

By: Simmons, Blackmon, Walls, Posey, Jordan,  
Furniss, Dearing

To: Economic Dev, Tourism  
and Parks; Finance

## SENATE BILL NO. 2587

1 AN ACT TO BE ENTITLED THE ECONOMIC DEVELOPMENT ACT OF 2000 TO  
2 CREATE THE CHILD DAY CARE LOAN GUARANTEE FUND FOR THE PURPOSE OF  
3 ENCOURAGING LENDERS TO MAKE LOANS AVAILABLE FOR THE PURPOSE OF  
4 FINANCING THE DEVELOPMENT AND EXPANSION OF CHILD DAY CARE CENTERS  
5 IN THE LESS DEVELOPED COUNTIES OF THE STATE; TO PROVIDE THAT THE  
6 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (DECD) SHALL  
7 ADMINISTER THE LOAN GUARANTEE PROGRAM; TO PROVIDE THAT LOANS OR AN  
8 ENTITY DESIGNATED BY SUCH DEPARTMENT THAT ARE ELIGIBLE FOR  
9 GUARANTEES MAY BE MADE ONLY FOR CERTAIN PURPOSES; TO LIMIT THE  
10 AMOUNT OF THE LOAN GUARANTEES MADE UNDER THIS ACT; TO PRESCRIBE  
11 CERTAIN CRITERIA THAT SHALL BE USED IN THE DETERMINATION OF  
12 WHETHER TO GRANT CERTAIN LOAN GUARANTEES; TO PRESCRIBE THE  
13 INFORMATION THAT AN APPLICANT FOR A LOAN GUARANTEE MUST PROVIDE;  
14 TO ESTABLISH A GRANT PROGRAM FOR COMMUNITY DEVELOPMENT  
15 CORPORATIONS AND COMMUNITY COLLEGES; TO ESTABLISH A SPECIAL FUND  
16 IN THE STATE TREASURY DESIGNATED AS THE "COMMUNITY DEVELOPMENT AND  
17 COMMUNITY COLLEGE GRANT FUND" FROM WHICH SUCH GRANTS SHALL BE  
18 MADE; TO PROVIDE THAT DECD SHALL ADMINISTER THE GRANT PROGRAM  
19 ESTABLISHED PURSUANT TO THIS ACT; TO PROVIDE THAT DECD SHALL  
20 ESTABLISH CRITERIA FOR AWARDING GRANTS AND THE AMOUNT OF SUCH  
21 GRANTS; TO CREATE AN INCOME TAX CREDIT FOR EACH NET NEW FULL-TIME  
22 JOB FOR CERTAIN BUSINESSES IN AREAS THAT ARE DESIGNATED BY THE  
23 FEDERAL GOVERNMENT AS EMPOWERMENT ZONES OR ENTERPRISE COMMUNITIES;  
24 TO AMEND SECTION 57-73-21, MISSISSIPPI CODE OF 1972, TO PROVIDE  
25 THAT THE CRITERIA USED TO CLASSIFY COUNTIES AS LESS DEVELOPED,  
26 MODERATELY DEVELOPED AND DEVELOPED FOR PURPOSES OF THE JOB TAX  
27 CREDIT SHALL BE THE UNEMPLOYMENT RATES IN EACH COUNTY; TO INCREASE  
28 THE AMOUNT OF THE JOB TAX CREDIT FOR CERTAIN BUSINESSES IN LESS  
29 DEVELOPED COUNTIES FROM \$2,000.00 TO \$4,000.00 ANNUALLY FOR EACH  
30 NET NEW FULL-TIME EMPLOYEE JOB CREATED ON OR AFTER JULY 1, 2000;  
31 TO AMEND SECTION 57-1-303, MISSISSIPPI CODE OF 1972, TO REVISE THE  
32 INTEREST RATE ON LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL  
33 IMPROVEMENTS REVOLVING LOAN PROGRAM TO PROVIDE THAT THE INTEREST  
34 RATE ON SUCH LOANS SHALL NOT EXCEED ONE PERCENT LESS THAN THE  
35 FEDERAL RESERVE DISCOUNT RATE; TO DECREASE THE PERIOD OF TIME  
36 WITHIN WHICH LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL  
37 IMPROVEMENTS REVOLVING LOAN PROGRAM MUST BE REPAYED; TO AMEND  
38 SECTION 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM  
39 \$254,750,000.00 TO \$259,750,000.00 THE AGGREGATE AMOUNT OF BONDS

40 THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT;  
41 TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF 1972, TO INCREASE  
42 FROM \$5,000,000.00 TO \$8,000,000.00 THE AMOUNT OF BOND PROCEEDS  
43 THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT MAY MAKE  
44 AVAILABLE AS INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF  
45 BUSINESS INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING  
46 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO CREATE A NEW CODE  
47 SECTION TO BE CODIFIED AS SECTION 57-61-45, MISSISSIPPI CODE OF  
48 1972, TO REQUIRE THAT NOT MORE THAN \$2,000,000.00 OF CERTAIN BOND  
49 PROCEEDS FOR A GRANT TO PROVIDE FUNDS FOR THE COMMUNITY  
50 DEVELOPMENT AND COMMUNITY COLLEGE GRANT FUND; AND FOR RELATED  
51 PURPOSES.

52

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

54 SECTION 1. This act may be cited as the "Economic  
55 Development Act of 2000."

56 SECTION 2. Sections 2 through 13 of this act may be cited as  
57 the "Child Day Care Loan Guarantee Act of 2000."

58 SECTION 3. The purpose of this act is to encourage lenders  
59 to make loans available to child day care providers for the  
60 purpose of financing the development and expansion of child day  
61 care centers in less developed counties of the state and to  
62 increase the quality and availability of child day care and  
63 employment opportunities in these areas.

64 SECTION 4. As used in this act:

65 (a) "DECD" means the Department of Economic and  
66 Community Development.

67 (b) "Designated entity" means an entity designated to  
68 administer the Child Day Care Loan Guarantee Fund pursuant to  
69 Section 6 of this act.

70 (c) "Child day care provider" means a person providing  
71 or planning to provide child day care.

72 (d) "Less developed counties" means those counties  
73 designated as less developed as provided for in Section 57-73-21,

74 Mississippi Code of 1972.

75 (e) "Fund" means the Child Day Care Loan Guarantee  
76 Fund.

77 SECTION 5. There is created in the State Treasury a special  
78 fund to be known as the "Child Day Care Loan Guarantee Fund,"  
79 into which shall be deposited such money as the Legislature may  
80 provide by appropriation and any other money received by DECD for  
81 the purposes of this act from any other source. Money in the fund  
82 shall be used to guarantee loans made by lenders to qualifying  
83 child day care providers to finance the development or expansion  
84 of child day care centers in less developed counties. The fund  
85 shall be administered by DECD or a designated entity and money in  
86 the fund shall be expended upon appropriation by the Legislature.  
87 Unexpended amounts remaining in the fund at the end of the state  
88 fiscal year shall not lapse into the State General Fund, and any  
89 interest earned on amount in the fund shall be deposited to the  
90 credit of the fund.

91 SECTION 6. DECD shall:

92 (a) Administer the fund or designate an appropriate  
93 entity to administer the fund.

94 (b) Develop a loan approval process and such process  
95 shall be managed in accordance with the policies DECD establishes.

96 (c) Monitor projects to ensure compliance with  
97 applicable state and federal laws, rules and relevant court  
98 decisions.

99 (d) Develop procedures for managing defaults and for  
100 enforcing the obligations of borrowers to repay loans.

101 SECTION 7. In making loan guarantees under this act, DECD or

102 the designated entity shall give priority to child day care  
103 providers that serve or intend to serve less developed counties  
104 that demonstrate the greatest need for child day care services.  
105 DECD or the designated entity shall attempt to distribute the loan  
106 guarantees geographically among less developed counties.

107 SECTION 8. Loans that are eligible for guarantees under this  
108 act may be made only for the following reasons:

109 (a) The construction, purchase, lease or improvement of  
110 buildings or other facilities.

111 (b) The purchase or improvement of land.

112 (c) The purchase or lease of equipment, including  
113 vehicles.

114 (d) Start-up and operation costs.

115 (e) Initial operating expenses.

116 SECTION 9. Loan guarantees under this act shall be subject  
117 to the following restrictions:

118 (a) A loan guarantee shall not be granted in an amount  
119 greater than Seventy-five Thousand Dollars (\$75,000.00).

120 (b) Not more than eighty percent (80%) of a loan shall  
121 be guaranteed.

122 (c) The aggregate amount of loan guarantees issued  
123 pursuant to this act shall not exceed five (5) times the amount  
124 deposited in the fund.

125 SECTION 10. In determining whether to grant a loan guarantee  
126 to a child day care provider who has a history of operating or  
127 owning a child day care center DECD or the designated entity shall  
128 use the following criteria:

129 (a) Quality of programming and staff.

- 130           (b) Ratio of children to staff.
- 131           (c) Quality of facilities.
- 132           (d) Degree of coordination with Head Start or other  
133 programs.
- 134           (e) Quality of administrative and financial management.
- 135           (f) History of compliance with child day care licensing  
136 or registration requirements.
- 137           (g) Ability to repay.

138           SECTION 11. DECD shall formulate criteria to be utilized in  
139 determining whether to grant a loan guarantee to a child day care  
140 provider that does not have a history of operating or owning a  
141 child day care center.

142           SECTION 12. An applicant for a guarantee under this act  
143 shall supply DECD or the designated entity with the following:

- 144           (a) A detailed description of the project.
- 145           (b) A disclosure of additional funds, if any, that are  
146 available to the applicant.
- 147           (c) Information that relates to the inability of the  
148 applicant to obtain adequate financing on reasonable terms through  
149 normal lending channels, such as a letter from a lender certifying  
150 that it would not grant credit without the loan guarantee.
- 151           (d) Credit references, if available, for the applicant.
- 152           (e) A five-year projected budget.
- 153           (f) A comprehensive business plan that includes the  
154 applicant's plans in the areas of:
- 155               (i) Debt reduction;
- 156               (ii) Marketing;
- 157               (iii) Staff training;

158 (iv) Facility improvement; and

159 (v) Program improvement.

160 (g) Such other information as DECD may require.

161 SECTION 13. Upon default by a borrower, the lender,  
162 consistent with its current collections policies, shall exercise  
163 reasonable diligence in its collection efforts before the fund  
164 shall be liable for the default.

165 SECTION 14. Sections 14 and 15 of this act may be cited as  
166 the "Community Development Corporation Grant Act of 2000."

167 SECTION 15. (1) As used in this section:

168 (a) "Community development corporation" means a  
169 nonprofit corporation:

170 (i) Tax-exempt pursuant to Section 501(c)(3) of  
171 the Internal Revenue Code of 1986;

172 (ii) Whose primary mission is to develop and  
173 improve low-income communities and neighborhoods through economic  
174 and related development;

175 (iii) Whose activities and decisions are  
176 initiated, managed and controlled by the constituents of those  
177 local communities; and

178 (iv) Whose primary function is to act as  
179 deal-maker and packager of opportunities to become owners,  
180 managers and producers of small businesses, affordable housing and  
181 jobs designed to produce positive cash flow and curb blight in the  
182 target community.

183 (b) "DECD" means the Department of Economic and  
184 Community Development.

185 (c) "Fund" means the Community Development Grant Fund.

186           (2) There is created in the State Treasury a special fund to  
187 be known as the "Community Development Grant Fund" into which  
188 shall be deposited such money as the Legislature shall provide by  
189 appropriation and any money received by DECD from any other source  
190 for the purpose of providing grants pursuant to this section.  
191 Money in the fund shall be used to provide grants to community  
192 development corporations. The fund shall be administered by DECD,  
193 and money in the fund shall be expended upon appropriation by the  
194 Legislature. Unexpended amounts remaining in the fund and the end  
195 of the state fiscal year shall not lapse into the State General  
196 Fund, and any interest earned on amounts in the fund shall be  
197 deposited to the credit of the fund.

198           (3) DECD shall award grants to community development  
199 corporations from the fund to support the operations and  
200 activities of community development corporations. All community  
201 development corporations shall be eligible for grants. DECD shall  
202 establish and implement performance-based criteria for determining  
203 which community development corporations and public community  
204 colleges shall receive a grant and the amount of grants awarded.

205           SECTION 16. (1) As used in this section, "empowerment  
206 zones" or "enterprise communities" shall include those areas in  
207 Mississippi designated as such pursuant to 26 USCA 1391.

208           (2) Permanent business enterprises in areas designated as  
209 empowerment zones and enterprise communities are allowed a tax  
210 credit for taxes imposed by Section 27-7-5 annually for each net  
211 new full-time employee job created by such enterprise for five (5)  
212 years beginning with years two (2) through six (6) after the  
213 creation of the job in the following amounts:

214           (a) Five Hundred Dollars (\$500.00) for employee jobs  
215 that are compensated at less than twenty-five percent (25%) more  
216 than the amount of the federal minimum wage;

217           (b) One Thousand Dollars (\$1,000.00) for employee jobs  
218 that are compensated at twenty-five percent (25%) or more than the  
219 amount of the federal minimum wage but less than fifty percent  
220 (50%) more than the amount of the federal minimum wage;

221           (c) One Thousand Five Hundred Dollars (\$1,500.00) for  
222 employee jobs that are compensated at fifty percent (50%) or more  
223 than the amount of the federal minimum wage but less than  
224 seventy-five percent (75%) more than the amount of the federal  
225 minimum wage;

226           (d) Two Thousand Dollars (\$2,000.00) for employee jobs  
227 that are compensated at seventy-five percent (75%) or more than  
228 the amount of the federal minimum wage but less than one hundred  
229 percent (100%) more than the amount of the federal minimum wage;  
230 and

231           (e) Two Thousand Five Hundred Dollars (\$2,500.00) for  
232 employee jobs that are compensated at one hundred percent (100%)  
233 or more than the amount of the federal minimum wage.

234           (3) The number of new full-time jobs shall be determined by  
235 comparing the monthly average number of full-time employees of the  
236 permanent business enterprise subject to Mississippi income tax  
237 withholding for the taxable year with the corresponding period of  
238 the prior taxable year. Only those permanent business enterprises  
239 that increase employment by ten (10) or more in empowerment zones  
240 or enterprise communities are eligible for the credit. The credit  
241 shall not be allowed during any of the five (5) years if the net

242 employment increase falls below ten (10). The tax commission  
243 shall adjust the credit allowed each year for the net new  
244 employment fluctuations above the minimum level of ten (10).

245 (4) Tax credits for five (5) years for the taxes imposed by  
246 Section 27-7-5 shall be awarded for additional net new full-time  
247 jobs created by business enterprises qualified under this section.

248 The tax commission shall adjust the credit allowed in the event  
249 of employment fluctuations during the additional five (5) years of  
250 credit.

251 (5) The sale, merger, acquisition, reorganization,  
252 bankruptcy or relocation from one county to another county within  
253 the state of any business enterprise may not create new  
254 eligibility in any succeeding business entity, but any unused tax  
255 credit may be transferred and continued by any transferee of the  
256 business enterprise. The tax commission shall determine whether  
257 or not qualifying net increases or decreases have occurred or  
258 proper transfers of credit have been made, and may require  
259 reports, promulgate regulations and hold hearings as needed for  
260 substantiation and qualification.

261 (6) Any tax credit claimed under this section but not used  
262 in any taxable year may be carried forward for five (5) years from  
263 the close of the tax year in which the qualified jobs were  
264 established, but the credit established by this section taken in  
265 any one (1) tax year must be limited to an amount not greater than  
266 fifty percent (50%) of the taxpayer's state income tax liability  
267 which is attributable to income derived from operations in the  
268 state of that year.

269 (7) The credit allowed under this section shall not be used

270 by any business enterprise or corporation other than the business  
271 enterprise actually qualifying for the credit.

272 (8) The tax credit provided for in this section shall be in  
273 addition to any tax credits provided for in Section 57-73-21.

274 (9) This section shall stand repealed from and after January  
275 1, 2007.

276 SECTION 17. Section 57-73-21, Mississippi Code of 1972, is  
277 amended as follows:

278 57-73-21. (1) Annually by December 31, using the most  
279 current data available from the University Research Center,  
280 Mississippi State Employment Security Commission and the United  
281 States Department of Commerce, the State Tax Commission shall rank  
282 and designate the state's counties as provided in this section.  
283 The twenty-eight (28) counties in this state having \* \* \* the  
284 highest unemployment rate \* \* \* for the most recent  
285 thirty-six-month period, \* \* \* are designated less developed  
286 areas. The twenty-seven (27) counties in the state with \* \* \* the  
287 next highest unemployment rate \* \* \* for the most recent  
288 thirty-six-month period \* \* \* are designated moderately developed  
289 areas. The twenty-seven (27) counties in the state with \* \* \* the  
290 lowest unemployment rate \* \* \* for the most recent  
291 thirty-six-month period \* \* \* are designated developed areas.  
292 Counties designated by the Tax Commission qualify for the  
293 appropriate tax credit for jobs as provided in subsections (2),  
294 (3) and (4) of this section. The designation by the Tax  
295 Commission is effective for the tax years of permanent business  
296 enterprises which begin after the date of designation. For  
297 companies which plan an expansion in their labor forces, the Tax

298 Commission shall prescribe certification procedures to ensure that  
299 the companies can claim credits in future years without regard to  
300 whether or not a particular county is removed from the list of  
301 less developed or moderately developed areas.

302 (2) Permanent business enterprises primarily engaged in  
303 manufacturing, processing, warehousing, distribution, wholesaling  
304 and research and development, or permanent business enterprises  
305 designated by rule and regulation of the Department of Economic  
306 and Community Development as air transportation and maintenance  
307 facilities, final destination or resort hotels having a minimum of  
308 one hundred fifty (150) guest rooms, recreational facilities that  
309 impact tourism, movie industry studios, or telecommunications  
310 enterprises, in counties designated by the Tax Commission as less  
311 developed areas are allowed a job tax credit for taxes imposed by  
312 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually  
313 for each net new full-time employee job for five (5) years  
314 beginning with years two (2) through six (6) after the creation of  
315 the job; provided, however, that the job tax credit allowed  
316 pursuant to this subsection for each net new full-time employee  
317 job created on or after July 1, 2000, shall be Four Thousand  
318 Dollars (\$4,000.00). The number of new full-time jobs must be  
319 determined by comparing the monthly average number of full-time  
320 employees subject to the Mississippi income tax withholding for  
321 the taxable year with the corresponding period of the prior  
322 taxable year. Only those permanent businesses that increase  
323 employment by ten (10) or more in a less developed area are  
324 eligible for the credit. Credit is not allowed during any of the  
325 five (5) years if the net employment increase falls below ten

326 (10). The Tax Commission shall adjust the credit allowed each  
327 year for the net new employment fluctuations above the minimum  
328 level of ten (10).

329 (3) Permanent business enterprises primarily engaged in  
330 manufacturing, processing, warehousing, distribution, wholesaling  
331 and research and development, or permanent business enterprises  
332 designated by rule and regulation of the Department of Economic  
333 and Community Development as air transportation and maintenance  
334 facilities, final destination or resort hotels having a minimum of  
335 one hundred fifty (150) guest rooms, recreational facilities that  
336 impact tourism, movie industry studios, or telecommunications  
337 enterprises, in counties that have been designated by the Tax  
338 Commission as moderately developed areas are allowed a job tax  
339 credit for taxes imposed by Section 27-7-5 equal to One Thousand  
340 Dollars (\$1,000.00) annually for each net new full-time employee  
341 job for five (5) years beginning with years two (2) through six  
342 (6) after the creation of the job. The number of new full-time  
343 jobs must be determined by comparing the monthly average number of  
344 full-time employees subject to Mississippi income tax withholding  
345 for the taxable year with the corresponding period of the prior  
346 taxable year. Only those permanent businesses that increase  
347 employment by fifteen (15) or more in areas that have not been  
348 designated less developed areas are eligible for the credit. The  
349 credit is not allowed during any of the five (5) years if the net  
350 employment increase falls below fifteen (15). The Tax Commission  
351 shall adjust the credit allowed each year for the net new  
352 employment fluctuations above the minimum level of fifteen (15).

353 (4) Permanent business enterprises primarily engaged in

354 manufacturing, processing, warehousing, distribution, wholesaling  
355 and research and development, or permanent business enterprises  
356 designated by rule and regulation of the Department of Economic  
357 and Community Development as air transportation and maintenance  
358 facilities, final destination or resort hotels having a minimum of  
359 one hundred fifty (150) guest rooms, recreational facilities that  
360 impact tourism, movie industry studios, or telecommunications  
361 enterprises, in counties designated by the Tax Commission as  
362 developed areas are allowed a job tax credit for taxes imposed by  
363 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually  
364 for each net new full-time employee job for five (5) years  
365 beginning with years two (2) through six (6) after the creation of  
366 the job. The number of new full-time jobs must be determined by  
367 comparing the monthly average number of full-time employees  
368 subject to Mississippi income tax withholding for the taxable year  
369 with the corresponding period of the prior taxable year. Only  
370 those permanent businesses that increase employment by twenty (20)  
371 or more in developed areas are eligible for the credit. The  
372 credit is not allowed during any of the five (5) years if the net  
373 employment increase falls below twenty (20). The Tax Commission  
374 shall adjust the credit allowed each year for the net new  
375 employment fluctuations above the minimum level of twenty (20).

376 (5) In addition to the credits authorized in subsections  
377 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)  
378 credit for each net new full-time employee shall be allowed for  
379 any company establishing or transferring its national or regional  
380 headquarters from within or outside the State of Mississippi. A  
381 minimum of thirty-five (35) jobs must be created to qualify for

382 the additional credit. The State Tax Commission shall establish  
383 criteria and prescribe procedures to determine if a company  
384 qualifies as a national or regional headquarters for purposes of  
385 receiving the credit awarded in this subsection.

386 (6) In addition to the credits authorized in subsections  
387 (2), (3), (4) and (5), any job requiring research and development  
388 skills (chemist, engineer, etc.) shall qualify for an additional  
389 Five Hundred Dollars (\$500.00) credit for each net new full-time  
390 employee.

391 (7) Tax credits for five (5) years for the taxes imposed by  
392 Section 27-7-5 shall be awarded for additional net new full-time  
393 jobs created by business enterprises qualified under subsections  
394 (2), (3), (4), (5) and (6) of this section. The Tax Commission  
395 shall adjust the credit allowed in the event of employment  
396 fluctuations during the additional five (5) years of credit.

397 (8) The sale, merger, acquisition, reorganization,  
398 bankruptcy or relocation from one county to another county within  
399 the state of any business enterprise may not create new  
400 eligibility in any succeeding business entity, but any unused job  
401 tax credit may be transferred and continued by any transferee of  
402 the business enterprise. The Tax Commission shall determine  
403 whether or not qualifying net increases or decreases have occurred  
404 or proper transfers of credit have been made and may require  
405 reports, promulgate regulations, and hold hearings as needed for  
406 substantiation and qualification.

407 (9) Any tax credit claimed under this section but not used  
408 in any taxable year may be carried forward for five (5) years from  
409 the close of the tax year in which the qualified jobs were

410 established but the credit established by this section taken in  
411 any one (1) tax year must be limited to an amount not greater than  
412 fifty percent (50%) of the taxpayer's state income tax liability  
413 which is attributable to income derived from operations in the  
414 state for that year.

415 (10) No business enterprise for the transportation,  
416 handling, storage, processing or disposal of hazardous waste is  
417 eligible to receive the tax credits provided in this section.

418 (11) The credits allowed under this section shall not be  
419 used by any business enterprise or corporation other than the  
420 business enterprise actually qualifying for the credits.

421 (12) The tax credits provided for in this section shall be  
422 in addition to any tax credits described in Sections 57-51-13(b),  
423 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official  
424 action by the Department of Economic Development prior to July 1,  
425 1989, to any business enterprise determined prior to July 1, 1989,  
426 by the Department of Economic Development to be a qualified  
427 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or  
428 a qualified company as described in Section 57-53-1, as the case  
429 may be; however, from and after July 1, 1989, tax credits shall be  
430 allowed only under either this section or Sections 57-51-13(b),  
431 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time  
432 employee.

433 (13) As used in this section, the term "telecommunications  
434 enterprises" means entities engaged in the creation, display,  
435 management, storage, processing, transmission or distribution for  
436 compensation of images, text, voice, video or data by wire or by  
437 wireless means, or entities engaged in the construction, design,

438 development, manufacture, maintenance or distribution for  
439 compensation of devices, products, software or structures used in  
440 the above activities. Companies organized to do business as  
441 commercial broadcast radio stations, television stations or news  
442 organizations primarily serving in-state markets shall not be  
443 included within the definition of the term "telecommunications  
444 enterprises."

445 SECTION 18. Section 57-1-303, Mississippi Code of 1972, is  
446 amended as follows:

447 57-1-303. (1) \* \* \* There is created a special fund in the  
448 State Treasury to be designated as the "Local Governments Capital  
449 Improvements Revolving Loan Fund," which fund shall consist of  
450 such monies as provided in Sections 57-1-307 through 57-1-335.  
451 The fund shall be maintained in perpetuity for the purposes  
452 established in Sections 57-1-301 through 57-1-335. Unexpended  
453 amounts remaining in the fund at the end of a fiscal year shall  
454 not lapse into the State General Fund, and any interest earned on  
455 amounts in the fund shall be deposited to the credit of the fund.

456 Monies in the fund may not be used or expended for any purpose  
457 except as authorized under Sections 57-1-301 through 57-1-335.

458 \* \* \*

459 (2) A county or an incorporated municipality may apply to  
460 the Department of Economic and Community Development for a loan  
461 under the local governments capital improvements revolving loan  
462 program established under Sections 57-1-301 through 57-1-335.

463 (3) \* \* \* The Department of Economic and Community  
464 Development shall establish a loan program by which loans, at a  
465 rate of interest not to exceed one percent (1%) less than the

466 federal reserve discount rate, may be made available to counties  
467 and incorporated municipalities to assist counties and  
468 incorporated municipalities in making capital improvements. Loans  
469 from the revolving fund may be made to counties and municipalities  
470 as set forth in a loan agreement in amounts not to exceed one  
471 hundred percent (100%) of eligible project costs as established by  
472 the Department of Economic and Community Development. The  
473 Department of Economic and Community Development may require  
474 county or municipal participation or funding from other sources,  
475 or otherwise limit the percentage of costs covered by loans from  
476 the revolving fund. The Department of Economic and Community  
477 Development may establish a maximum amount for any loan in order  
478 to provide for broad and equitable participation in the program.

479 \* \* \*

480 (4) A county that receives a loan from the revolving fund  
481 shall pledge for repayment of the loan any part of the homestead  
482 exemption annual tax loss reimbursement to which it may be  
483 entitled under Section 27-33-77. An incorporated municipality  
484 that receives a loan from the revolving fund shall pledge for  
485 repayment of the loan any part of the sales tax revenue  
486 distribution to which it may be entitled under Section 27-65-75.  
487 Each loan agreement shall provide for (i) monthly payments, (ii)  
488 semiannual payments, or (iii) other periodic payments, the annual  
489 total of which shall not exceed the annual total for any other  
490 year of the loan by more than fifteen percent (15%). The loan  
491 agreement shall provide for the repayment of all funds received  
492 within not more than fifteen (15) years from the date of project  
493 completion.

494           (5) The State Auditor, upon request of the Department of  
495 Economic and Community Development, shall audit the receipts and  
496 expenditures of a county or an incorporated municipality whose  
497 loan payments appear to be in arrears, and if he finds that the  
498 county or municipality is in arrears in such payments, he shall  
499 immediately notify the Executive Director of the Department of  
500 Finance and Administration who shall withhold all future payments  
501 to the county of homestead exemption reimbursements under Section  
502 27-33-77 and all sums allocated to the county or the municipality  
503 under Section 27-65-75 until such time as the county or the  
504 municipality is again current in its loan payments as certified by  
505 the Department of Economic and Community Development.

506           (6) Evidences of indebtedness which are issued pursuant to  
507 this chapter shall not be deemed indebtedness within the meaning  
508 specified in Section 21-33-303 with regard to cities or  
509 incorporated towns, and in Section 19-9-5 with regard to counties.

510           SECTION 19. Section 57-61-25, Mississippi Code of 1972, is  
511 amended as follows:

512           57-61-25. (1) The seller is authorized to borrow, on the  
513 credit of the state upon receipt of a resolution from the  
514 department requesting the same, money not exceeding the aggregate  
515 sum of Two Hundred Fifty-nine Million Seven Hundred Fifty Thousand  
516 Dollars (\$259,750,000.00), not including money borrowed to refund  
517 outstanding bonds, notes or replacement notes, as may be necessary  
518 to carry out the purposes of this chapter. The aggregate amount  
519 of bonds issued prior to June 30, 1987, shall not exceed Fifty  
520 Million Dollars (\$50,000,000.00); provided, however, this Fifty  
521 Million Dollar (\$50,000,000.00) limitation shall not be construed

522 to limit the aggregate amount of grants which may be awarded prior  
523 to June 30, 1987, to less than the full amount authorized under  
524 Section 57-61-15(1), Mississippi Code of 1972. The rate of  
525 interest on any such bonds or notes which are not subject to  
526 taxation shall not exceed the rates set forth in Section  
527 75-17-101, Mississippi Code of 1972, for general obligation bonds.

528 (2) As evidence of indebtedness authorized in this chapter,  
529 general or limited obligation bonds of the state shall be issued  
530 from time to time, to provide monies necessary to carry out the  
531 purposes of this chapter for such total amounts, in such form, in  
532 such denominations payable in such currencies (either domestic or  
533 foreign or both) and subject to such terms and conditions of  
534 issue, redemption and maturity, rate of interest and time of  
535 payment of interest as the seller directs, except that such bonds  
536 shall mature or otherwise be retired in annual installments  
537 beginning not more than five (5) years from date thereof and  
538 extending not more than thirty (30) years from date thereof.

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

543 (4) All bonds and notes issued under authority of this  
544 chapter may be general or limited obligations of the state, and  
545 the full faith and credit of the State of Mississippi as to  
546 general obligation bonds, or the revenues derived from projects  
547 assisted as to limited obligation bonds, are hereby pledged for  
548 the payment of the principal of and interest on such bonds and  
549 notes.

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

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

556           (7) The seller is authorized to provide, by resolution, for  
557 the issuance of refunding bonds for the purpose of refunding any  
558 debt issued under the provision of this chapter and then  
559 outstanding, either by voluntary exchange with the holders of the  
560 outstanding debt or to provide funds to redeem and the costs of  
561 issuance and retirement of the debt, at maturity or at any call  
562 date. The issuance of the refunding bonds, the maturities and  
563 other details thereof, the rights of the holders thereof and the  
564 duties of the issuing officials in respect to the same shall be  
565 governed by the provisions of this section, insofar as they may be  
566 applicable.

567           (8) As to bonds issued hereunder and designated as taxable  
568 bonds by the seller, any immunity of the state to taxation by the  
569 United States government of interest on bonds or notes issued by  
570 the state is hereby waived.

571           SECTION 20. Section 57-61-34, Mississippi Code of 1972, is  
572 amended as follows:

573           57-61-34. Notwithstanding any provision of this chapter to  
574 the contrary, the Department of Economic and Community Development  
575 shall utilize not more than Eight Million Dollars (\$8,000,000.00)  
576 out of the proceeds of bonds authorized to be issued in this  
577 chapter to be made available as interest-bearing loans to

578 municipalities or private companies to aid in the establishment of  
579 business incubation centers and the creation of new and expanding  
580 technology-based business and industry.

581 In exercising the power given it under this section, the  
582 department shall work in conjunction with the University Research  
583 Center \* \* \*.

584 The requirements of Section 57-61-9 shall not apply to any  
585 loan made under this section. The Department of Economic and  
586 Community Development shall establish criteria and guidelines to  
587 govern loans made pursuant to this section.

588 SECTION 21. The following provision shall be codified as  
589 Section 57-61-45, Mississippi Code of 1972:

590 57-61-45. Notwithstanding any provision of this chapter to  
591 the contrary, the Department of Economic and Community Development  
592 shall utilize not more than Two Million Dollars (\$2,000,000.00)  
593 out of the proceeds of bonds issued in this chapter to provide a  
594 grant to provide funds for the Community Development and Community  
595 College Grant Fund established in Section 15 of Senate Bill No.  
596 \_\_\_\_\_, 2000 Regular Session.

597 The requirements of Section 57-61-9, Mississippi Code of  
598 1972, shall not apply to the grant made under this section.

599 SECTION 22. This act shall take effect and be in force from  
600 and after July 1, 2000.