

By: Senator(s) Simmons

To: Finance

SENATE BILL NO. 2527

1 AN ACT TO BE ENTITLED THE ECONOMIC DEVELOPMENT ACT OF 2002 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 TIER THREE AREAS OF THE STATE; TO PROVIDE THAT THE MISSISSIPPI
6 DEVELOPMENT AUTHORITY (MDA) SHALL ADMINISTER THE LOAN GUARANTEE
7 PROGRAM; TO PROVIDE THAT LOANS OR AN ENTITY DESIGNATED BY SUCH
8 DEPARTMENT THAT ARE ELIGIBLE FOR GUARANTEES MAY BE MADE ONLY FOR
9 CERTAIN PURPOSES; TO LIMIT THE AMOUNT OF THE LOAN GUARANTEES MADE
10 UNDER THIS ACT; TO PRESCRIBE CERTAIN CRITERIA THAT SHALL BE USED
11 IN THE DETERMINATION OF WHETHER TO GRANT CERTAIN LOAN GUARANTEES;
12 TO PRESCRIBE THE INFORMATION THAT AN APPLICANT FOR A LOAN
13 GUARANTEE MUST PROVIDE; TO ESTABLISH A GRANT PROGRAM FOR COMMUNITY
14 DEVELOPMENT CORPORATIONS; TO ESTABLISH A SPECIAL FUND IN THE STATE
15 TREASURY DESIGNATED AS THE "COMMUNITY DEVELOPMENT GRANT FUND" FROM
16 WHICH SUCH GRANTS SHALL BE MADE; TO PROVIDE THAT THE MDA SHALL
17 ADMINISTER THE GRANT PROGRAM ESTABLISHED PURSUANT TO THIS ACT; TO
18 PROVIDE THAT THE MDA SHALL ESTABLISH CRITERIA FOR AWARDING GRANTS
19 AND THE AMOUNT OF SUCH GRANTS; TO CREATE AN INCOME TAX CREDIT FOR
20 EACH NET NEW FULL-TIME JOB FOR CERTAIN BUSINESSES IN AREAS THAT
21 ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS EMPOWERMENT ZONES OR
22 ENTERPRISE COMMUNITIES; TO AMEND SECTION 57-73-21, MISSISSIPPI
23 CODE OF 1972, TO PROVIDE THAT THE CRITERIA USED TO CLASSIFY AREAS
24 AS TIER ONE, TIER TWO AND TIER THREE FOR PURPOSES OF THE JOB TAX
25 CREDIT SHALL BE THE UNEMPLOYMENT RATES IN EACH COUNTY; TO INCREASE
26 THE AMOUNT OF THE JOB TAX CREDIT FOR CERTAIN BUSINESSES IN TIER
27 THREE AREAS FROM \$2,000.00 TO \$4,000.00 ANNUALLY FOR EACH NET NEW
28 FULL-TIME EMPLOYEE JOB CREATED ON OR AFTER JULY 1, 2002; TO AMEND
29 SECTION 57-1-303, MISSISSIPPI CODE OF 1972, TO REVISE THE INTEREST
30 RATE ON LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL
31 IMPROVEMENTS REVOLVING LOAN PROGRAM TO PROVIDE THAT THE INTEREST
32 RATE ON SUCH LOANS SHALL NOT EXCEED 1% LESS THAN THE FEDERAL
33 RESERVE DISCOUNT RATE; TO DECREASE THE PERIOD OF TIME WITHIN WHICH
34 LOANS MADE UNDER THE LOCAL GOVERNMENTS CAPITAL IMPROVEMENTS
35 REVOLVING LOAN PROGRAM MUST BE REPAID; TO AMEND SECTION 57-61-25,
36 MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$254,750,000.00 TO
37 \$259,750,000.00 THE AGGREGATE AMOUNT OF BONDS THAT MAY BE ISSUED
38 UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT; TO AMEND SECTION
39 57-61-34, MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$5,000,000.00
40 TO \$8,000,000.00 THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI
41 DEVELOPMENT AUTHORITY MAY MAKE AVAILABLE AS INTEREST-BEARING LOANS
42 TO AID IN THE ESTABLISHMENT OF BUSINESS INCUBATION CENTERS AND THE
43 CREATION OF NEW AND EXPANDING TECHNOLOGY-BASED BUSINESS AND
44 INDUSTRY; TO CREATE A NEW CODE SECTION TO BE CODIFIED AS SECTION
45 57-61-45, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT NOT MORE THAN
46 \$2,000,000.00 OF CERTAIN BOND PROCEEDS BE UTILIZED FOR A GRANT TO
47 PROVIDE FUNDS FOR THE COMMUNITY DEVELOPMENT GRANT FUND; AND FOR
48 RELATED PURPOSES.

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



50 **SECTION 1.** This act may be cited as the "Economic
51 Development Act of 2002."

52 **SECTION 2.** Sections 2 through 13 of this act may be cited as
53 the "Child Day Care Loan Guarantee Act of 2002."

54 **SECTION 3.** The purpose of this act is to encourage lenders
55 to make loans available to child day care providers for the
56 purpose of financing the development and expansion of child day
57 care centers in Tier Three areas of the state and to increase the
58 quality and availability of child day care and employment
59 opportunities in these areas.

60 **SECTION 4.** As used in this act:

61 (a) "MDA" means the Mississippi Development Authority.

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

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

67 (d) "Tier Three areas" means those areas designated as
68 Tier Three as provided for in Section 57-73-21, Mississippi Code
69 of 1972.

70 (e) "Fund" means the Child Day Care Loan Guarantee
71 Fund.

72 **SECTION 5.** There is created in the State Treasury a special
73 fund to be known as the "Child Day Care Loan Guarantee Fund,"
74 into which shall be deposited such money as the Legislature may
75 provide by appropriation and any other money received by the MDA
76 for the purposes of this act from any other source. Money in the
77 fund shall be used to guarantee loans made by lenders to
78 qualifying child day care providers to finance the development or
79 expansion of child day care centers in Tier Three areas. The fund
80 shall be administered by the MDA or a designated entity and money
81 in the fund shall be expended upon appropriation by the
82 Legislature. Unexpended amounts remaining in the fund at the end



83 of the state fiscal year shall not lapse into the State General
84 Fund, and any interest earned on amounts in the fund shall be
85 deposited to the credit of the fund.

86 **SECTION 6.** The MDA shall:

87 (a) Administer the fund or designate an appropriate
88 entity to administer the fund.

89 (b) Develop a loan approval process and such process
90 shall be managed in accordance with the policies the MDA
91 establishes.

92 (c) Monitor projects to ensure compliance with
93 applicable state and federal laws, rules and relevant court
94 decisions.

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

97 **SECTION 7.** In making loan guarantees under this act, the MDA
98 or the designated entity shall give priority to child day care
99 providers that serve or intend to serve Tier Three areas that
100 demonstrate the greatest need for child day care services. The
101 MDA or the designated entity shall attempt to distribute the loan
102 guarantees geographically among Tier Three areas.

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

105 (a) The construction, purchase, lease or improvement of
106 buildings or other facilities.

107 (b) The purchase or improvement of land.

108 (c) The purchase or lease of equipment, including
109 vehicles.

110 (d) Start-up and operation costs.

111 (e) Initial operating expenses.

112 **SECTION 9.** Loan guarantees under this act shall be subject
113 to the following restrictions:

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



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

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

121 **SECTION 10.** In determining whether to grant a loan guarantee
122 to a child day care provider who has a history of operating or
123 owning a child day care center, the MDA or the designated entity
124 shall use the following criteria:

125 (a) Quality of programming and staff.

126 (b) Ratio of children to staff.

127 (c) Quality of facilities.

128 (d) Degree of coordination with Head Start or other
129 programs.

130 (e) Quality of administrative and financial management.

131 (f) History of compliance with child day care licensing
132 or registration requirements.

133 (g) Ability to repay.

134 **SECTION 11.** The MDA shall formulate criteria to be utilized
135 in determining whether to grant a loan guarantee to a child day
136 care provider that does not have a history of operating or owning
137 a child day care center.

138 **SECTION 12.** An applicant for a guarantee under this act
139 shall supply the MDA or the designated entity with the following:

140 (a) A detailed description of the project.

141 (b) A disclosure of additional funds, if any, that are
142 available to the applicant.

143 (c) Information that relates to the inability of the
144 applicant to obtain adequate financing on reasonable terms through
145 normal lending channels, such as a letter from a lender certifying
146 that it would not grant credit without the loan guarantee.

147 (d) Credit references, if available, for the applicant.

148 (e) A five-year projected budget.



149 (f) A comprehensive business plan that includes the
150 applicant's plans in the areas of:

- 151 (i) Debt reduction;
- 152 (ii) Marketing;
- 153 (iii) Staff training;
- 154 (iv) Facility improvement; and
- 155 (v) Program improvement.

156 (g) Such other information as the MDA may require.

157 **SECTION 13.** Upon default by a borrower, the lender,
158 consistent with its current collections policies, shall exercise
159 reasonable diligence in its collection efforts before the fund
160 shall be liable for the default.

161 **SECTION 14.** Sections 14 and 15 of this act may be cited as
162 the "Community Development Corporation Grant Act of 2002."

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

164 (a) "Community development corporation" means a
165 nonprofit corporation:

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

168 (ii) Whose primary mission is to develop and
169 improve low-income communities and neighborhoods through economic
170 and related development;

171 (iii) Whose activities and decisions are
172 initiated, managed and controlled by the constituents of those
173 local communities; and

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

179 (b) "MDA" means the Mississippi Development Authority.

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



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

193 (3) The MDA shall award grants to community development
194 corporations from the fund to support the operations and
195 activities of community development corporations. All community
196 development corporations shall be eligible for grants. The MDA
197 shall establish and implement performance-based criteria for
198 determining which community development corporations shall receive
199 a grant and the amount of grants awarded.

200 **SECTION 16.** (1) As used in this section, "empowerment
201 zones" or "enterprise communities" shall include those areas in
202 Mississippi designated as such pursuant to 26 USCS 1391.

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

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

212 (b) One Thousand Dollars (\$1,000.00) for employee jobs
213 that are compensated at twenty-five percent (25%) or more than the



214 amount of the federal minimum wage but less than fifty percent
215 (50%) more than the amount of the federal minimum wage;

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

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

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

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

240 (4) Tax credits for five (5) years for the taxes imposed by
241 Section 27-7-5 shall be awarded for additional net new full-time
242 jobs created by business enterprises qualified under this section.
243 The Tax Commission shall adjust the credit allowed in the event of
244 employment fluctuations during the additional five (5) years of
245 credit.



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

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

264 (7) The credit allowed under this section shall not be used
265 by any business enterprise or corporation other than the business
266 enterprise actually qualifying for the credit.

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

269 (9) This section shall stand repealed from and after January
270 1, 2007.

271 **SECTION 17.** Section 57-73-21, Mississippi Code of 1972, is
272 amended as follows:

273 57-73-21. (1) Annually by December 31, using the most
274 current data available from the University Research Center,
275 Mississippi State Employment Security Commission and the United
276 States Department of Commerce, the State Tax Commission shall rank
277 and designate the state's counties as provided in this section.



278 The twenty-eight (28) counties in this state having * * * the
279 highest unemployment rate * * * for the most recent
280 thirty-six-month period * * * are designated Tier Three areas.
281 The twenty-seven (27) counties in the state with * * * the next
282 highest unemployment rate * * * for the most recent
283 thirty-six-month period * * * are designated Tier Two areas. The
284 twenty-seven (27) counties in the state with * * * the lowest
285 unemployment rate * * * for the most recent thirty-six-month
286 period * * * are designated Tier One areas. Counties designated
287 by the Tax Commission qualify for the appropriate tax credit for
288 jobs as provided in subsections (2), (3) and (4) of this section.
289 The designation by the Tax Commission is effective for the tax
290 years of permanent business enterprises which begin after the date
291 of designation. For companies which plan an expansion in their
292 labor forces, the Tax Commission shall prescribe certification
293 procedures to ensure that the companies can claim credits in
294 future years without regard to whether or not a particular county
295 is removed from the list of Tier Three or Tier Two areas.

296 (2) Permanent business enterprises primarily engaged in
297 manufacturing, processing, warehousing, distribution, wholesaling
298 and research and development, or permanent business enterprises
299 designated by rule and regulation of the Mississippi Development
300 Authority as air transportation and maintenance facilities, final
301 destination or resort hotels having a minimum of one hundred fifty
302 (150) guest rooms, recreational facilities that impact tourism,
303 movie industry studios, telecommunications enterprises, data or
304 information processing enterprises or computer software
305 development enterprises or any technology intensive facility or
306 enterprise in counties designated by the Tax Commission as Tier
307 Three areas are allowed a job tax credit for taxes imposed by
308 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
309 for each net new full-time employee job for five (5) years
310 beginning with years two (2) through six (6) after the creation of



311 the job; provided, however, that the job tax credit allowed under
312 this subsection for each net new full-time employee job created on
313 or after July 1, 2002, shall be Four Thousand Dollars (\$4,000.00).
314 The number of new full-time jobs must be determined by comparing
315 the monthly average number of full-time employees subject to the
316 Mississippi income tax withholding for the taxable year with the
317 corresponding period of the prior taxable year. Only those
318 permanent businesses that increase employment by ten (10) or more
319 in a Tier Three area are eligible for the credit. Credit is not
320 allowed during any of the five (5) years if the net employment
321 increase falls below ten (10). The Tax Commission shall adjust
322 the credit allowed each year for the net new employment
323 fluctuations above the minimum level of ten (10).

324 (3) Permanent business enterprises primarily engaged in
325 manufacturing, processing, warehousing, distribution, wholesaling
326 and research and development, or permanent business enterprises
327 designated by rule and regulation of the Mississippi Development
328 Authority as air transportation and maintenance facilities, final
329 destination or resort hotels having a minimum of one hundred fifty
330 (150) guest rooms, recreational facilities that impact tourism,
331 movie industry studios, telecommunications enterprises, data or
332 information processing enterprises or computer software
333 development enterprises or any technology intensive facility or
334 enterprise in counties that have been designated by the Tax
335 Commission as Tier Two areas are allowed a job tax credit for
336 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
337 (\$1,000.00) annually for each net new full-time employee job for
338 five (5) years beginning with years two (2) through six (6) after
339 the creation of the job. The number of new full-time jobs must be
340 determined by comparing the monthly average number of full-time
341 employees subject to Mississippi income tax withholding for the
342 taxable year with the corresponding period of the prior taxable
343 year. Only those permanent businesses that increase employment by



344 fifteen (15) or more in Tier Two areas are eligible for the
345 credit. The credit is not allowed during any of the five (5)
346 years if the net employment increase falls below fifteen (15).
347 The Tax Commission shall adjust the credit allowed each year for
348 the net new employment fluctuations above the minimum level of
349 fifteen (15).

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

375 (5) In addition to the credits authorized in subsections
376 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)



377 credit for each net new full-time employee or an additional One
378 Thousand Dollars (\$1,000.00) credit for each net new full-time
379 employee who is paid a salary, excluding benefits which are not
380 subject to Mississippi income taxation, of at least one hundred
381 twenty-five percent (125%) of the average annual wage of the state
382 or an additional Two Thousand Dollars (\$2,000.00) credit for each
383 net new full-time employee who is paid a salary, excluding
384 benefits which are not subject to Mississippi income taxation, of
385 at least two hundred percent (200%) of the average annual wage of
386 the state, shall be allowed for any company establishing or
387 transferring its national or regional headquarters from within or
388 outside the State of Mississippi. A minimum of thirty-five (35)
389 jobs must be created to qualify for the additional credit. The
390 State Tax Commission shall establish criteria and prescribe
391 procedures to determine if a company qualifies as a national or
392 regional headquarters for purposes of receiving the credit awarded
393 in this subsection. As used in this subsection, the average
394 annual wage of the state is the most recently published average
395 annual wage as determined by the Mississippi Employment Security
396 Commission.

397 (6) In addition to the credits authorized in subsections
398 (2), (3), (4) and (5), any job requiring research and development
399 skills (chemist, engineer, etc.) shall qualify for an additional
400 One Thousand Dollars (\$1,000.00) credit for each net new full-time
401 employee.

402 (7) Tax credits for five (5) years for the taxes imposed by
403 Section 27-7-5 shall be awarded for additional net new full-time
404 jobs created by business enterprises qualified under subsections
405 (2), (3), (4), (5) and (6) of this section. The Tax Commission
406 shall adjust the credit allowed in the event of employment
407 fluctuations during the additional five (5) years of credit.

408 (8) The sale, merger, acquisition, reorganization,
409 bankruptcy or relocation from one county to another county within



410 the state of any business enterprise may not create new
411 eligibility in any succeeding business entity, but any unused job
412 tax credit may be transferred and continued by any transferee of
413 the business enterprise. The Tax Commission shall determine
414 whether or not qualifying net increases or decreases have occurred
415 or proper transfers of credit have been made and may require
416 reports, promulgate regulations, and hold hearings as needed for
417 substantiation and qualification.

418 (9) Any tax credit claimed under this section but not used
419 in any taxable year may be carried forward for five (5) years from
420 the close of the tax year in which the qualified jobs were
421 established but the credit established by this section taken in
422 any one (1) tax year must be limited to an amount not greater than
423 fifty percent (50%) of the taxpayer's state income tax liability
424 which is attributable to income derived from operations in the
425 state for that year.

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

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

432 (12) The tax credits provided for in this section shall be
433 in addition to any tax credits described in Sections 57-51-13(b),
434 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
435 action by the Department of Economic Development prior to July 1,
436 1989, to any business enterprise determined prior to July 1, 1989,
437 by the Department of Economic Development to be a qualified
438 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
439 a qualified company as described in Section 57-53-1, as the case
440 may be; however, from and after July 1, 1989, tax credits shall be
441 allowed only under either this section or Sections 57-51-13(b),



442 57-53-1(1)(a) and * * * on 57-54-9(b) for each net new full-time
443 employee.

444 (13) As used in this section, the term "telecommunications
445 enterprises" means entities engaged in the creation, display,
446 management, storage, processing, transmission or distribution for
447 compensation of images, text, voice, video or data by wire or by
448 wireless means, or entities engaged in the construction, design,
449 development, manufacture, maintenance or distribution for
450 compensation of devices, products, software or structures used in
451 the above activities. Companies organized to do business as
452 commercial broadcast radio stations, television stations or news
453 organizations primarily serving in-state markets shall not be
454 included within the definition of the term "telecommunications
455 enterprises."

456 **SECTION 18.** Section 57-1-303, Mississippi Code of 1972, is
457 amended as follows:

458 57-1-303. (1) * * * There is created a special fund in the
459 State Treasury to be designated as the "Local Governments Capital
460 Improvements Revolving Loan Fund," which fund shall consist of
461 such monies as provided in Sections 57-1-307 through 57-1-335.
462 The fund shall be maintained in perpetuity for the purposes
463 established in Sections 57-1-301 through 57-1-335. Unexpended
464 amounts remaining in the fund at the end of a fiscal year shall
465 not lapse into the State General Fund, and any interest earned on
466 amounts in the fund shall be deposited to the credit of the fund.
467 Monies in the fund may not be used or expended for any purpose
468 except as authorized under Sections 57-1-301 through 57-1-335.

469 * * *

470 (2) A county or an incorporated municipality may apply to
471 the Mississippi Development Authority for a loan under the Local
472 Governments Capital Improvements Revolving Loan Program
473 established under Sections 57-1-301 through 57-1-335.



474 (3) * * * The Mississippi Development Authority shall
475 establish a loan program by which loans, at a rate of interest not
476 to exceed one percent (1%) less than the federal reserve discount
477 rate, may be made available to counties and incorporated
478 municipalities to assist counties and incorporated municipalities
479 in making capital improvements. Loans from the revolving fund may
480 be made to counties and municipalities as set forth in a loan
481 agreement in amounts not to exceed one hundred percent (100%) of
482 eligible project costs as established by the Mississippi
483 Development Authority. The Mississippi Development Authority may
484 require county or municipal participation or funding from other
485 sources, or otherwise limit the percentage of costs covered by
486 loans from the revolving fund. The Mississippi Development
487 Authority may establish a maximum amount for any loan in order to
488 provide for broad and equitable participation in the program.

489 * * *

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

504 (5) The State Auditor, upon request of the Mississippi
505 Development Authority, shall audit the receipts and expenditures
506 of a county or an incorporated municipality whose loan payments



507 appear to be in arrears, and if he finds that the county or
508 municipality is in arrears in such payments, he shall immediately
509 notify the Executive Director of the Department of Finance and
510 Administration who shall withhold all future payments to the
511 county of homestead exemption reimbursements under Section
512 27-33-77 and all sums allocated to the county or the municipality
513 under Section 27-65-75 until such time as the county or the
514 municipality is again current in its loan payments as certified by
515 the Mississippi Development Authority.

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

520 **SECTION 19.** Section 57-61-25, Mississippi Code of 1972, is
521 amended as follows:

522 57-61-25. (1) The seller is authorized to borrow, on the
523 credit of the state upon receipt of a resolution from the
524 department requesting the same, money not exceeding the aggregate
525 sum of Two Hundred Fifty-nine Million Seven Hundred Fifty Thousand
526 Dollars (\$259,750,000.00), not including money borrowed to refund
527 outstanding bonds, notes or replacement notes, as may be necessary
528 to carry out the purposes of this chapter. The aggregate amount
529 of bonds issued prior to June 30, 1987, shall not exceed Fifty
530 Million Dollars (\$50,000,000.00); provided, however, this Fifty
531 Million Dollar (\$50,000,000.00) limitation shall not be construed
532 to limit the aggregate amount of grants which may be awarded prior
533 to June 30, 1987, to less than the full amount authorized under
534 Section 57-61-15(1), Mississippi Code of 1972. The rate of
535 interest on any such bonds or notes which are not subject to
536 taxation shall not exceed the rates set forth in Section
537 75-17-101, Mississippi Code of 1972, for general obligation bonds.

538 (2) As evidence of indebtedness authorized in this chapter,
539 general or limited obligation bonds of the state shall be issued,



540 from time to time, to provide monies necessary to carry out the
541 purposes of this chapter for such total amounts, in such form, in
542 such denominations payable in such currencies (either domestic or
543 foreign or both) and subject to such terms and conditions of
544 issue, redemption and maturity, rate of interest and time of
545 payment of interest as the seller directs, except that such bonds
546 shall mature or otherwise be retired in annual installments
547 beginning not more than five (5) years from date thereof and
548 extending not more than thirty (30) years from date thereof.

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

553 (4) All bonds and notes issued under authority of this
554 chapter may be general or limited obligations of the state, and
555 the full faith and credit of the State of Mississippi as to
556 general obligation bonds, or the revenues derived from projects
557 assisted as to limited obligation bonds, are hereby pledged for
558 the payment of the principal of and interest on such bonds and
559 notes.

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

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

566 (7) The seller is authorized to provide, by resolution, for
567 the issuance of refunding bonds for the purpose of refunding any
568 debt issued under the provisions of this chapter and then
569 outstanding, either by voluntary exchange with the holders of the
570 outstanding debt or to provide funds to redeem and the costs of
571 issuance and retirement of the debt, at maturity or at any call
572 date. The issuance of the refunding bonds, the maturities and



573 other details thereof, the rights of the holders thereof and the
574 duties of the issuing officials in respect to the same shall be
575 governed by the provisions of this section, insofar as they may be
576 applicable.

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

581 **SECTION 20.** Section 57-61-34, Mississippi Code of 1972, is
582 amended as follows:

583 57-61-34. Notwithstanding any provision of this chapter to
584 the contrary, the Mississippi Development Authority shall utilize
585 not more than Eight Million Dollars (\$8,000,000.00) out of the
586 proceeds of bonds authorized to be issued in this chapter to be
587 made available as interest-bearing loans to municipalities or
588 private companies to aid in the establishment of business
589 incubation centers and the creation of new and expanding
590 technology-based business and industry.

591 In exercising the power given it under this section, the
592 department shall work in conjunction with the University Research
593 Center * * *.

594 The requirements of Section 57-61-9 shall not apply to any
595 loan made under this section. The Mississippi Development
596 Authority shall establish criteria and guidelines to govern loans
597 made pursuant to this section.

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

600 57-61-45. Notwithstanding any provision of this chapter to
601 the contrary, the Mississippi Development Authority shall utilize
602 not more than Two Million Dollars (\$2,000,000.00) out of the
603 proceeds of bonds issued in this chapter to provide a grant to
604 provide funds for the Community Development Grant Fund established
605 in Section 15 of Senate Bill No. 2549, 2002 Regular Session.



606 The requirements of Section 57-61-9, Mississippi Code of
607 1972, shall not apply to the grant made under this section.

608 **SECTION 22.** This act shall take effect and be in force from
609 and after July 1, 2002.

