

By: Representative West

To: Ways and Means

HOUSE BILL NO. 1471

1 AN ACT TO CREATE THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE
2 ACT; TO ESTABLISH UNDER THE DIRECTION OF THE DEPARTMENT OF
3 ECONOMIC AND COMMUNITY DEVELOPMENT THE SOUTHWEST MISSISSIPPI
4 EMPOWERMENT ZONE GRANT PROGRAM FOR THE PURPOSE OF MAKING GRANTS TO
5 ELIGIBLE BUSINESSES FOR THE PURPOSE OF STIMULATING BUSINESS AND
6 INDUSTRIAL GROWTH IN THE SOUTHWEST MISSISSIPPI EMPOWERMENT ZONE;
7 TO ESTABLISH CERTAIN CRITERIA THAT A BUSINESS MUST MEET IN ORDER
8 TO BE ELIGIBLE FOR ASSISTANCE UNDER THIS ACT; TO REQUIRE THAT
9 UNDER CERTAIN CIRCUMSTANCES A BUSINESS RECEIVING ASSISTANCE SHALL
10 BE REQUIRED TO REPAY ALL OR A PORTION OF SUCH ASSISTANCE; TO
11 CREATE A SPECIAL FUND KNOWN AS THE SOUTHWEST MISSISSIPPI
12 EMPOWERMENT ZONE GRANT FUND INTO WHICH ALL MONEY RECEIVED FROM THE
13 ISSUANCE OF BONDS PURSUANT TO THIS ACT SHALL BE DEPOSITED; TO
14 PROVIDE FOR THE ISSUANCE OF \$35,000,000.00 IN STATE GENERAL
15 OBLIGATION BONDS TO FUND THE SOUTHWEST MISSISSIPPI EMPOWERMENT
16 ZONE GRANT PROGRAM; AND FOR RELATED PURPOSES.

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

18 SECTION 1. This act shall be known and may be cited as the
19 "Southwest Mississippi Empowerment Zone Act."

20 SECTION 2. As used in this act, the following words shall
21 have the meanings ascribed herein unless the context clearly
22 requires otherwise:

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

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

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

32 (d) "Eligible business" means any enterprise that will
33 employ and maintain a minimum of three hundred (300) people on a
34 full-time basis with an average hourly wage of at least Eight

Dollars (\$8.00) per hour, or any existing enterprise that expands or will expand which, with such expansion, will create a minimum number of one hundred fifty (150) new full-time jobs with an average hourly wage of at least Eight Dollars (\$8.00) per hour; except that new full-time jobs created in Adams County, Mississippi, by a new enterprise or by the expansion of an existing enterprise, must have an average hourly wage of at least Nine Dollars (\$9.00) per hour.

(e) "Southwest Mississippi Empowerment Zone" means the area comprised of the following counties in Mississippi: Adams County, Jefferson County, Amite County, Franklin County, Claiborne County and Wilkinson County.

SECTION 3. There is established under the direction of the Department of Economic and Community Development, a program to be known as the "Southwest Mississippi Empowerment Zone Grant Program" for the purpose of stimulating business and industrial growth in the Southwest Mississippi Empowerment Zone by providing financial assistance in the form of grants to businesses in the empowerment zone.

SECTION 4. There is created a special fund in the State Treasury to be designated as the "Southwest Mississippi Empowerment Zone Grant Fund," which shall consist of monies from the proceeds of bonds authorized to be issued under Sections 6 through 19 of this act. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the fund.

SECTION 5. (1) The Department of Economic and Community Development shall use monies in the Southwest Mississippi Empowerment Zone Grant Fund to provide grants to eligible businesses in the empowerment zone. No more than Twenty-five Million Dollars (\$25,000,000) may be disbursed from the fund to provide grants during the state's 2000 fiscal year and no more than Five Million Dollars (\$5,000,000.00) may be disbursed as grants during any subsequent fiscal year. Any business desiring assistance under this act may apply to the Department of Economic and Community Development for a grant under the Southwest Mississippi Empowerment Zone Grant Program. The application from

the business shall include:

(a) A description of the business and the type of industry in which it is engaged;

(b) The number of employees the business employs or intends to employ and the hourly wage for each employee;

(c) The amount of initial capital investment the business intends to make in the empowerment zone;

(d) A letter of intent from the business indicating that it is committed to remaining in the empowerment zone for at least five (5) years; and

(e) Any other information required by the Department of Economic and Community Development.

(2) If the Executive Director of the Department of Economic and Community Development determines that the applicant is an eligible business, the executive director shall authorize a grant to the eligible business in the amount of One Million Dollars (\$1,000,000.00) for each Ten Million Dollars (\$10,000,000.00) of capital investment made by the eligible business.

(3) If an eligible business receives a grant under the Southwest Mississippi Empowerment Zone Grant Program and the business leaves the empowerment zone within five (5) years after receiving the grant or if within such period of time the eligible business's number of employees or the average hourly wage of its employees falls below the level required to be an eligible business, the business shall be required to repay the grant in the proportionate amount that the number of years, or part of a year, remaining until the expiration of five (5) years bears to five (5) years.

SECTION 6. (1) The commission, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for all costs incurred or to be incurred for the purposes described in Sections 3 through 5 of this act. Upon the adoption of a resolution by the Department of Economic and Community

Development, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this section, the Department of Economic and Community Development shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under Sections 6 through 19 of this act shall not exceed Thirty-five Million Dollars (\$35,000,000.00).

SECTION 7. The principal of and interest on the bonds authorized under Sections 6 through 19 of this act shall be payable in the manner provided in this section. Such bonds shall bear such date or dates, be in such denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty-five (25) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

SECTION 8. The bonds authorized by Sections 6 through 19 of this act shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials designated to sign the bonds who were in office at the time of such signing but who may have ceased to be such officers

before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds and coupons shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

SECTION 9. All bonds and interest coupons issued under the provisions of Sections 6 through 19 of this act have all the qualities and incidents of negotiable instruments under the provisions of the Uniform Commercial Code, and in exercising the powers granted by this act, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

SECTION 10. The commission shall act as the issuing agent for the bonds authorized under Sections 6 through 19 of this act, prescribe the form of the bonds, advertise for and accept bids, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under Sections 6 through 19 of this act from the proceeds derived from the sale of such bonds.

The commission shall sell such bonds on sealed bids at public sale, and for such price as it may determine to be for the best interest of the State of Mississippi, but no such sale shall be made at a price less than par plus accrued interest to the date of delivery of the bonds to the purchaser. All interest accruing on such bonds so issued shall be payable semiannually or annually; however, the first interest payment may be for any period of not more than one (1) year.

175 Notice of the sale of any such bonds shall be published at
176 least one (1) time, not less than ten (10) days before the date of
177 sale, and shall be so published in one or more newspapers
178 published or having a general circulation in the City of Jackson,
179 Mississippi, and in one or more other newspapers or financial
180 journals with a national circulation, to be selected by the
181 commission.

182 The commission, when issuing any bonds under the authority of
183 Sections 6 through 19 of this act, may provide that bonds, at the
184 option of the State of Mississippi, may be called in for payment
185 and redemption at the call price named therein and accrued
186 interest on such date or dates named therein.

187 SECTION 11. The bonds issued under the provisions of
188 Sections 6 through 19 of this act are general obligations of the
189 State of Mississippi, and for the payment thereof the full faith
190 and credit of the State of Mississippi is irrevocably pledged. If
191 the funds appropriated by the Legislature are insufficient to pay
192 the principal of and the interest on such bonds as they become
193 due, then the deficiency shall be paid by the State Treasurer from
194 any funds in the State Treasury not otherwise appropriated. All
195 such bonds shall contain recitals on their faces substantially
196 covering the provisions of this section.

197 SECTION 12. Upon the issuance and sale of bonds under the
198 provisions of Sections 6 through 19 of this act, the commission
199 shall transfer the proceeds of any such sale or sales to the
200 special fund created in Section 4 of this act. The proceeds of
201 such bonds shall be disbursed solely upon the order of the
202 Department of Economic and Community Development under such
203 restrictions, if any, as may be contained in the resolution
204 providing for the issuance of the bonds.

205 SECTION 13. The bonds authorized under Sections 6 through 19
206 of this act may be issued without any other proceedings or the
207 happening of any other conditions or things other than those
208 proceedings, conditions and things which are specified or required

209 by Sections 6 through 19 of this act. Any resolution providing
210 for the issuance of bonds under the provisions of Sections 6
211 through 19 of this act shall become effective immediately upon its
212 adoption by the commission, and any such resolution may be adopted
213 at any regular or special meeting of the commission by a majority
214 of its members.

215 SECTION 14. The bonds authorized under the authority of
216 Sections 6 through 19 of this act may be validated in the Chancery
217 Court of the First Judicial District of Hinds County, Mississippi,
218 in the manner and with the force and effect provided by Chapter
219 13, Title 31, Mississippi Code of 1972, for the validation of
220 county, municipal, school district and other bonds. The notice to
221 taxpayers required by such statutes shall be published in a
222 newspaper published or having a general circulation in the City of
223 Jackson, Mississippi.

224 SECTION 15. Any holder of bonds issued under the provisions
225 of Sections 6 through 19 of this act or of any of the interest
226 coupons pertaining thereto may, either at law or in equity, by
227 suit, action, mandamus or other proceeding, protect and enforce
228 any and all rights granted under Sections 6 through 19 of this
229 act, or under such resolution, and may enforce and compel
230 performance of all duties required by Sections 6 through 19 of
231 this act to be performed, in order to provide for the payment of
232 bonds and interest thereon.

233 SECTION 16. All bonds issued under the provisions of
234 Sections 6 through 19 of this act shall be legal investments for
235 trustees and other fiduciaries, and for savings banks, trust
236 companies and insurance companies organized under the laws of the
237 State of Mississippi, and such bonds shall be legal securities
238 which may be deposited with and shall be received by all public
239 officers and bodies of this state and all municipalities and
240 political subdivisions for the purpose of securing the deposit of
241 public funds.

242 SECTION 17. Bonds issued under the provisions of Sections 6

through 19 of this act and income therefrom shall be exempt from all taxation in the State of Mississippi.

SECTION 18. The proceeds of the bonds issued under Sections 6 through 19 of this act shall be used solely for the purposes herein provided, including the costs incident to the issuance and sale of such bonds.

SECTION 19. The State Treasurer is authorized, without further process of law, to certify to the Department of Finance and Administration the necessity for warrants, and the Department of Finance and Administration is authorized and directed to issue such warrants, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under Sections 6 through 19 of this act; and the State Treasurer shall forward the necessary amount to the designated place or places of payment of such bonds in ample time to discharge such bonds, or the interest thereon, on the due dates thereof.

SECTION 20. This act shall be deemed to be full and complete authority for the exercise of the powers herein granted, but this act shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 21. This act shall take effect and be in force from and after its passage.