant  
466 space or the rehabilitation of tenant space that is not green  
467 tenant space to be green tenant space.

468                   (b) (i) The allowable costs used to determine the  
469 credit amount allowed under this subsection for green tenant space  
470 may not exceed, in the aggregate, Sixty Dollars (\$60) per square  
471 foot.

472                           (ii) If an owner and tenant both incur allowable  
473 costs for tenant improvements under this subsection and the costs  
474 exceed Sixty Dollars (\$60) per square foot in the aggregate, the  
475 owner has priority as to costs constituting the basis for the  
476 green tenant space credit under this subsection.

477                   (c) The credit under this subsection for green tenant  
478 space may not be claimed by an owner of a building that occupies  
479 fewer than ten thousand (10,000) square feet of the building.

480                   (d) The credit under this subsection for green tenant  
481 space may not be claimed by a tenant that occupies fewer than five  
482 thousand (5,000) square feet.

483           (6) **Amount of credit - Fuel cell.** (a) For the taxable year  
484 that is the credit allowance year, an owner or tenant may claim a  
485 credit in the amount determined under this subsection for the  
486 installation of a fuel cell that is a qualifying alternate energy  
487 source and is installed to serve a green whole building, green  
488 base building, or green tenant space.

489                   (b) The amount of the credit allowed under this  
490 subsection is twenty percent (20%) of the sum of the capitalized  
491 costs paid or incurred by an owner or tenant with respect to each  
492 fuel cell installed, including the cost of the foundation or  
493 platform and the labor costs associated with installation.

494 (c) The costs used to determine the credit amount  
495 allowed under this subsection for installation of a fuel cell:

496 (i) May not exceed One Thousand Dollars (\$1,000)  
497 per kilowatt of installed DC rated capacity of the fuel cell; and

498 (ii) Shall be reduced by the amount of any  
499 federal, State, or local grant:

500 1. Received by the taxpayer and used for the  
501 purchase or installation of the fuel cell; and

502 2. Not included in the federal gross income  
503 of the taxpayer.

504 (7) **Amount of credit - Photovoltaic modules.** (a) For the  
505 taxable year that is the credit allowance year, an owner or tenant  
506 may claim a credit in the amount determined under this subsection  
507 for the installation of photovoltaic modules that constitute a  
508 qualifying alternate energy source and are installed to serve a  
509 green whole building, green base building, or green tenant space

510 (b) The amount of the credit allowed under this  
511 subsection is:

512 (i) Twenty percent (20%) of the incremental cost  
513 paid or incurred by an owner or tenant for building-integrated  
514 photovoltaic modules; and

515 (ii) Twenty-five (25%) of the cost of  
516 nonbuilding-integrated photovoltaic modules, including the cost of  
517 the foundation or platform and the labor costs associated with  
518 installation.

519 (c) The costs used to determine the credit amount  
520 allowed under this subsection for installation of photovoltaic  
521 modules:

522 (i) May not exceed the product obtained by  
523 multiplying Three Dollars (\$3) times the number of watts included  
524 in the DC rated capacity of the photovoltaic modules; and

525 (ii) Shall be reduced by the amount of any  
526 federal, state, or local grant:

527                   1. Received by the taxpayer and used for the  
528 purchase or installation of the photovoltaic equipment; and

529                   2. Not included in the federal gross income  
530 of the taxpayer.

531           (d) A credit may not be claimed under this subsection  
532 for the installation of photovoltaic modules if the credit under  
533 subtitle is claimed with respect to the photovoltaic modules.

534           (8) **Amount of credit - Wind turbine.** (a) For the taxable  
535 year that is the credit allowance year, an owner or tenant may  
536 claim a credit in the amount determined under this subsection for  
537 the installation of a wind turbine that is a qualifying alternate  
538 energy source and is installed to serve a green whole building,  
539 green base building, or green tenant space.

540           (b) The amount of the credit allowed under this  
541 subsection is twenty-five percent (25%) of the sum of the  
542 capitalized costs paid or incurred by an owner or tenant with  
543 respect to each wind turbine installed, including the cost of the  
544 foundation or platform and the labor costs associated with  
545 installation.

546           (9) **Regulations - Green base building.** (a) By regulation,  
547 the department shall adopt applicable energy efficiency standards  
548 for a building to qualify as a green base building eligible for  
549 the tax credits under this section that are consistent with the  
550 criteria for green base buildings set forth by the United States  
551 Green Building Council or other similar criteria.

552           (b) The regulations adopted under this subsection shall  
553 provide that the energy use shall be no more than sixty-five  
554 percent (65%) for new construction of a base building, or  
555 seventy-five percent (75%) in the case of rehabilitation of a base  
556 building, of the energy use attributable to a reference building  
557 which meets the requirements of applicable energy efficiency  
558 standards.

559           (10) **Regulations - Green tenant.** (a) By regulation, the  
560 department shall adopt standards for tenant space to qualify as  
561 green tenant space eligible for the tax credits under this section  
562 that are consistent with the criteria for green tenant space set  
563 forth by the United States Green Building Council or other similar  
564 criteria.

565           (b) The regulations adopted under this subsection shall  
566 provide that the energy use shall be no more than sixty-five  
567 percent (65%) for new construction, or seventy-five percent (75%)  
568 in the case of rehabilitation, of the energy use attributable to a  
569 reference building which meets the requirements of applicable  
570 energy efficiency standards.

571           (11) **Initial credit certificate; eligibility certificate;**  
572 **written report.** (1) (a) On application by a taxpayer, the  
573 Department shall issue an initial credit certificate if the  
574 taxpayer has made a showing that the taxpayer is likely within a  
575 reasonable time to place in service property for which a credit  
576 under this section would be allowed.

577           (b) The initial credit certificate issued under this  
578 paragraph:

579                   (i) Shall state the earliest taxable year for  
580 which the credit may be claimed and an expiration date; and

581                   (ii) Shall apply only to property placed in  
582 service on or before the expiration date.

583           (c) To avoid unwarranted hardship, the Department at  
584 its discretion may extend the expiration date stated under an  
585 initial credit certificate.

586           (d) The initial credit certificate shall state the  
587 maximum amount of credit allowable in the aggregate for all  
588 credits allowed under this section.

589           (e) The department may not issue initial credit  
590 certificates during a state fiscal year, in the aggregate, for

591 more than Twenty-five Million Dollars (\$25,000,000) worth of  
592 credits.

593 (f) Except as otherwise provided in this section,  
594 initial credit certificates shall be limited in their  
595 applicability, as follows:

596 Credits in the aggregate may	With respect to taxable
597 not be allowed for more than:	years beginning:
598 \$1 million	2006
599 \$2 million	2007
600 \$3 million	2008
601 \$4 million	2009
602 \$5 million	2010
603 \$4 million	2011
604 \$3 million	2012
605 \$2 million	2013
606 \$1 million	2014

607 (g) As of the end of a calendar year, if certificates  
608 for credit amounts totaling less than the amount permitted with  
609 respect to taxable years beginning in that calendar year have been  
610 issued, the maximum amount that may be allowed for taxable years  
611 beginning in the subsequent calendar year shall be increased by  
612 the amount of the preceding year's shortfall.

613 (h) The department may not issue an initial credit  
614 certificate after December 31, 2011.

615 (i) On January 1, 2008, and each year thereafter, the  
616 department shall provide to the Tax Commission a list of all  
617 taxpayers in the prior taxable year that have been issued an  
618 initial credit certificate and shall specify for each taxpayer the  
619 earliest taxable year for which the credit may be claimed and the  
620 maximum amount of the credit allowable in the aggregate for all  
621 credits allowed under this section.

622 (2) (a) For each taxable year for which a taxpayer claims a  
623 credit under this section with respect to a green whole building,

624 green base building, green tenant space, fuel cell, photovoltaic  
625 module, or wind turbine, the taxpayer shall obtain an eligibility  
626 certificate from an architect or professional engineer licensed to  
627 practice in this state.

628 (b) An eligibility certificate issued under this  
629 paragraph shall consist of a certification, under the seal of the  
630 architect or engineer, that the property that is the basis for the  
631 credit that is claimed is in service and that:

632 (i) The building, base building, or tenant space  
633 with respect to which the credit is claimed is a green whole  
634 building, green base building, or green tenant space;

635 (ii) Any fuel cell, photovoltaic module, or wind  
636 turbine with respect to which the credit is claimed constitutes a  
637 qualifying alternate energy source and is fully operational;

638 (iii) The certification under subparagraph (ii) of  
639 this paragraph:

640 1. Shall be made in accordance with the  
641 regulations adopted by the department under this section  
642 specifying the standards and guidelines for each credit under this  
643 section; and

644 2. Shall set forth the specific findings on  
645 which the certification was based.

646 (iv) The taxpayer shall file the eligibility  
647 certificate and the associated initial credit certificate with the  
648 taxpayer's income tax return and shall file duplicate copies of  
649 the eligibility certificate with the department; and

650 (v) The eligibility certificate shall include:

651 1. Sufficient information to identify each  
652 building or space; and

653 2. Any other information that the department  
654 or the Tax Commission requires by regulation.

655 (3) If the department has reason to believe that an  
656 architect or professional engineer, in making any certification

657 under this subsection, engaged in professional misconduct, the  
658 department shall inform the appropriate professional board of the  
659 suspected misconduct.

660 (4) (a) The department may adopt regulations necessary to  
661 carry out the provisions of this section.

662 (b) Regulations adopted under this section shall  
663 construe the provisions of this section in such a manner as to  
664 encourage the development of green whole buildings, green base  
665 buildings, and green tenant space and to maintain high, but  
666 commercially reasonable, standards for obtaining tax credits under  
667 this section.

668 (5) On or before April 1, 2008, the Tax Commission and the  
669 department, jointly and in consultation with the Department of the  
670 Environment, shall submit to the Legislature:

671 (a) The number of certifications and taxpayers claiming  
672 the credit under this section;

673 (b) The amount of the credits claimed;

674 (c) The geographical distribution of the credits  
675 claimed; and

676 (d) Any other available information the department  
677 determines to be meaningful and appropriate.

678 (6) The Tax Commission shall ensure that the information is  
679 presented and classified in a manner consistent with the  
680 confidentiality of tax return information.

681 **SECTION 23.** (1) The Legislature finds and determines that  
682 the petroleum industry is an essential element of the Mississippi  
683 economy and is therefore of vital importance to the health and  
684 welfare of all Mississippians.

685 The Legislature further finds and determines that a complete  
686 and thorough understanding of the operations of the petroleum  
687 industry is required by state government at all times to enable it  
688 to respond to possible shortages, oversupplies or other  
689 disruptions and to assess whether all consumers including

690 emergency service agencies, state and local government agencies,  
691 and agricultural and business consumers of petroleum products have  
692 adequate and economic supplies of fuel.

693       (2) The Attorney General is authorized to monitor petroleum  
694 based fuel prices throughout the state, using the Oil Price  
695 Information Services (OPIS) or any other service, approved by the  
696 Attorney General, that monitors petroleum based fuel prices  
697 throughout the state. The Attorney General may promulgate such  
698 rules and regulations necessary to effectuate only his authority  
699 to monitor petroleum based fuel prices.

700       **SECTION 24.** This act shall take effect and be in force from  
701 and after July 1, 2007.