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To: Finance

SENATE BILL NO. 2880
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "PROJECT" FOR PURPOSES OF THE
3 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTION 57-75-15,
4 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE ISSUANCE OF
5 \$19,500,000.00 IN STATE GENERAL OBLIGATION BONDS FOR A PROJECT
6 UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT IF LOCAL
7 GOVERNMENTS IRREVOCABLY COMMIT FUNDS IN AN AMOUNT OF NOT LESS THAN
8 \$2,500,000.00 TO SUCH PROJECT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 57-75-5, Mississippi Code of 1972, is
11 amended as follows:

12 57-75-5. Words and phrases used in this chapter shall have
13 meanings as follows, unless the context clearly indicates a
14 different meaning:

15 (a) "Act" means the Mississippi Major Economic Impact
16 Act as originally enacted or as hereafter amended.

17 (b) "Authority" means the Mississippi Major Economic
18 Impact Authority created pursuant to the act.

19 (c) "Bonds" means general obligation bonds, interim
20 notes and other evidences of debt of the State of Mississippi
21 issued pursuant to this chapter.

22 (d) "Facility related to the project" means and
23 includes any of the following, as the same may pertain to the
24 project within the project area: (i) facilities to provide
25 potable and industrial water supply systems, sewage and waste
26 disposal systems and water, natural gas and electric transmission
27 systems to the site of the project; (ii) airports, airfields and
28 air terminals; (iii) rail lines; (iv) port facilities; (v)
29 highways, streets and other roadways; (vi) public school
30 buildings, classrooms and instructional facilities, training

31 facilities and equipment, including any functionally related
32 facilities; (vii) parks, outdoor recreation facilities and
33 athletic facilities; (viii) auditoriums, pavilions, campgrounds,
34 art centers, cultural centers, folklore centers and other public
35 facilities; (ix) health care facilities, public or private; and
36 (x) fire protection facilities, equipment and elevated water
37 tanks.

38 (e) "Person" means any natural person, corporation,
39 association, partnership, receiver, trustee, guardian, executor,
40 administrator, fiduciary, governmental unit, public agency,
41 political subdivision, or any other group acting as a unit, and
42 the plural as well as the singular.

43 (f) "Project" means:

44 (i) Any industrial, commercial, research and
45 development, warehousing, distribution, transportation,
46 processing, mining, United States government or tourism enterprise
47 together with all real property required for construction,
48 maintenance and operation of the enterprise with an initial
49 capital investment of not less than Three Hundred Million Dollars
50 (\$300,000,000.00) from private or United States government sources
51 together with all buildings, and other supporting land and
52 facilities, structures or improvements of whatever kind required
53 or useful for construction, maintenance and operation of the
54 enterprise; or with an initial capital investment of not less than
55 One Hundred Fifty Million Dollars (\$150,000,000.00) from private
56 or United States government sources together with all buildings
57 and other supporting land and facilities, structures or
58 improvements of whatever kind required or useful for construction,
59 maintenance and operation of the enterprise and which creates at
60 least one thousand (1,000) net new full-time jobs; or which
61 creates at least one thousand (1,000) net new full-time jobs which
62 provides an average salary, excluding benefits which are not
63 subject to Mississippi income taxation, of at least one hundred

64 twenty-five percent (125%) of the most recently published average
65 annual wage of the state as determined by the Mississippi
66 Employment Security Commission. "Project" shall include any
67 addition to or expansion of an existing enterprise if such
68 addition or expansion has an initial capital investment of not
69 less than Three Hundred Million Dollars (\$300,000,000.00) from
70 private or United States government sources, or has an initial
71 capital investment of not less than One Hundred Fifty Million
72 Dollars (\$150,000,000.00) from private or United States government
73 sources together with all buildings and other supporting land and
74 facilities, structures or improvements of whatever kind required
75 or useful for construction, maintenance and operation of the
76 enterprise and which creates at least one thousand (1,000) net new
77 full-time jobs; or which creates at least one thousand (1,000) net
78 new full-time jobs which provides an average salary, excluding
79 benefits which are not subject to Mississippi income taxation, of
80 at least one hundred twenty-five percent (125%) of the most
81 recently published average annual wage of the state as determined
82 by the Mississippi Employment Security Commission. "Project"
83 shall also include any ancillary development or business resulting
84 from the enterprise, of which the authority is notified, within
85 three (3) years from the date that the enterprise entered into
86 commercial production, that the project area has been selected as
87 the site for the ancillary development or business.

88 (ii) Any major capital project designed to
89 improve, expand or otherwise enhance any active duty United States
90 Air Force or Navy training bases or naval stations, their support
91 areas or their military operations, upon designation by the
92 authority that any such base was or is at risk to be recommended
93 for closure or realignment pursuant to the Defense Base Closure
94 and Realignment Act of 1990; or any major development project
95 determined by the authority to be necessary to acquire base
96 properties and to provide employment opportunities through

97 construction of projects as defined in Section 57-3-5, which shall
98 be located on or provide direct support service or access to such
99 military installation property as such property exists on July 1,
100 1993, in the event of closure or reduction of military operations
101 at the installation. From and after July 1, 1997, projects
102 described in this subparagraph (ii) shall not be considered to be
103 within the meaning of the term "project" for purposes of this
104 section, unless such projects are commenced before July 1, 1997,
105 and shall not be eligible for any funding provided under the
106 Mississippi Major Economic Impact Act.

107 (iii) Any enterprise to be maintained, improved or
108 constructed in Tishomingo County by or for a National Aeronautics
109 and Space Administration facility in such county.

110 (iv) 1. Any major capital project with an initial
111 capital investment from private sources of not less than Seven
112 Hundred Fifty Million Dollars (\$750,000,000.00) which will create
113 at least three thousand (3,000) jobs meeting criteria established
114 by the Mississippi Development Authority.

115 2. "Project" shall also include any ancillary
116 development or business resulting from an enterprise operating a
117 project as defined in item 1 of this paragraph (f)(iv), of which
118 the authority is notified, within three (3) years from the date
119 that the enterprise entered into commercial production, that the
120 state has been selected as the site for the ancillary development
121 or business.

122 (v) Any manufacturing, processing or industrial
123 project determined by the authority, in its sole discretion, to
124 contribute uniquely and significantly to the economic growth and
125 development of the state, and which meets the following criteria:

126 1. The project shall create at least two
127 thousand (2,000) net new full-time jobs meeting criteria
128 established by the authority, which criteria shall include, but
129 not be limited to, the requirement that such jobs must be held by

130 persons eligible for employment in the United States under
131 applicable state and federal law.

132 2. The project and any facility related to
133 the project shall include a total investment from private sources
134 of not less than Sixty Million Dollars (\$60,000,000.00), or from
135 any combination of sources of not less than Eighty Million Dollars
136 (\$80,000,000.00).

137 (vi) Any real property owned or controlled by the
138 National Aeronautics and Space Administration, the United States
139 government, or any agency thereof, which is legally conveyed to
140 the State of Mississippi or to the State of Mississippi for the
141 benefit of the Mississippi Major Economic Impact Authority, its
142 successors and assigns pursuant to Section 212 of Public Law
143 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

144 (vii) Any major capital project related to the
145 establishment, improvement, expansion and/or other enhancement of
146 any active duty military installation and having a minimum capital
147 investment from any source or combination of sources other than
148 the State of Mississippi of at least Forty Million Dollars
149 (\$40,000,000.00), and which will create at least four hundred
150 (400) military installation related full-time jobs, which jobs may
151 be military jobs, civilian jobs or a combination of military and
152 civilian jobs. The authority shall require that binding
153 commitments be entered into requiring that the minimum
154 requirements for the project provided for in this subparagraph
155 shall be met not later than July 1, 2008.

156 (viii) Any major capital project with an initial
157 capital investment from any source or combination of sources of
158 not less than Ten Million Dollars (\$10,000,000.00) which will
159 create at least eighty (80) full-time jobs which provide an
160 average annual salary, excluding benefits which are not subject to
161 Mississippi income taxes, of at least one hundred thirty-five
162 percent (135%) of the most recently published average annual wage

163 of the state or the most recently published average annual wage of
164 the county in which the project is located as determined by the
165 Mississippi Employment Security Commission, whichever is the
166 lesser. The authority shall require that binding commitments be
167 entered into requiring that:

168 1. The minimum requirements for the project
169 provided for in this subparagraph shall be met, and

170 2. That if such commitments are not met, all
171 or a portion of the funds provided by the state for the project as
172 determined by the authority shall be repaid.

173 (ix) Any regional retail shopping mall with an
174 initial capital investment from private sources in excess of One
175 Hundred Fifty Million Dollars (\$150,000,000.00), with a square
176 footage in excess of eight hundred thousand (800,000) square feet,
177 which will create at least seven hundred (700) full-time jobs with
178 an average hourly wage of Eleven Dollars (\$11.00) per hour. The
179 authority shall require that binding commitments be entered into
180 requiring that:

181 1. The minimum requirements for the project
182 provided for in this subparagraph shall be met, and

183 2. That if such commitments are not met, all
184 or a portion of the funds provided by the state for the project as
185 determined by the authority shall be repaid.

186 (x) Any major capital project with an initial
187 capital investment from any source or combination of sources of
188 not less than Seventy-five Million Dollars (\$75,000,000.00) which
189 will create at least one hundred twenty-five (125) full-time jobs
190 which provide an average annual salary, excluding benefits which
191 are not subject to Mississippi income taxes, of at least one
192 hundred thirty-five percent (135%) of the most recently published
193 average annual wage of the state or the most recently published
194 average annual wage of the county in which the project is located
195 as determined by the Mississippi Employment Security Commission,

196 whichever is the greater. The authority shall require that
197 binding commitments be entered into requiring that:

198 1. The minimum requirements for the project
199 provided for in this subparagraph shall be met; and

200 2. That if such commitments are not met, all
201 or a portion of the funds provided by the state for the project as
202 determined by the authority shall be repaid.

203 (xi) Any potential major capital project that the
204 authority has determined is feasible to recruit.

205 (xii) Any project built according to the
206 specifications and federal provisions set forth by the National
207 Aeronautics and Space Administration Center Operations Directorate
208 at Stennis Space Center for the purpose of consolidating common
209 services from National Aeronautics and Space Administration
210 centers in human resources, procurement, financial management and
211 information technology located on land owned or controlled by the
212 National Aeronautics and Space Administration, which will create
213 at least four hundred seventy (470) full-time jobs with an average
214 annual salary of at least Sixty Thousand Dollars (\$60,000.00).

215 (g) "Project area" means the project site, together
216 with any area or territory within the state lying within
217 sixty-five (65) miles of any portion of the project site whether
218 or not such area or territory be contiguous; provided, however,
219 that for the project defined in paragraph (f)(iv) of this section
220 the term "project area" means any area or territory within the
221 state. The project area shall also include all territory within a
222 county if any portion of such county lies within sixty-five (65)
223 miles of any portion of the project site. "Project site" means
224 the real property on which the principal facilities of the
225 enterprise will operate.

226 (h) "Public agency" means:

227 (i) Any department, board, commission, institution
228 or other agency or instrumentality of the state;

229 (ii) Any city, town, county, political
230 subdivision, school district or other district created or existing
231 under the laws of the state or any public agency of any such city,
232 town, county, political subdivision or district or any other
233 public entity created or existing under local and private
234 legislation;

235 (iii) Any department, commission, agency or
236 instrumentality of the United States of America; and

237 (iv) Any other state of the United States of
238 America which may be cooperating with respect to location of the
239 project within the state, or any agency thereof.

240 (i) "State" means State of Mississippi.

241 (j) "Fee-in-lieu" means a negotiated fee to be paid by
242 the project in lieu of any franchise taxes imposed on the project
243 by Chapter 13, Title 27, Mississippi Code of 1972. The
244 fee-in-lieu shall not be less than Twenty-five Thousand Dollars
245 (\$25,000.00) annually. A fee-in-lieu may be negotiated with an
246 enterprise operating an existing project defined in Section
247 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated
248 for other existing enterprises that fall within the definition of
249 the term "project."

250 **SECTION 2.** Section 57-75-15, Mississippi Code of 1972, is
251 amended as follows:

252 57-75-15. (1) Upon notification to the authority by the
253 enterprise that the state has been finally selected as the site
254 for the project, the State Bond Commission shall have the power
255 and is hereby authorized and directed, upon receipt of a
256 declaration from the authority as hereinafter provided, to borrow
257 money and issue general obligation bonds of the state in one or
258 more series for the purposes herein set out. Upon such
259 notification, the authority may thereafter from time to time
260 declare the necessity for the issuance of general obligation bonds
261 as authorized by this section and forward such declaration to the

262 State Bond Commission, provided that before such notification, the
263 authority may enter into agreements with the United States
264 government, private companies and others that will commit the
265 authority to direct the State Bond Commission to issue bonds for
266 eligible undertakings set out in subsection (4) of this section,
267 conditioned on the siting of the project in the state.

268 (2) Upon receipt of any such declaration from the authority,
269 the State Bond Commission shall verify that the state has been
270 selected as the site of the project and shall act as the issuing
271 agent for the series of bonds directed to be issued in such
272 declaration pursuant to authority granted in this section.

273 (3) (a) Bonds issued under the authority of this section
274 for projects as defined in Section 57-75-5(f)(i) shall not exceed
275 an aggregate principal amount in the sum of Sixty-seven Million
276 Three Hundred Fifty Thousand Dollars (\$67,350,000.00).

277 (b) Bonds issued under the authority of this section
278 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
279 Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued
280 for projects related to any single military installation exceed
281 Sixteen Million Six Hundred Sixty-seven Thousand Dollars
282 (\$16,667,000.00). If any proceeds of bonds issued for projects
283 related to the Meridian Naval Auxiliary Air Station ("NAAS") are
284 used for the development of a water and sewer service system by
285 the City of Meridian, Mississippi, to serve the NAAS and if the
286 City of Meridian annexes any of the territory served by the water
287 and sewer service system, the city shall repay the State of
288 Mississippi the amount of all bond proceeds expended on any
289 portion of the water and sewer service system project; and if
290 there are any monetary proceeds derived from the disposition of
291 any improvements located on real property in Kemper County
292 purchased pursuant to this act for projects related to the NAAS
293 and if there are any monetary proceeds derived from the
294 disposition of any timber located on real property in Kemper

295 County purchased pursuant to this act for projects related to the
296 NAAS, all of such proceeds (both from the disposition of
297 improvements and the disposition of timber) commencing July 1,
298 1996, through June 30, 2010, shall be paid to the Board of
299 Education of Kemper County, Mississippi, for expenditure by such
300 board of education to benefit the public schools of Kemper County.
301 No bonds shall be issued under this paragraph (b) until the State
302 Bond Commission by resolution adopts a finding that the issuance
303 of such bonds will improve, expand or otherwise enhance the
304 military installation, its support areas or military operations,
305 or will provide employment opportunities to replace those lost by
306 closure or reductions in operations at the military installation.
307 From and after July 1, 1997, bonds shall not be issued for any
308 projects, as defined in Section 57-75-5(f)(ii), which are not
309 commenced before July 1, 1997. The proceeds of any bonds issued
310 for projects commenced before July 1, 1997, shall be used for the
311 purposes for which the bonds were issued until completion of the
312 projects.

313 (c) Bonds issued under the authority of this section
314 for projects as defined in Section 57-75-5(f)(iii) shall not
315 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
316 issued under this paragraph after December 31, 1996.

317 (d) Bonds issued under the authority of this section
318 for projects defined in Section 57-75-5(f)(iv) shall not exceed
319 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
320 additional amount of bonds in an amount not to exceed Twelve
321 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
322 issued under the authority of this section for the purpose of
323 defraying costs associated with the construction of surface water
324 transmission lines for a project defined in Section 57-75-5(f)(iv)
325 or for any facility related to the project. No bonds shall be
326 issued under this paragraph after June 30, 2005.

327 (e) Bonds issued under the authority of this section
328 for projects defined in Section 57-75-5(f)(v) and for facilities
329 related to such projects shall not exceed Thirty-eight Million
330 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be
331 issued under this paragraph after December 31, 2005.

332 (f) Bonds issued under the authority of this section
333 for projects defined in Section 57-75-5(f)(vii) shall not exceed
334 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
335 under this paragraph after June 30, 2006.

336 (g) Bonds issued under the authority of this section
337 for projects defined in Section 57-75-5(f)(viii) shall not exceed
338 One Million Five Hundred Thousand Dollars (\$1,500,000.00). No
339 bonds shall be issued under this paragraph after June 30, 2007.

340 (h) Bonds issued under the authority of this section
341 for projects defined in Section 57-75-5(f)(ix) shall not exceed
342 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
343 under this paragraph after June 30, 2007.

344 (i) Bonds issued under the authority of this section
345 for projects defined in Section 57-75-5(f)(x) shall not exceed
346 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
347 under this paragraph after June 30, 2007.

348 (j) Bonds issued under the authority of this section
349 for projects defined in Section 57-75-5(f)(xii) shall not exceed
350 Nineteen Million Five Hundred Thousand Dollars (\$19,500,000.00).
351 No bond shall be issued under this paragraph until local
352 governments in or near the county in which the project is located
353 have irrevocably committed funds to the project in an amount of
354 not less than Two Million Five Hundred Thousand Dollars
355 (\$2,500,000.00) in the aggregate. No bonds shall be issued under
356 this paragraph after June 30, 2008.

357 (4) (a) The proceeds from the sale of the bonds issued
358 under this section may be applied for the following purposes:

359 (i) Defraying all or any designated portion of the
360 costs incurred with respect to acquisition, planning, design,
361 construction, installation, rehabilitation, improvement,
362 relocation and with respect to state-owned property, operation and
363 maintenance of the project and any facility related to the project
364 located within the project area, including costs of design and
365 engineering, all costs incurred to provide land, easements and
366 rights-of-way, relocation costs with respect to the project and
367 with respect to any facility related to the project located within
368 the project area, and costs associated with mitigation of
369 environmental impacts and environmental impact studies;

370 (ii) Defraying the cost of providing for the
371 recruitment, screening, selection, training or retraining of
372 employees, candidates for employment or replacement employees of
373 the project and any related activity;

374 (iii) Reimbursing the Mississippi Development
375 Authority for expenses it incurred in regard to projects defined
376 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
377 Mississippi Development Authority shall submit an itemized list of
378 expenses it incurred in regard to such projects to the Chairmen of
379 the Finance and Appropriations Committees of the Senate and the
380 Chairmen of the Ways and Means and Appropriations Committees of
381 the House of Representatives;

382 (iv) Providing grants to enterprises operating
383 projects defined in Section 57-75-5(f)(iv)1;

384 (v) Paying any warranty made by the authority
385 regarding site work for a project defined in Section
386 57-75-5(f)(iv)1;

387 (vi) Defraying the cost of marketing and promotion
388 of a project as defined in Section 57-75-5(f)(iv)1. The authority
389 shall submit an itemized list of costs incurred for marketing and
390 promotion of such project to the Chairmen of the Finance and
391 Appropriations Committees of the Senate and the Chairmen of the

392 Ways and Means and Appropriations Committees of the House of
393 Representatives;

394 (vii) Providing for the payment of interest on the
395 bonds;

396 (viii) Providing debt service reserves;

397 (ix) Paying underwriters' discount, original issue
398 discount, accountants' fees, engineers' fees, attorneys' fees,
399 rating agency fees and other fees and expenses in connection with
400 the issuance of the bonds;

401 (x) For purposes authorized in paragraphs (b) and
402 (c) of this subsection (4); and

403 (xi) Providing grants to enterprises operating
404 projects defined in Section 57-75-5(f)(v), or, in connection with
405 a facility related to such a project, for any purposes deemed by
406 the authority in its sole discretion to be necessary and
407 appropriate.

408 Such bonds shall be issued from time to time and in such
409 principal amounts as shall be designated by the authority, not to
410 exceed in aggregate principal amounts the amount authorized in
411 subsection (3) of this section. Proceeds from the sale of the
412 bonds issued under this section may be invested, subject to
413 federal limitations, pending their use, in such securities as may
414 be specified in the resolution authorizing the issuance of the
415 bonds or the trust indenture securing them, and the earning on
416 such investment applied as provided in such resolution or trust
417 indenture.

418 (b) (i) The proceeds of bonds issued after June 21,
419 2002, under this section for projects described in Section
420 57-75-5(f)(iv) may be used to reimburse reasonable actual and
421 necessary costs incurred by the Mississippi Development Authority
422 in providing assistance related to a project for which funding is
423 provided from the use of proceeds of such bonds. The Mississippi
424 Development Authority shall maintain an accounting of actual costs

425 incurred for each project for which reimbursements are sought.
426 Reimbursements under this paragraph (b)(i) shall not exceed Three
427 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
428 Reimbursements under this paragraph (b (i) shall satisfy any
429 applicable federal tax law requirements.

430 (ii) The proceeds of bonds issued after June 21,
431 2002, under this section for projects described in Section
432 57-75-5(f)(iv) may be used to reimburse reasonable actual and
433 necessary costs incurred by the Department of Audit in providing
434 services related to a project for which funding is provided from
435 the use of proceeds of such bonds. The Department of Audit shall
436 maintain an accounting of actual costs incurred for each project
437 for which reimbursements are sought. The Department of Audit may
438 escalate its budget and expend such funds in accordance with rules
439 and regulations of the Department of Finance and Administration in
440 a manner consistent with the escalation of federal funds.

441 Reimbursements under this paragraph (b)(ii) shall not exceed One
442 Hundred Thousand Dollars (\$100,000.00) in the aggregate.

443 Reimbursements under this paragraph (b)(ii) shall satisfy any
444 applicable federal tax law requirements.

445 (c) (i) The proceeds of bonds issued under this
446 section for projects described in Section 57-75-5(f)(ix) may be
447 used to reimburse reasonable actual and necessary costs incurred
448 by the Mississippi Development Authority in providing assistance
449 related to a project for which funding is provided for the use of
450 proceeds of such bonds. The Mississippi Development Authority
451 shall maintain an accounting of actual costs incurred for each
452 project for which reimbursements are sought. Reimbursements under
453 this paragraph shall not exceed Twenty-five Thousand Dollars
454 (\$25,000.00) in the aggregate.

455 (ii) The proceeds of bonds issued under this
456 section for projects described in Section 57-75-5(f)(ix) may be
457 used to reimburse reasonable actual and necessary costs incurred

458 by the Department of Audit in providing services related to a
459 project for which funding is provided from the use of proceeds of
460 such bonds. The Department of Audit shall maintain an accounting
461 of actual costs incurred for each project for which reimbursements
462 are sought. The Department of Audit may escalate its budget and
463 expend such funds in accordance with rules and regulations of the
464 Department of Finance and Administration in a manner consistent
465 with the escalation of federal funds. Reimbursements under this
466 paragraph shall not exceed Twenty-five Thousand Dollars
467 (\$25,000.00) in the aggregate. Reimbursements under this
468 paragraph shall satisfy any applicable federal tax law
469 requirements.

470 (d) (i) The proceeds of bonds issued under this
471 section for projects described in Section 57-75-5(f)(x) may be
472 used to reimburse reasonable actual and necessary costs incurred
473 by the Mississippi Development Authority in providing assistance
474 related to a project for which funding is provided for the use of
475 proceeds of such bonds. The Mississippi Development Authority
476 shall maintain an accounting of actual costs incurred for each
477 project for which reimbursements are sought. Reimbursements under
478 this paragraph shall not exceed Twenty-five Thousand Dollars
479 (\$25,000.00) in the aggregate.

480 (ii) The proceeds of bonds issued under this
481 section for projects described in Section 57-75-5(f)(x) may be
482 used to reimburse reasonable actual and necessary costs incurred
483 by the Department of Audit in providing services related to a
484 project for which funding is provided from the use of proceeds of
485 such bonds. The Department of Audit shall maintain an accounting
486 of actual costs incurred for each project for which reimbursements
487 are sought. The Department of Audit may escalate its budget and
488 expend such funds in accordance with rules and regulations of the
489 Department of Finance and Administration in a manner consistent
490 with the escalation of federal funds. Reimbursements under this

491 paragraph shall not exceed Twenty-five Thousand Dollars
492 (\$25,000.00) in the aggregate. Reimbursements under this
493 paragraph shall satisfy any applicable federal tax law
494 requirements.

495 (e) (i) The proceeds of bonds issued under this
496 section for projects described in Section 57-75-5(f)(xii) may be
497 used to reimburse reasonable, actual and necessary costs incurred
498 by the Mississippi Development Authority in providing assistance
499 related to a project for which funding is provided from the use of
500 proceeds of such bonds. The Mississippi Development Authority
501 shall maintain an accounting of actual costs incurred for each
502 project for which reimbursements are sought. Reimbursements under
503 this paragraph (e)(i) shall not exceed Twenty-five Thousand
504 Dollars (\$25,000.00) in the aggregate.

505 (ii) The proceeds of bonds issued under this
506 section for projects described in Section 57-75-5(f)(xii) may be
507 used to reimburse reasonable, actual and necessary costs incurred
508 by the Department of Audit in providing services related to a
509 project for which funding is provided from the use of proceeds of
510 such bonds. The Department of Audit shall maintain an accounting
511 of actual costs incurred for each project for which reimbursements
512 are sought. The Department of Audit may escalate its budget and
513 expend such funds in accordance with rules and regulations of the
514 Department of Finance and Administration in a manner consistent
515 with the escalation of federal funds. Reimbursements under this
516 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars
517 (\$25,000.00) in the aggregate. Reimbursements under this
518 paragraph (e)(ii) shall satisfy any applicable federal tax law
519 requirements.

520 (5) The principal of and the interest on the bonds shall be
521 payable in the manner hereinafter set forth. The bonds shall bear
522 date or dates; be in such denomination or denominations; bear
523 interest at such rate or rates; be payable at such place or places

524 within or without the state; mature absolutely at such time or
525 times; be redeemable before maturity at such time or times and
526 upon such terms, with or without premium; bear such registration
527 privileges; and be substantially in such form; all as shall be
528 determined by resolution of the State Bond Commission except that
529 such bonds shall mature or otherwise be retired in annual
530 installments beginning not more than five (5) years from the date
531 thereof and extending not more than twenty-five (25) years from
532 the date thereof. The bonds shall be signed by the Chairman of
533 the State Bond Commission, or by his facsimile signature, and the
534 official seal of the State Bond Commission shall be imprinted on
535 or affixed thereto, attested by the manual or facsimile signature
536 of the Secretary of the State Bond Commission. Whenever any such
537 bonds have been signed by the officials herein designated to sign
538 the bonds, who were in office at the time of such signing but who
539 may have ceased to be such officers before the sale and delivery
540 of such bonds, or who may not have been in office on the date such
541 bonds may bear, the signatures of such officers upon such bonds
542 shall nevertheless be valid and sufficient for all purposes and
543 have the same effect as if the person so officially signing such
544 bonds had remained in office until the delivery of the same to the
545 purchaser, or had been in office on the date such bonds may bear.

546 (6) All bonds issued under the provisions of this section
547 shall be and are hereby declared to have all the qualities and
548 incidents of negotiable instruments under the provisions of the
549 Uniform Commercial Code and in exercising the powers granted by
550 this chapter, the State Bond Commission shall not be required to
551 and need not comply with the provisions of the Uniform Commercial
552 Code.

553 (7) The State Bond Commission shall sell the bonds on sealed
554 bids at public sale, and for such price as it may determine to be
555 for the best interest of the State of Mississippi, but no such
556 sale shall be made at a price less than par plus accrued interest

557 to date of delivery of the bonds to the purchaser. The bonds
558 shall bear interest at such rate or rates not exceeding the limits
559 set forth in Section 75-17-101 as shall be fixed by the State Bond
560 Commission. All interest accruing on such bonds so issued shall
561 be payable semiannually or annually; provided that the first
562 interest payment may be for any period of not more than one (1)
563 year.

564 Notice of the sale of any bonds shall be published at least
565 one time, the first of which shall be made not less than ten (10)
566 days prior to the date of sale, and shall be so published in one
567 or more newspapers having a general circulation in the City of
568 Jackson and in one or more other newspapers or financial journals
569 with a large national circulation, to be selected by the State
570 Bond Commission.

571 The State Bond Commission, when issuing any bonds under the
572 authority of this section, may provide that the bonds, at the
573 option of the state, may be called in for payment and redemption
574 at the call price named therein and accrued interest on such date
575 or dates named therein.

576 (8) State bonds issued under the provisions of this section
577 shall be the general obligations of the state and backed by the
578 full faith and credit of the state. The Legislature shall
579 appropriate annually an amount sufficient to pay the principal of
580 and the interest on such bonds as they become due. All bonds
581 shall contain recitals on their faces substantially covering the
582 foregoing provisions of this section.

583 (9) The State Treasurer is authorized to certify to the
584 Department of Finance and Administration the necessity for
585 warrants, and the Department of Finance and Administration is
586 authorized and directed to issue such warrants payable out of any
587 funds appropriated by the Legislature under this section for such
588 purpose, in such amounts as may be necessary to pay when due the
589 principal of and interest on all bonds issued under the provisions

590 of this section. The State Treasurer shall forward the necessary
591 amount to the designated place or places of payment of such bonds
592 in ample time to discharge such bonds, or the interest thereon, on
593 the due dates thereof.

594 (10) The bonds may be issued without any other proceedings
595 or the happening of any other conditions or things other than
596 those proceedings, conditions and things which are specified or
597 required by this chapter. Any resolution providing for the
598 issuance of general obligation bonds under the provisions of this
599 section shall become effective immediately upon its adoption by
600 the State Bond Commission, and any such resolution may be adopted
601 at any regular or special meeting of the State Bond Commission by
602 a majority of its members.

603 (11) In anticipation of the issuance of bonds hereunder, the
604 State Bond Commission is authorized to negotiate and enter into
605 any purchase, loan, credit or other agreement with any bank, trust
606 company or other lending institution or to issue and sell interim
607 notes for the purpose of making any payments authorized under this
608 section. All borrowings made under this provision shall be
609 evidenced by notes of the state which shall be issued from time to
610 time, for such amounts not exceeding the amount of bonds
611 authorized herein, in such form and in such denomination and
612 subject to such terms and conditions of sale and issuance,
613 prepayment or redemption and maturity, rate or rates of interest
614 not to exceed the maximum rate authorized herein for bonds, and
615 time of payment of interest as the State Bond Commission shall
616 agree to in such agreement. Such notes shall constitute general
617 obligations of the state and shall be backed by the full faith and
618 credit of the state. Such notes may also be issued for the
619 purpose of refunding previously issued notes. No note shall
620 mature more than three (3) years following the date of its
621 issuance. The State Bond Commission is authorized to provide for
622 the compensation of any purchaser of the notes by payment of a

623 fixed fee or commission and for all other costs and expenses of
624 issuance and service, including paying agent costs. Such costs
625 and expenses may be paid from the proceeds of the notes.

626 (12) The bonds and interim notes authorized under the
627 authority of this section may be validated in the First Judicial
628 District of the Chancery Court of Hinds County, Mississippi, in
629 the manner and with the force and effect provided now or hereafter
630 by Chapter 13, Title 31, Mississippi Code of 1972, for the
631 validation of county, municipal, school district and other bonds.
632 The necessary papers for such validation proceedings shall be
633 transmitted to the State Bond Attorney, and the required notice
634 shall be published in a newspaper published in the City of
635 Jackson, Mississippi.

636 (13) Any bonds or interim notes issued under the provisions
637 of this chapter, a transaction relating to the sale or securing of
638 such bonds or interim notes, their transfer and the income
639 therefrom shall at all times be free from taxation by the state or
640 any local unit or political subdivision or other instrumentality
641 of the state, excepting inheritance and gift taxes.

642 (14) All bonds issued under this chapter shall be legal
643 investments for trustees, other fiduciaries, savings banks, trust
644 companies and insurance companies organized under the laws of the
645 State of Mississippi; and such bonds shall be legal securities
646 which may be deposited with and shall be received by all public
647 officers and bodies of the state and all municipalities and other
648 political subdivisions thereof for the purpose of securing the
649 deposit of public funds.

650 (15) The Attorney General of the State of Mississippi shall
651 represent the State Bond Commission in issuing, selling and
652 validating bonds herein provided for, and the Bond Commission is
653 hereby authorized and empowered to expend from the proceeds
654 derived from the sale of the bonds authorized hereunder all

655 necessary administrative, legal and other expenses incidental and
656 related to the issuance of bonds authorized under this chapter.

657 (16) There is hereby created a special fund in the State
658 Treasury to be known as the Mississippi Major Economic Impact
659 Authority Fund wherein shall be deposited the proceeds of the
660 bonds issued under this chapter and all monies received by the
661 authority to carry out the purposes of this chapter. Expenditures
662 authorized herein shall be paid by the State Treasurer upon
663 warrants drawn from the fund, and the Department of Finance and
664 Administration shall issue warrants upon requisitions signed by
665 the director of the authority.

666 (17) (a) There is hereby created the Mississippi Economic
667 Impact Authority Sinking Fund from which the principal of and
668 interest on such bonds shall be paid by appropriation. All monies
669 paid into the sinking fund not appropriated to pay accruing bonds
670 and interest shall be invested by the State Treasurer in such
671 securities as are provided by law for the investment of the
672 sinking funds of the state.

673 (b) In the event that all or any part of the bonds and
674 notes are purchased, they shall be canceled and returned to the
675 loan and transfer agent as canceled and paid bonds and notes and
676 thereafter all payments of interest thereon shall cease and the
677 canceled bonds, notes and coupons, together with any other
678 canceled bonds, notes and coupons, shall be destroyed as promptly
679 as possible after cancellation but not later than two (2) years
680 after cancellation. A certificate evidencing the destruction of
681 the canceled bonds, notes and coupons shall be provided by the
682 loan and transfer agent to the seller.

683 (c) The State Treasurer shall determine and report to
684 the Department of Finance and Administration and Legislative
685 Budget Office by September 1 of each year the amount of money
686 necessary for the payment of the principal of and interest on
687 outstanding obligations for the following fiscal year and the

688 times and amounts of the payments. It shall be the duty of the
689 Governor to include in every executive budget submitted to the
690 Legislature full information relating to the issuance of bonds and
691 notes under the provisions of this chapter and the status of the
692 sinking fund for the payment of the principal of and interest on
693 the bonds and notes.

694 (18) (a) Upon receipt of a declaration by the authority
695 that it has determined that the state is a potential site for a
696 project, the State Bond Commission is authorized and directed to
697 authorize the State Treasurer to borrow money from any special
698 fund in the State Treasury not otherwise appropriated to be
699 utilized by the authority for the purposes provided for in this
700 subsection.

701 (b) The proceeds of the money borrowed under this
702 subsection may be utilized by the authority for the purpose of
703 defraying all or a portion of the costs incurred by the authority
704 with respect to acquisition options and planning, design and
705 environmental impact studies with respect to a project defined in
706 Section 57-75-5(f)(xi). The authority may escalate its budget and
707 expend the proceeds of the money borrowed under this subsection in
708 accordance with rules and regulations of the Department of Finance
709 and Administration in a manner consistent with the escalation of
710 federal funds.

711 (c) The authority shall request an appropriation or
712 additional authority to issue general obligation bonds to repay
713 the borrowed funds and establish a date for the repayment of the
714 funds so borrowed.

715 (d) Borrowings made under the provisions of this
716 subsection shall not exceed Five Hundred Thousand Dollars
717 (\$500,000.00) at any one time.

718 **SECTION 3.** This act shall take effect and be in force from
719 and after its passage.