

By: Representatives Lamar, White, Clark

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1354

1 AN ACT TO AMEND SECTION 7, CHAPTER 483, LAWS OF 2022, TO  
2 INCREASE THE AMOUNT OF STATE REVENUE BONDS THAT MAY BE ISSUED TO  
3 PROVIDE FUNDS FOR THE ABC WAREHOUSE CONSTRUCTION FUND TO ASSIST IN  
4 PAYING THE COSTS ASSOCIATED WITH LAND ACQUISITION FOR, AND THE  
5 DESIGN, CONSTRUCTION, FURNISHING AND EQUIPPING OF A NEW WAREHOUSE  
6 FOR THE DEPARTMENT OF REVENUE'S ALCOHOLIC BEVERAGE CONTROL  
7 DIVISION; TO AMEND SECTION 27-71-11, MISSISSIPPI CODE OF 1972, TO  
8 INCREASE THE AMOUNT OF THE BAILMENT FEE CHARGED BY THE DEPARTMENT  
9 OF REVENUE ON CASES OF STORED ALCOHOLIC BEVERAGES FOR THE PURPOSE  
10 OF PROVIDING FUNDS FOR THE PAYMENT OF THE DEBT SERVICE ON SUCH  
11 BONDS; TO AMEND SECTION 67-1-203, TO PROVIDE THAT THE DEPARTMENT  
12 OF FINANCE AND ADMINISTRATION SHALL SELECT A SITE AT THE HOLMES  
13 COUNTY INDUSTRIAL PARK IN HOLMES COUNTY, MISSISSIPPI, FOR THE  
14 CONSTRUCTION OF A NEW WAREHOUSE FOR THE DEPARTMENT OF REVENUE'S  
15 ALCOHOLIC BEVERAGE CONTROL DIVISION WAREHOUSE, AND THAT A CONTRACT  
16 FOR WAREHOUSE CONSTRUCTION SHALL BE ENTERED INTO NOT LATER THAN  
17 SEPTEMBER 1, 2024; TO AMEND SECTION 67-1-205, MISSISSIPPI CODE OF  
18 1972, TO REVISE CERTAIN PROVISIONS REGARDING THE OPERATION OF THE  
19 WAREHOUSE FOR THE DEPARTMENT OF REVENUE'S ALCOHOLIC BEVERAGE  
20 CONTROL DIVISION; TO BRING FORWARD SECTION 67-1-209, MISSISSIPPI  
21 CODE OF 1972, WHICH RELATES TO THE WAREHOUSE FOR THE DEPARTMENT OF  
22 REVENUE'S ALCOHOLIC BEVERAGE CONTROL DIVISION, FOR THE PURPOSES OF  
23 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** Section 7, Chapter 483, Laws of 2022, is amended  
26 as follows:



27           **Section 7. Revenue bonds.** (1) As used in this section, the  
28 following words shall have the meanings ascribed herein unless the  
29 context clearly requires otherwise:

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

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

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

39           (2) (a) Monies deposited into the ABC Warehouse  
40 Construction Fund created in Section 6(1) of this act shall be  
41 disbursed, in the discretion of the Department of Finance and  
42 Administration, to assist in paying the costs associated with land  
43 acquisition for, and the design, construction, furnishing and  
44 equipping of, a new warehouse for the Department of Revenue's  
45 Alcoholic Beverage Control Division.

46           (b) Amounts deposited into the ABC Warehouse  
47 Construction Fund created in Section 6(1) of this act shall be  
48 disbursed to pay the costs of the projects described in paragraph  
49 (a) of this subsection. Promptly after the commission has  
50 certified, by resolution duly adopted, that the projects described  
51 in paragraph (a) of this subsection have been completed,



52 abandoned, or cannot be completed in a timely fashion, any amounts  
53 remaining in such special fund shall be applied to pay debt  
54 service on the bonds issued under this section, in accordance with  
55 the proceedings authorizing the issuance of such bonds and as  
56 directed by the commission.

57 (3) For the purpose of providing for the payment of the  
58 principal of and interest upon bonds issued under this section,  
59 there is created a special bond sinking fund in the State  
60 Treasury. The special bond sinking fund shall consist of such  
61 amounts as may be paid into such fund under this act, by  
62 appropriation or by other authorization by the Legislature.  
63 Except as otherwise provided in this section, monies in the  
64 special bond sinking fund shall be used to pay the debt service  
65 requirements of the bonds issued under this section. If the  
66 special bond sinking fund has a balance below the minimum amount  
67 specified in the resolution providing for the issuance of the  
68 bonds, or below one and one-half (1-1/2) times the amount needed  
69 to pay the annual debt obligations related to the bonds issued  
70 under this section, whichever is the lesser amount, the  
71 Commissioner of Revenue shall transfer the deficit amount to the  
72 bond sinking fund from revenue derived from the twenty-seven and  
73 one-half percent (27-1/2%) markup provided for in Section  
74 27-71-11. Unexpended amounts remaining in the special bond  
75 sinking fund at the end of a fiscal year shall not lapse into the  
76 State General Fund, and any interest earned or investment earnings



77 on amounts in the special bond sinking fund shall be deposited  
78 into such sinking fund. If the special bond sinking fund has a  
79 balance in excess of the amount needed to pay the debt service and  
80 meet the obligations related to the bonds issued under this  
81 section, as determined in the resolution providing for the  
82 issuance of the bonds, the excess monies shall be transferred to  
83 the State General Fund.

84 (4) (a) The commission, at one time, or from time to time,  
85 may declare by resolution the necessity for issuance of revenue  
86 bonds of the State of Mississippi to provide funds for all costs  
87 incurred or to be incurred for the purposes described in  
88 subsection (2) of this section. Upon the adoption of a resolution  
89 by the Department of Finance and Administration, declaring the  
90 necessity for the issuance of any part or all of the revenue bonds  
91 authorized by this subsection, the Department of Finance and  
92 Administration shall deliver a certified copy of its resolution or  
93 resolutions to the commission. Upon receipt of such resolution,  
94 the commission, in its discretion, may act as the issuing agent,  
95 prescribe the form of the bonds, determine the appropriate method  
96 for sale of the bonds, advertise for and accept bids or negotiate  
97 the sale of the bonds, issue and sell the bonds so authorized to  
98 be sold, and do any and all other things necessary and advisable  
99 in connection with the issuance and sale of such bonds. The total  
100 amount of bonds issued under this section shall not exceed \* \* \*  
101 Ninety-five Million Dollars (\$95,000,000.00).



102           (b) Any investment earnings on amounts deposited into  
103 the ABC Warehouse Construction Fund created in Section 6(1) of  
104 this act shall be used to pay debt service on bonds issued under  
105 this section, in accordance with the proceedings authorizing  
106 issuance of such bonds.

107           (5) The principal of and interest on the bonds authorized  
108 under this section shall be payable in the manner provided in this  
109 subsection. Such bonds shall bear such date or dates, be in such  
110 denomination or denominations, bear interest at such rate or rates  
111 (not to exceed the limits set forth in Section 75-17-101,  
112 Mississippi Code of 1972), be payable at such place or places  
113 within or without the State of Mississippi, shall mature  
114 absolutely at such time or times not to exceed twenty-five (25)  
115 years from date of issue, be redeemable before maturity at such  
116 time or times and upon such terms, with or without premium, shall  
117 bear such registration privileges, and shall be substantially in  
118 such form, all as shall be determined by resolution of the  
119 commission.

120           (6) The bonds authorized by this section shall be signed by  
121 the chairman of the commission, or by his facsimile signature, and  
122 the official seal of the commission shall be affixed thereto,  
123 attested by the secretary of the commission. The interest  
124 coupons, if any, to be attached to such bonds may be executed by  
125 the facsimile signatures of such officers. Whenever any such  
126 bonds have been signed by the officials designated to sign the



127 bonds who were in office at the time of such signing, but who may  
128 have ceased to be such officers before the sale and delivery of  
129 such bonds, or who may not have been in office on the date such  
130 bonds may bear, the signatures of such officers upon such bonds  
131 and coupons shall nevertheless be valid and sufficient for all  
132 purposes and have the same effect as if the person so officially  
133 signing such bonds had remained in office until their delivery to  
134 the purchaser, or had been in office on the date such bonds may  
135 bear. However, notwithstanding anything herein to the contrary,  
136 such bonds may be issued as provided in the Registered Bond Act of  
137 the State of Mississippi.

138 (7) All bonds and interest coupons issued under the  
139 provisions of this section have all the qualities and incidents of  
140 negotiable instruments under the provisions of the Uniform  
141 Commercial Code, and in exercising the powers granted by this  
142 section, the commission shall not be required to and need not  
143 comply with the provisions of the Uniform Commercial Code.

144 (8) The commission shall act as issuing agent for the bonds  
145 authorized under this section, prescribe the form of the bonds,  
146 determine the appropriate method for sale of the bonds, advertise  
147 for and accept bids or negotiate the sale of the bonds, issue and  
148 sell the bonds so authorized to be sold, pay all fees and costs  
149 incurred in such issuance and sale, and do any and all other  
150 things necessary and advisable in connection with the issuance and  
151 sale of such bonds. The commission is authorized and empowered to



152 pay the costs that are incident to the sale, issuance and delivery  
153 of the bonds authorized under this section from the proceeds  
154 derived from the sale of such bonds. The commission may sell such  
155 bonds on sealed bids at public sale or may negotiate the sale of  
156 the bonds for such price as it may determine to be for the best  
157 interest of the State of Mississippi. All interest accruing on  
158 such bonds so issued shall be payable semiannually or annually.

159 If such bonds are sold by sealed bids at public sale, notice  
160 of the sale shall be published at least one time, not less than  
161 ten (10) days before the date of sale, and shall be so published  
162 in one or more newspapers published or having a general  
163 circulation in the City of Jackson, Mississippi, selected by the  
164 commission.

165 The commission, when issuing any bonds under the authority of  
166 this section, may provide that bonds, at the option of the State  
167 of Mississippi, may be called in for payment and redemption at the  
168 call price named therein and accrued interest on such date or  
169 dates named therein.

170 (9) The bonds issued under the provisions of this section  
171 shall be revenue bonds of the state, the principal of and interest  
172 on which shall be payable solely from and shall be secured by the  
173 special bond sinking fund created in subsection (3) of this  
174 section. The bonds shall never constitute an indebtedness of the  
175 state within the meaning of any state constitutional provision or  
176 statutory limitation, and shall never constitute or give rise to a



177 pecuniary liability of the state, or a charge against its general  
178 credit or taxing powers, and such fact shall be plainly stated on  
179 the face of each such bond. The bonds shall not be considered  
180 when computing any limitation of indebtedness of the state. All  
181 bonds issued under the authority of this section and all interest  
182 coupons applicable thereto shall be construed to be negotiable  
183 instruments, despite the fact that they are payable solely from a  
184 specified source.

185 (10) Upon the issuance and sale of bonds under the  
186 provisions of this section, the commission shall transfer the  
187 proceeds of any such sale or sales to the ABC Warehouse  
188 Construction Fund created in Section 6(1) of this act. The  
189 proceeds of such bonds shall be disbursed solely upon the order of  
190 the Department of Finance and Administration under such  
191 restrictions, if any, as may be contained in the resolution  
192 providing for the issuance of the bonds.

193 (11) The bonds authorized under this section may be issued  
194 without any other proceedings or the happening of any other  
195 conditions or things other than those proceedings, conditions and  
196 things which are specified or required by this section. Any  
197 resolution providing for the issuance of bonds under the  
198 provisions of this section shall become effective immediately upon  
199 its adoption by the commission, and any such resolution may be  
200 adopted at any regular or special meeting of the commission by a  
201 majority of its members.





202           (12) The bonds authorized under the authority of this  
203 section may be validated in the Chancery Court of the First  
204 Judicial District of Hinds County, Mississippi, in the manner and  
205 with the force and effect provided by Title 31, Chapter 13,  
206 Mississippi Code of 1972, for the validation of county, municipal,  
207 school district and other bonds. The notice to taxpayers required  
208 by such statutes shall be published in a newspaper published or  
209 having a general circulation in the City of Jackson, Mississippi.

210           (13) Any holder of bonds issued under the provisions of this  
211 section or of any of the interest coupons pertaining thereto may,  
212 either at law or in equity, by suit, action, mandamus or other  
213 proceeding, protect and enforce any and all rights granted under  
214 this section, or under such resolution, and may enforce and compel  
215 performance of all duties required by this section to be  
216 performed, in order to provide for the payment of bonds and  
217 interest thereon.

218           (14) All bonds issued under the provisions of this section  
219 shall be legal investments for trustees and other fiduciaries, and  
220 for savings banks, trust companies and insurance companies  
221 organized under the laws of the State of Mississippi, and such  
222 bonds shall be legal securities which may be deposited with and  
223 shall be received by all public officers and bodies of this state  
224 and all municipalities and political subdivisions for the purpose  
225 of securing the deposit of public funds.



226 (15) Bonds issued under the provisions of this section and  
227 income therefrom shall be exempt from all taxation in the State of  
228 Mississippi.

229 (16) The proceeds of the bonds issued under this section  
230 shall be used solely for the purposes herein provided, including  
231 the costs incident to the issuance and sale of such bonds.

232 (17) The State Treasurer is authorized, without further  
233 process of law, to certify to the Department of Finance and  
234 Administration the necessity for warrants. The Department of  
235 Finance and Administration is authorized and directed to issue  
236 such warrants, in such amounts as may be necessary to pay when due  
237 the principal of, premium, if any, and interest on, or the  
238 accreted value of, all bonds issued under this section. The State  
239 Treasurer shall forward the necessary amount to the designated  
240 place or places of payment of such bonds in ample time to  
241 discharge such bonds, or the interest thereon, on the due dates  
242 thereof.

243 (18) This section shall be deemed to be full and complete  
244 authority for the exercise of the powers herein granted, but this  
245 section shall not be deemed to repeal or to be in derogation of  
246 any existing law of this state.

247 **SECTION 2.** Section 27-71-11, Mississippi Code of 1972, is  
248 amended as follows:

249 27-71-11. (1) The department shall from time to time by  
250 resolution request the State Bond Commission to provide sufficient



251 funds required to maintain an adequate alcoholic beverage  
252 inventory. Said funds shall be provided under the provisions of  
253 Chapter 557, Laws of 1966.

254 (2) The department shall add to the cost of all alcoholic  
255 beverages a markup of twenty-seven and one-half percent (27-1/2%),  
256 inclusive of the three percent (3%) markup imposed by Section  
257 27-71-7(2).

258 (3) In addition to other excise taxes and markups imposed in  
259 this section and in Section 27-71-7, the department shall add to  
260 the cost of all alcoholic beverages shipped a charge of  
261 Twenty-five Cents (25¢) per case, to be deposited into the ABC  
262 Warehouse Improvements Fund created in Section 67-1-211(2).  
263 However, any unobligated amounts above Ten Million Dollars  
264 (\$10,000,000.00) remaining in the ABC Warehouse Improvements Fund  
265 at the end of a fiscal year shall be transferred to the State  
266 General Fund.

267 (4) Notwithstanding the contract for warehouse and  
268 distribution operations under Section 67-1-205, the department  
269 shall remain responsible for purchasing and selling alcoholic  
270 beverages. The department shall sell alcoholic beverages at  
271 uniform prices throughout the state. Pricing for all alcoholic  
272 beverages shall be set by the addition of the markup and taxes to  
273 the price at which the beverages were purchased by the department.

274 (5) A permittee's order shall qualify for shipping when it  
275 includes the minimum number of cases of alcoholic beverages as set



276 by the department. The department shall place qualifying orders  
277 in a queue for shipment in the order in which the orders are made.  
278 An order of fewer than the minimum number of cases, and special  
279 orders, shall be added to the permittee's next qualified shipment.  
280 The department shall give sufficient notice of any change in the  
281 minimum number of cases for shipping and shall allow the  
282 opportunity for comment.

283 (6) The department shall set a per-case shipping fee to be  
284 charged to permittees. The department shall adjust the fee to  
285 match, as closely as possible, the shipping costs as defined in  
286 Section 67-1-201. The shipping fee charged under this subsection  
287 shall be deposited to the credit of the ABC Shipping Fund created  
288 in Section 27-71-29.

289 (7) The department shall charge manufacturers a bailment fee  
290 of \* \* \* One Dollar and Seventy-three Cents (\$1.73) per case of  
291 alcoholic beverages stored in the warehouse, to be deposited to  
292 the credit of the bond sinking fund created in Section 7(3) of  
293 Chapter 483, Laws of 2022.

294 **SECTION 3.** Section 67-1-203, Mississippi Code of 1972, is  
295 amended as follows:

296 67-1-203. **Warehouse construction.** (1) The Department of  
297 Finance and Administration, using the monies available in the ABC  
298 Warehouse Construction Fund created in Section 67-1-211(1) and  
299 such other monies as the Legislature may make available, shall  
300 purchase land for and shall provide for the design and



301 construction of a warehouse for the division in the most expedient  
302 and cost-effective manner practicable as determined by the  
303 Executive Director of the Department of Finance and  
304 Administration.

305 (2) The Department of Finance and Administration shall  
306 select a \* \* \* site for the warehouse \* \* \* at the Holmes County  
307 Industrial Park located west of Interstate 55 on Mississippi  
308 Highway 12 in Holmes County, Mississippi, as such location is the  
309 approximate geographical center of the State of Mississippi.

310 \* \* \*

311 (3) The contract for design and construction shall provide  
312 that the operator shall be consulted so that the warehouse may, so  
313 far as possible, suit the preferences of the operator in  
314 furtherance of effective operations. The contract shall also  
315 provide that the design shall aim to fill demand for the next  
316 twenty-five (25) years.

317 (4) A contract for warehouse construction shall not be  
318 entered into unless the construction contractor has demonstrated:

319 (a) The qualifications, experience and management  
320 personnel necessary to carry out the terms of the contract;

321 (b) The ability to comply with applicable federal and  
322 state laws; and

323 (c) The ability to expedite the design and construction  
324 of facilities comparable to the warehouse.



325           (5) A contract for warehouse construction shall be entered  
326 into not later than September 1, 2024.

327           **SECTION 4.** Section 67-1-205, Mississippi Code of 1972, is  
328 amended as follows:

329           67-1-205. **Warehouse and distribution operations.** (1) The  
330 department shall contract for warehouse and distribution  
331 operations. The shipping contract in effect on July 1, 2022,  
332 shall remain in effect until the expiration of its term.

333           (2) The department shall pay regular maintenance expenses  
334 and shall reimburse the operator for services performed under the  
335 contract out of monies appropriated by the Legislature.

336           (3) The contract shall include the following terms:

337           (a) The department shall pay the operator cost-plus on  
338 these operations at a set dollar amount per case of alcoholic  
339 beverages sold. Otherwise, the contract shall not alter the  
340 current cash flow of operations;

341           (b) The operator shall be allotted a monthly spending  
342 limit for occasional improvements. The state may, at any time,  
343 review the operator's spending. The operator shall obtain prior  
344 state approval for any spending over the monthly limit set in the  
345 contract. The contract shall allow the operator to pay out of  
346 pocket, in which case the state will reimburse the operator on a  
347 monthly basis out of monies in the ABC Warehouse Improvements Fund  
348 created in Section 67-1-211(2);



349 (c) Shipping costs, where the contract encompasses  
350 shipping, shall be based on a set dollar amount per case of  
351 alcoholic beverages shipped from the warehouse to the permittee's  
352 premises;

353 (d) The department and the operator may provide for the  
354 operator's software to interface with the department's TAP system  
355 in a manner allowing for information sharing in furtherance of  
356 efficient operations while also protecting the security of the TAP  
357 system;

358 (e) The department shall develop quality and efficiency  
359 criteria for determining whether to renew a contract for warehouse  
360 and distribution operations;

361 (f) The obligation of the department to proceed under  
362 the contract is conditioned upon the appropriation of funds by the  
363 Legislature and the receipt of state or federal funds. If the  
364 funds anticipated for the continuing time fulfillment of the  
365 agreement are, at any time, not forthcoming or insufficient,  
366 either through the failure of the federal government to provide  
367 funds or of the State of Mississippi to appropriate funds, or the  
368 discontinuance or material alteration of the program under which  
369 funds were provided, or if funds are not otherwise available to  
370 the department, the department shall have the right, upon ten (10)  
371 working days' written notice to the operator, to terminate this  
372 agreement without damage, penalty, cost or other expenses to the



373 department of any kind whatsoever. The effective date of  
374 termination shall be as specified in the notice of termination;

375 (g) The state and the operator as parties to the  
376 contract and all terms of the contract shall be subject to and  
377 governed by the laws of the state at the time the contract is  
378 entered into, and any later amendments to such laws, through the  
379 duration of the contract; and

380 (h) The operator shall be required to comply with any  
381 duties, responsibilities, conditions or other provisions required  
382 by state law during the duration of the contract, regardless of  
383 whether such duties, responsibilities, conditions or other  
384 provisions were required by state law at the time the contract was  
385 entered into.

386 (4) The initial contract for operations shall terminate on  
387 the earlier of: (a) four (4) years from the date it commences; or  
388 (b) the last day of the use of the warehouse that is in service on  
389 July 1, 2022. The contract may be renewed for four (4) years,  
390 with another option to renew at the end of that four-year term.  
391 The department shall issue requests for proposals before entering  
392 any subsequent contract. Requests for proposals shall be required  
393 whenever a contract is not renewed, but no less frequently than  
394 every twelve (12) years.

395 (5) The contract shall provide that all employees needed for  
396 operations shall be employees of the operator. Unless otherwise  
397 provided for in the contract in existence on the effective date of





398 this act, employees of the operator needed for operations shall  
399 work no less than five (5) days a week. In addition, any contract  
400 entered into or renewed on or after the effective date of this  
401 act, shall provide that employees of the operator needed for  
402 operations shall work no less than five (5) days a week.

403 (6) A contract for warehouse and distribution operations  
404 shall not be entered into unless the operator has demonstrated:

405 (a) The qualifications, experience and management  
406 personnel necessary to carry out the terms of the contract; and

407 (b) The ability to comply with applicable federal and  
408 state laws.

409 (7) A contract for operations shall not be entered into  
410 unless the following requirements are met:

411 (a) In addition to fire and casualty insurance, the  
412 operator provides at least Ten Million Dollars (\$10,000,000.00) of  
413 liability insurance. The liability insurance shall be issued by  
414 an insurance company with a rating of at least an A- according to  
415 AM Best standards. In determining the adequacy of such insurance,  
416 the Department of Finance and Administration shall determine  
417 whether:

418 (i) The insurance is adequate to protect the state  
419 from any and all actions by a third party against the operator or  
420 the state as a result of the contract;



421                   (ii) The insurance is adequate to protect the  
422 state against any and all claims arising as a result of any  
423 occurrence during the term of the contract;

424                   (iii) The insurance is adequate to assure the  
425 operator's ability to fulfill its contract with the state in all  
426 respects, and to assure that the operator is not limited in this  
427 ability because of financial liability which results from  
428 judgments; and

429                   (iv) The insurance is adequate to satisfy such  
430 other requirements specified by the independent risk  
431 management/actuarial firm.

432                   (b) The sovereign immunity of the state shall not apply  
433 to the operator. Neither the operator nor the operator's insurer  
434 may plead the defense of sovereign immunity in any action arising  
435 out of the performance of the contract.

436                   (c) The operator shall post a performance bond to  
437 assure the operator's faithful performance of the specifications  
438 and conditions of the contract. The bond is required throughout  
439 the term of the contract. The terms and conditions must be  
440 approved by the department and the Department of Finance and  
441 Administration, and such approval is a condition precedent to the  
442 contract taking effect.

443                   (d) The operator shall defend any suit or claim brought  
444 against the state arising out of any act or omission in  
445 operations, and shall hold the state harmless from such claim or



446 suit. The operator shall be solely responsible for the payment of  
447 any legal or other costs relative to any such claim or suit. The  
448 operator shall reimburse the state for any costs that it may incur  
449 as a result of such claim or suit immediately upon being submitted  
450 a statement therefor by the Attorney General.

451 Any suit brought or claim made arising out of any act or  
452 omission in operations shall be made or brought against the  
453 operator and not the state.

454 The Attorney General retains all rights and emoluments of his  
455 or her office which include direction and control over any  
456 litigation or claim involving the state.

457 (8) From and after the effective date of this act, the  
458 department shall not take any action or exercise any authority  
459 relating to the operation, distribution activities or management  
460 of the warehouse that is in service on the effective date of this  
461 act.

462 **SECTION 5.** Section 67-1-209, Mississippi Code of 1972, is  
463 brought forward as follows:

464 67-1-209. **Contract compliance officer.** (1) The  
465 commissioner shall designate an employee of the department as a  
466 contract compliance officer within the department who shall  
467 monitor the contract between the state and the operator for  
468 warehouse and distribution operations, and shall assure operator  
469 compliance with its performance work statement.



470           (2) The contract compliance officer shall be responsible for  
471 monitoring all aspects of the warehouse. The officer shall be  
472 provided an on-site work area, shall be on site on a daily basis,  
473 and shall have access to all areas of the warehouse and staff at  
474 all times. The operator shall provide any and all data, reports  
475 and other materials that the contract compliance officer  
476 determines are necessary to carry out monitoring responsibilities  
477 under this section.

478           (3) The contract compliance officer shall report at least  
479 annually, or as requested, to the Governor and the Legislature.

480           **SECTION 6.** This act shall take effect and be in force from  
481 and after its passage.

