

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 1668

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "PROJECT" UNDER THE MISSISSIPPI
3 MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTION 57-75-11, MISSISSIPPI
4 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI MAJOR ECONOMIC IMPACT
5 AUTHORITY TO PROVIDE GRANT AND LOAN FUNDS TO ENTERPRISES OWNING OR
6 OPERATING CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC
7 IMPACT ACT; TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
8 TO AUTHORIZE THE ISSUANCE OF BONDS FOR CERTAIN PROJECTS UNDER THE
9 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTION 27-65-101,
10 MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES TAXATION SALES TO
11 AN ENTERPRISE OWNING OR OPERATING CERTAIN PROJECTS DEFINED UNDER
12 THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT OF MACHINERY AND CERTAIN
13 SPECIAL TOOLS OR REPAIR PARTS THEREFOR, FUEL AND SUPPLIES USED
14 DIRECTLY IN THE MANUFACTURING/PRODUCTION OPERATIONS OF THE
15 PROJECT; TO EXEMPT FROM SALES TAXATION THE SALE OF MATERIALS,
16 MACHINERY AND EQUIPMENT USED IN THE CONSTRUCTION OF A BUILDING, OR
17 AN ADDITION OR IMPROVEMENT THEREON TO AN ENTERPRISE OWNING OR
18 OPERATING CERTAIN PROJECTS DEFINED UNDER THE MISSISSIPPI MAJOR
19 ECONOMIC IMPACT ACT; TO AMEND SECTION 27-67-7, MISSISSIPPI CODE OF
20 1972, TO EXEMPT FROM USE TAXATION THE USE, STORAGE OR CONSUMPTION
21 OF UTILITIES PURCHASED BY AND ENTERPRISE OWNING OR OPERATING
22 CERTAIN PROJECTS DEFINED UNDER THE MISSISSIPPI MAJOR ECONOMIC
23 IMPACT ACT; TO PROVIDE AN INCOME TAX CREDIT IN THE AMOUNT OF
24 \$5,000.00 FOR EACH NET NEW FULL-TIME EMPLOYEE JOB CREATED BY AN
25 ENTERPRISE OWNING OR OPERATING CERTAIN PROJECTS DEFINED UNDER THE
26 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO PROVIDE THAT THE
27 ENTERPRISE MAY UTILIZE THE CREDIT FOR A PERIOD OF TEN YEARS FROM
28 THE DATE THE CREDIT COMMENCES; TO PROVIDE THAT THE ENTERPRISE MAY
29 SELECT THE COMMENCEMENT DATE BUT THE COMMENCEMENT DATE MAY NOT BE
30 MORE THAN TWO YEARS FROM THE DATE THE PROJECT BEGINS OPERATION; TO
31 PROVIDE THAT ANY SUCH CREDIT CLAIMED BUT NOT USED IN A TAXABLE
32 YEAR MAY BE CARRIED FORWARD; TO PROVIDE AN INCOME TAX CREDIT FOR
33 AN ENTERPRISE OWNING OR OPERATING CERTAIN PROJECTS DEFINED UNDER
34 THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT IN AN AMOUNT EQUAL TO A
35 PERCENTAGE OF THE ENTERPRISE'S INVESTMENT IN EXCESS OF
36 \$400,000,000.00 IN THE INITIAL ESTABLISHMENT OF THE PROJECT; TO
37 PROVIDE THAT ANY SUCH CREDIT CLAIMED BUT NOT USED IN A TAXABLE
38 YEAR MAY BE CARRIED FORWARD FOR TEN YEARS; TO PROVIDE FOR THE
39 RECAPTURE OF THE CREDIT UNDER CERTAIN CIRCUMSTANCES; TO AUTHORIZE
40 CERTAIN COUNTIES TO CONTRIBUTE OR LEND FUNDS TO ENTERPRISES OWNING
41 OR OPERATING CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC
42 IMPACT ACT; TO PROVIDE THAT A COUNTY MAY ISSUE BONDS TO PROVIDE
43 FUNDS FOR SUCH PURPOSES AND THAT THE BONDS WILL BE EXCLUDED FROM
44 THE COUNTY DEBT LIMITATION; TO PROVIDE THAT A COUNTY MAY DONATE
45 PROPERTY FOR USE IN THE LOCATION, CONSTRUCTION AND/OR OPERATION OF
46 SUCH A PROJECT TO ENTITIES ENGAGED IN ECONOMIC DEVELOPMENT; TO
47 AMEND SECTIONS 19-7-3, 19-9-1 AND 19-9-5, MISSISSIPPI CODE OF
48 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

52 57-75-5. Words and phrases used in this chapter shall have
53 meanings as follows, unless the context clearly indicates a
54 different meaning:

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

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

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

62 (d) "Facility related to the project" means and
63 includes any of the following, as the same may pertain to the
64 project within the project area: (i) facilities to provide
65 potable and industrial water supply systems, sewage and waste
66 disposal systems and water, natural gas and electric transmission
67 systems to the site of the project; (ii) airports, airfields and
68 air terminals; (iii) rail lines; (iv) port facilities; (v)
69 highways, streets and other roadways; (vi) public school
70 buildings, classrooms and instructional facilities, training
71 facilities and equipment, including any functionally related
72 facilities; (vii) parks, outdoor recreation facilities and
73 athletic facilities; (viii) auditoriums, pavilions, campgrounds,
74 art centers, cultural centers, folklore centers and other public
75 facilities; (ix) health care facilities, public or private; and
76 (x) fire protection facilities, equipment and elevated water
77 tanks.

78 (e) "Person" means any natural person, corporation,
79 association, partnership, receiver, trustee, guardian, executor,
80 administrator, fiduciary, governmental unit, public agency,
81 political subdivision, or any other group acting as a unit, and
82 the plural as well as the singular.

83 (f) "Project" means:
84 (i) Any industrial, commercial, research and
85 development, warehousing, distribution, transportation,
86 processing, mining, United States government or tourism enterprise
87 together with all real property required for construction,
88 maintenance and operation of the enterprise with an initial
89 capital investment of not less than Three Hundred Million Dollars
90 (\$300,000,000.00) from private or United States government sources
91 together with all buildings, and other supporting land and
92 facilities, structures or improvements of whatever kind required
93 or useful for construction, maintenance and operation of the
94 enterprise; or with an initial capital investment of not less than
95 One Hundred Fifty Million Dollars (\$150,000,000.00) from private
96 or United States government sources together with all buildings
97 and other supporting land and facilities, structures or
98 improvements of whatever kind required or useful for construction,
99 maintenance and operation of the enterprise and which creates at
100 least one thousand (1,000) net new full-time jobs; or which
101 creates at least one thousand (1,000) net new full-time jobs which
102 provides an average salary, excluding benefits which are not
103 subject to Mississippi income taxation, of at least one hundred
104 twenty-five percent (125%) of the most recently published average
105 annual wage of the state as determined by the Mississippi
106 Department of Employment Security. "Project" shall include any
107 addition to or expansion of an existing enterprise if such
108 addition or expansion has an initial capital investment of not
109 less than Three Hundred Million Dollars (\$300,000,000.00) from
110 private or United States government sources, or has an initial
111 capital investment of not less than One Hundred Fifty Million
112 Dollars (\$150,000,000.00) from private or United States government
113 sources together with all buildings and other supporting land and
114 facilities, structures or improvements of whatever kind required
115 or useful for construction, maintenance and operation of the

116 enterprise and which creates at least one thousand (1,000) net new
117 full-time jobs; or which creates at least one thousand (1,000) net
118 new full-time jobs which provides an average salary, excluding
119 benefits which are not subject to Mississippi income taxation, of
120 at least one hundred twenty-five percent (125%) of the most
121 recently published average annual wage of the state as determined
122 by the Mississippi Department of Employment Security. "Project"
123 shall also include any ancillary development or business resulting
124 from the enterprise, of which the authority is notified, within
125 three (3) years from the date that the enterprise entered into
126 commercial production, that the project area has been selected as
127 the site for the ancillary development or business.

128 (ii) 1. Any major capital project designed to
129 improve, expand or otherwise enhance any active duty or reserve
130 United States Armed Services bases and facilities or any major
131 Mississippi National Guard training installations, their support
132 areas or their military operations, upon designation by the
133 authority that any such base was or is at risk to be recommended
134 for closure or realignment pursuant to the Defense Base Closure
135 and Realignment Act of 1990, as amended, or other applicable
136 federal law; or any major development project determined by the
137 authority to be necessary to acquire or improve base properties
138 and to provide employment opportunities through construction of
139 projects as defined in Section 57-3-5, which shall be located on
140 or provide direct support service or access to such military
141 installation property in the event of closure or reduction of
142 military operations at the installation.

143 2. Any major study or investigation related
144 to such a facility, installation or base, upon a determination by
145 the authority that the study or investigation is critical to the
146 expansion, retention or reuse of the facility, installation or
147 base.

148 3. Any project as defined in Section 57-3-5,
149 any business or enterprise determined to be in the furtherance of
150 the public purposes of this act as determined by the authority or
151 any facility related to such project each of which shall be,
152 directly or indirectly, related to any military base or other
153 military-related facility no longer operated by the United States
154 Armed Services or the Mississippi National Guard.

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

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

163 2. "Project" shall also include any ancillary
164 development or business resulting from an enterprise operating a
165 project as defined in item 1 of this paragraph (f)(iv), of which
166 the authority is notified, within three (3) years from the date
167 that the enterprise entered into commercial production, that the
168 state has been selected as the site for the ancillary development
169 or business.

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

174 1. The project shall create at least two
175 thousand (2,000) net new full-time jobs meeting criteria
176 established by the authority, which criteria shall include, but
177 not be limited to, the requirement that such jobs must be held by
178 persons eligible for employment in the United States under
179 applicable state and federal law.

180 2. The project and any facility related to
181 the project shall include a total investment from private sources
182 of not less than Sixty Million Dollars (\$60,000,000.00), or from
183 any combination of sources of not less than Eighty Million Dollars
184 (\$80,000,000.00).

185 (vi) Any real property owned or controlled by the
186 National Aeronautics and Space Administration, the United States
187 government, or any agency thereof, which is legally conveyed to
188 the State of Mississippi or to the State of Mississippi for the
189 benefit of the Mississippi Major Economic Impact Authority, its
190 successors and assigns pursuant to Section 212 of Public Law
191 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

192 (vii) Any major capital project related to the
193 establishment, improvement, expansion and/or other enhancement of
194 any active duty military installation and having a minimum capital
195 investment from any source or combination of sources other than
196 the State of Mississippi of at least Forty Million Dollars
197 (\$40,000,000.00), and which will create at least four hundred
198 (400) military installation related full-time jobs, which jobs may
199 be military jobs, civilian jobs or a combination of military and
200 civilian jobs. The authority shall require that binding
201 commitments be entered into requiring that the minimum
202 requirements for the project provided for in this subparagraph
203 shall be met not later than July 1, 2008.

204 (viii) Any major capital project with an initial
205 capital investment from any source or combination of sources of
206 not less than Ten Million Dollars (\$10,000,000.00) which will
207 create at least eighty (80) full-time jobs which provide an
208 average annual salary, excluding benefits which are not subject to
209 Mississippi income taxes, of at least one hundred thirty-five
210 percent (135%) of the most recently published average annual wage
211 of the state or the most recently published average annual wage of
212 the county in which the project is located as determined by the

213 Mississippi Department of Employment Security, whichever is the
214 lesser. The authority shall require that binding commitments be
215 entered into requiring that:

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

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

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

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

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

234 (x) Any major capital project with an initial
235 capital investment from any source or combination of sources of
236 not less than Seventy-five Million Dollars (\$75,000,000.00) which
237 will create at least one hundred twenty-five (125) full-time jobs
238 which provide an average annual salary, excluding benefits which
239 are not subject to Mississippi income taxes, of at least one
240 hundred thirty-five percent (135%) of the most recently published
241 average annual wage of the state or the most recently published
242 average annual wage of the county in which the project is located
243 as determined by the Mississippi Department of Employment
244 Security, whichever is the greater. The authority shall require
245 that binding commitments be entered into requiring that:

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

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

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

253 (xii) Any project built according to the
254 specifications and federal provisions set forth by the National
255 Aeronautics and Space Administration Center Operations Directorate
256 at Stennis Space Center for the purpose of consolidating common
257 services from National Aeronautics and Space Administration
258 centers in human resources, procurement, financial management and
259 information technology located on land owned or controlled by the
260 National Aeronautics and Space Administration, which will create
261 at least four hundred seventy (470) full-time jobs.

262 (xiii) Any major capital project with an initial
263 capital investment from any source or combination of sources of
264 not less than Ten Million Dollars (\$10,000,000.00) which will
265 create at least two hundred fifty (250) full-time jobs. The
266 authority shall require that binding commitments be entered into
267 requiring that:

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

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

273 (xiv) Any major pharmaceutical facility with a
274 capital investment of not less than Fifty Million Dollars
275 (\$50,000,000.00) made after July 1, 2002, through four (4) years
276 after the initial date of any loan or grant made by the authority
277 for such project, which will maintain at least seven hundred fifty

278 (750) full-time employees. The authority shall require that
279 binding commitments be entered into requiring that:

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

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

285 (xv) Any pharmaceutical manufacturing, packaging
286 and distribution facility with an initial capital investment from
287 any local or federal sources of not less than Five Hundred
288 Thousand Dollars (\$500,000.00) which will create at least ninety
289 (90) full-time jobs. The authority shall require that binding
290 commitments be entered into requiring that:

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

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

296 (xvi) Any major industrial wood processing
297 facility with an initial capital investment of not less than One
298 Hundred Million Dollars (\$100,000,000.00) which will create at
299 least one hundred twenty-five (125) full-time jobs which provide
300 an average annual salary, excluding benefits which are not subject
301 to Mississippi income taxes, of at least Thirty Thousand Dollars
302 (\$30,000.00). The authority shall require that binding
303 commitments be entered into requiring that:

304 1. The minimum requirements for the project
305 provided for in this subparagraph shall be met; * * *

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

309 (xvii) Any technical, engineering,
310 manufacturing-logistic service provider with an initial capital

311 investment of not less than One Million Dollars (\$1,000,000.00)
312 which will create at least ninety (90) full-time jobs. The
313 authority shall require that binding commitments be entered into
314 requiring that:

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

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

320 (xviii) Any major capital project with an initial
321 capital investment from any source or combination of sources other
322 than the State of Mississippi of not less than Six Hundred Million
323 Dollars (\$600,000,000.00) which will create at least four hundred
324 fifty (450) full-time jobs with an average annual salary,
325 excluding benefits which are not subject to Mississippi income
326 taxes, of at least Seventy Thousand Dollars (\$70,000.00). The
327 authority shall require that binding commitments be entered into
328 requiring that:

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

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

334 (g) "Project area" means the project site, together
335 with any area or territory within the state lying within
336 sixty-five (65) miles of any portion of the project site whether
337 or not such area or territory be contiguous; however, for the
338 project defined in paragraph (f)(iv) of this section the term
339 "project area" means any area or territory within the state. The
340 project area shall also include all territory within a county if
341 any portion of such county lies within sixty-five (65) miles of
342 any portion of the project site. "Project site" means the real

343 property on which the principal facilities of the enterprise will
344 operate.

345 (h) "Public agency" means:

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

348 (ii) Any city, town, county, political
349 subdivision, school district or other district created or existing
350 under the laws of the state or any public agency of any such city,
351 town, county, political subdivision or district or any other
352 public entity created or existing under local and private
353 legislation;

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

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

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

360 (j) "Fee-in-lieu" means a negotiated fee to be paid by
361 the project in lieu of any franchise taxes imposed on the project
362 by Chapter 13, Title 27, Mississippi Code of 1972. The
363 fee-in-lieu shall not be less than Twenty-five Thousand Dollars
364 (\$25,000.00) annually. A fee-in-lieu may be negotiated with an
365 enterprise operating an existing project defined in Section
366 57-75-5(f)(iv)1; however, a fee-in-lieu shall not be negotiated
367 for other existing enterprises that fall within the definition of
368 the term "project."

369 **SECTION 2.** Section 57-75-11, Mississippi Code of 1972, is
370 amended as follows:

371 57-75-11. The authority, in addition to any and all powers
372 now or hereafter granted to it, is empowered and shall exercise
373 discretion and the use of these powers depending on the
374 circumstances of the project or projects:

375 (a) To maintain an office at a place or places within
376 the state.

377 (b) To employ or contract with architects, engineers,
378 attorneys, accountants, construction and financial experts and
379 such other advisors, consultants and agents as may be necessary in
380 its judgment and to fix and pay their compensation.

381 (c) To make such applications and enter into such
382 contracts for financial assistance as may be appropriate under
383 applicable federal or state law.

384 (d) To apply for, accept and utilize grants, gifts and
385 other funds or aid from any source for any purpose contemplated by
386 the act, and to comply, subject to the provisions of this act,
387 with the terms and conditions thereof.

388 (e) (i) To acquire by purchase, lease, gift, or in
389 other manner, including quick-take eminent domain, or obtain
390 options to acquire, and to own, maintain, use, operate and convey
391 any and all property of any kind, real, personal, or mixed, or any
392 interest or estate therein, within the project area, necessary for
393 the project or any facility related to the project. The
394 provisions of this paragraph that allow the acquisition of
395 property by quick-take eminent domain shall be repealed by
396 operation of law on July 1, 1994; and

397 (ii) Notwithstanding any other provision of this
398 paragraph (e), from and after November 6, 2000, to exercise the
399 right of immediate possession pursuant to the provisions of
400 Sections 11-27-81 through 11-27-89 for the purpose of acquiring
401 land, property and/or rights-of-way in the county in which a
402 project as defined in Section 57-75-5(f)(iv)1 is located, that are
403 necessary for such project or any facility related to the project.

404 (f) To acquire by purchase or lease any public lands
405 and public property, including sixteenth section lands and lieu
406 lands, within the project area, which are necessary for the
407 project. Sixteenth section lands or lieu lands acquired under

408 this act shall be deemed to be acquired for the purposes of
409 industrial development thereon and such acquisition will serve a
410 higher public interest in accordance with the purposes of this
411 act.

412 (g) If the authority identifies any land owned by the
413 state as being necessary, for the location or use of the project,
414 or any facility related to the project, to recommend to the
415 Legislature the conveyance of such land or any interest therein,
416 as the Legislature deems appropriate.

417 (h) To make or cause to be made such examinations and
418 surveys as may be necessary to the planning, design, construction
419 and operation of the project.

420 (i) From and after the date of notification to the
421 authority by the enterprise that the state has been finally
422 selected as the site of the project, to acquire by condemnation
423 and to own, maintain, use, operate and convey or otherwise dispose
424 of any and all property of any kind, real, personal or mixed, or
425 any interest or estate therein, within the project area, necessary
426 for the project or any facility related to the project, with the
427 concurrence of the affected public agency, and the exercise of the
428 powers granted by this act, according to the procedures provided
429 by Chapter 27, Title 11, Mississippi Code of 1972, except as
430 modified by this act.

431 (i) Except as otherwise provided in subparagraph
432 (iii) of this paragraph (i), in acquiring lands by condemnation,
433 the authority shall not acquire minerals or royalties in minerals
434 unless a competent registered professional engineer shall have
435 certified that the acquisition of such minerals and royalties in
436 minerals is necessary for purposes of the project; provided that
437 limestone, clay, chalk, sand and gravel shall not be considered as
438 minerals for the purposes of subparagraphs (i) and (ii) of this
439 paragraph (i);

440 (ii) Unless minerals or royalties in minerals have
441 been acquired by condemnation or otherwise, no person or persons
442 owning the drilling rights or the right to share in production of
443 minerals shall be prevented from exploring, developing, or
444 producing oil or gas with necessary rights-of-way for ingress and
445 egress, pipelines and other means of transporting interests on any
446 land or interest therein of the authority held or used for the
447 purposes of this act; but any such activities shall be under such
448 reasonable regulation by the authority as will adequately protect
449 the project contemplated by this act as provided in paragraph (r)
450 of this section; and

451 (iii) In acquiring lands by condemnation,
452 including the exercise of immediate possession, for a project, as
453 defined in Section 57-75-5(f)(iv)1, the authority may acquire
454 minerals or royalties in minerals.

455 (j) To negotiate the necessary relocation or rerouting
456 of roads and highways, railroad, telephone and telegraph lines and
457 properties, electric power lines, pipelines and related
458 facilities, or to require the anchoring or other protection of any
459 of these, provided due compensation is paid to the owners thereof
460 or agreement is had with such owners regarding the payment of the
461 cost of such relocation, and to acquire by condemnation or
462 otherwise easements or rights-of-way for such relocation or
463 rerouting and to convey the same to the owners of the facilities
464 being relocated or rerouted in connection with the purposes of
465 this act.

466 (k) To negotiate the necessary relocation of graves and
467 cemeteries and to pay all reasonable costs thereof.

468 (l) To perform or have performed any and all acts and
469 make all payments necessary to comply with all applicable federal
470 laws, rules or regulations including, but not limited to, the
471 Uniform Relocation Assistance and Real Property Acquisition
472 Policies Act of 1970 (42 USCS 4601, 4602, 4621 to 4638, and 4651

473 to 4655) and relocation rules and regulations promulgated by any
474 agency or department of the federal government.

475 (m) To construct, extend, improve, maintain, and
476 reconstruct, to cause to be constructed, extended, improved,
477 maintained, and reconstructed, and to use and operate any and all
478 components of the project or any facility related to the project,
479 with the concurrence of the affected public agency, within the
480 project area, necessary to the project and to the exercise of such
481 powers, rights, and privileges granted the authority.

482 (n) To incur or defray any designated portion of the
483 cost of any component of the project or any facility related to
484 the project acquired or constructed by any public agency.

485 (o) (i) To lease, sell or convey any or all property
486 acquired by the authority under the provisions of this act to the
487 enterprise, its successors or assigns, and in connection therewith
488 to pay the costs of title search, perfection of title, title
489 insurance and recording fees as may be required. The authority
490 may provide in the instrument conveying such property a provision
491 that such property shall revert to the authority if, as and when
492 the property is declared by the enterprise to be no longer needed.

493 (ii) To lease, sell, transfer or convey on any
494 terms agreed upon by the authority any or all real and personal
495 property, improvements, leases, funds and contractual obligations
496 of a project as defined in Section 57-75-5(f)(vi) and conveyed to
497 the State of Mississippi by a Quitclaim Deed from the United
498 States of America dated February 23, 1996, filed of record at
499 pages 511 to 524, Deed Book Number B179, Chancery Clerk's Office,
500 Tishomingo County, Mississippi, to any governmental authority
501 located within the geographic boundaries of the county wherein
502 such project exists upon agreement of such governmental authority
503 to undertake and assume from the State of Mississippi all
504 obligations and responsibilities in connection with ownership and
505 operation of the project. Property leased, sold, transferred or

506 otherwise conveyed by the authority under this paragraph (o) shall
507 be used only for economic development purposes.

508 (p) To enter into contracts with any person or public
509 agency, including, but not limited to, contracts authorized by
510 Section 57-75-17, in furtherance of any of the purposes authorized
511 by this act upon such consideration as the authority and such
512 person or public agency may agree. Any such contract may extend
513 over any period of time, notwithstanding any rule of law to the
514 contrary, may be upon such terms as the parties thereto shall
515 agree, and may provide that it shall continue in effect until
516 bonds specified therein, refunding bonds issued in lieu of such
517 bonds, and all other obligations specified therein are paid or
518 terminated. Any such contract shall be binding upon the parties
519 thereto according to its terms. Such contracts may include an
520 agreement to reimburse the enterprise, its successors and assigns
521 for any assistance provided by the enterprise in the acquisition
522 of real property for the project or any facility related to the
523 project.

524 (q) To establish and maintain reasonable rates and
525 charges for the use of any facility within the project area owned
526 or operated by the authority, and from time to time, to adjust
527 such rates and to impose penalties for failure to pay such rates
528 and charges when due.

529 (r) To adopt and enforce with the concurrence of the
530 affected public agency all necessary and reasonable rules and
531 regulations to carry out and effectuate the implementation of the
532 project and any land use plan or zoning classification adopted for
533 the project area, including, but not limited to, rules,
534 regulations, and restrictions concerning mining, construction,
535 excavation or any other activity the occurrence of which may
536 endanger the structure or operation of the project. Such rules
537 may be enforced within the project area and without the project
538 area as necessary to protect the structure and operation of the

539 project. The authority is authorized to plan or replan, zone or
540 rezone, and make exceptions to any regulations, whether local or
541 state, with the concurrence of the affected public agency which
542 are inconsistent with the design, planning, construction or
543 operation of the project and facilities related to the project.

544 (s) To plan, design, coordinate and implement measures
545 and programs to mitigate impacts on the natural environment caused
546 by the project or any facility related to the project.

547 (t) To develop plans for technology transfer activities
548 to ensure private sector conduits for exchange of information,
549 technology and expertise related to the project to generate
550 opportunities for commercial development within the state.

551 (u) To consult with the State Department of Education
552 and other public agencies for the purpose of improving public
553 schools and curricula within the project area.

554 (v) To consult with the State Board of Health and other
555 public agencies for the purpose of improving medical centers,
556 hospitals and public health centers in order to provide
557 appropriate health care facilities within the project area.

558 (w) To consult with the Office of Minority Business
559 Enterprise Development and other public agencies for the purpose
560 of developing plans for technical assistance and loan programs to
561 maximize the economic impact related to the project for minority
562 business enterprises within the State of Mississippi.

563 (x) To deposit into the "Yellow Creek Project Area
564 Fund" created pursuant to Section 57-75-31:

565 (i) Any funds or aid received as authorized in
566 this section for the project described in Section 57-75-5(f)(vi),
567 and

568 (ii) Any funds received from the sale or lease of
569 property from the project described in Section 57-75-5(f)(vi)
570 pursuant to the powers exercised under this section.

571 (y) To manage and develop the project described in
572 Section 57-75-5(f)(vi).

573 (z) To promulgate rules and regulations necessary to
574 effectuate the purposes of this act.

575 (aa) To negotiate a fee-in-lieu with the owners of the
576 project.

577 (bb) To enter into contractual agreements to warrant
578 any site work for a project defined in Section 57-75-5(f)(iv)1;
579 provided, however, that the aggregate amount of such warranties
580 shall not exceed Fifteen Million Dollars (\$15,000,000.00).

581 (cc) To provide grant funds to an enterprise operating
582 a project defined in Section 57-75-5(f)(iv)1 in an amount not to
583 exceed Thirty-nine Million Dollars (\$39,000,000.00).

584 (dd) (i) To own surface water transmission lines
585 constructed with the proceeds of bonds issued pursuant to this act
586 and in connection therewith to purchase and provide water to any
587 project defined in Section 57-75-5(f)(iv) and to certificated
588 water providers; and

589 (ii) To lease such surface water transmission
590 lines to a public agency or public utility to provide water to
591 such project and to certificated water providers.

592 (ee) To provide grant funds to an enterprise operating
593 a project defined in Section 57-75-5(f)(v) or, in connection with
594 a facility related to such a project, for job training, recruiting
595 and infrastructure.

596 (ff) To enter into negotiations with persons proposing
597 projects defined in Section 57-75-5(f)(xi) and execute acquisition
598 options and conduct planning, design and environmental impact
599 studies with regard to such project.

600 (gg) To establish such guidelines, rules and
601 regulations as the authority may deem necessary and appropriate
602 from time to time in its sole discretion, to promote the purposes
603 of this act.

604 (hh) In connection with projects defined in Section
605 57-75-5(f)(ii):

606 (i) To provide grant funds or loans to a public
607 agency or an enterprise owning, leasing or operating a project
608 defined in Section 57-75-5(f)(ii) in amounts not to exceed the
609 amount authorized in Section 57-75-15(3)(b);

610 (ii) To supervise the use of all such grant funds
611 or loans; and

612 (iii) To requisition money in the Mississippi
613 Major Economic Impact Authority Revolving Loan Fund in connection
614 with such loans.

615 (ii) In connection with projects defined under Section
616 57-75-5(f)(xiv):

617 (i) To provide grant funds or loans to an
618 enterprise owning, leasing or operating a project defined in
619 Section 57-75-5(f)(xiv); however, the amount of any such loan
620 under this paragraph (ii) shall not exceed Eight Million Dollars
621 (\$8,000,000.00) and the amount of any such grant under this
622 paragraph (ii) shall not exceed Two Million Dollars
623 (\$2,000,000.00);

624 (ii) To supervise the use of all such grant funds
625 or loans; and

626 (iii) Notwithstanding any provision of this act to
627 the contrary, such loans shall be for a term not to exceed twenty
628 (20) years as may be determined by the authority, shall bear
629 interest at such rates as may be determined by the authority,
630 shall, in the sole discretion of the authority, be secured in an
631 amount and a manner as may be determined by the authority.

632 (jj) In connection with projects defined under Section
633 57-75-5(f)(xviii):

634 (i) To provide grant funds of Twenty-five Million
635 Dollars (\$25,000,000.00) to an enterprise owning or operating a
636 project defined in Section 57-75-5(f)(xviii) to be used for real

637 estate improvements and which may be disbursed as determined by
638 the authority.

639 (ii) To provide loans to an enterprise owning or
640 operating a project defined in Section 57-75-5(f)(xviii); subject
641 to the following provisions:

642 1. Not more than Ten Million Dollars
643 (\$10,000,000.00) may be loaned to such an enterprise for the
644 purpose of defraying costs incurred by the enterprise for site
645 preparation and real property improvements during the construction
646 of the project in excess of budgeted costs; however, the amount of
647 any such loan shall not exceed fifty percent (50%) of such excess
648 costs;

649 2. Not more than Seventy-five Million Dollars
650 (\$75,000,000.00) may be loaned to such an enterprise for purposes
651 determined appropriate by the authority; however, no such loan may
652 be made to the enterprise before the beginning of the fifth year
653 after issuance by the enterprise of debt in like amount the
654 proceeds of which are to be used in connection with the project;

655 (iii) To supervise the use of all such loan funds;

656 (iv) Loans under this paragraph (jj) may be for
657 any term determined appropriate by the authority provided that the
658 payments on any loan must be in an amount sufficient to pay the
659 state's debt service on bonds issued for the purpose of providing
660 funds for such a loan; and

661 (v) Any loan under this paragraph (jj) shall, in
662 the discretion of the authority, be secured in an amount and a
663 manner as may be determined by the authority.

664 (kk) (i) In addition to any other requirements or
665 conditions under this chapter, the authority shall require that
666 any application for assistance regarding a project under this
667 chapter include, at a minimum:

668 1. A two-year business plan (which shall
669 include proforma balance sheets, income statements and monthly
670 cash flow statements);

671 2. Financial statements or tax returns for
672 the three (3) years immediately prior to the application (if the
673 project is a new company or enterprise, personal financial
674 statements or tax returns will be required);

675 3. Credit reports on all persons or entities
676 with a twenty percent (20%) or greater interest in the project;

677 4. Data supporting the expertise of the
678 project's principals;

679 5. A cost benefit analysis of the project
680 performed by a state institution of higher learning or other
681 entity selected by the authority; and

682 6. Any other information required by the
683 authority.

684 (ii) The authority shall require that binding
685 commitments be entered into requiring that:

686 1. The applicable minimum requirements of
687 this chapter and such other requirements as the authority
688 considers proper shall be met; and

689 2. If the agreed upon commitments are not
690 met, all or a portion of the funds provided under this chapter as
691 determined by the authority shall be repaid.

692 (iii) Where appropriate, in the discretion of the
693 authority, the authority shall acquire a security interest in or
694 other lien upon any applicable collateral.

695 **SECTION 3.** Section 57-75-15, Mississippi Code of 1972, is
696 amended as follows:

697 57-75-15. (1) Upon notification to the authority by the
698 enterprise that the state has been finally selected as the site
699 for the project, the State Bond Commission shall have the power
700 and is hereby authorized and directed, upon receipt of a

701 declaration from the authority as hereinafter provided, to borrow
702 money and issue general obligation bonds of the state in one or
703 more series for the purposes herein set out. Upon such
704 notification, the authority may thereafter from time to time
705 declare the necessity for the issuance of general obligation bonds
706 as authorized by this section and forward such declaration to the
707 State Bond Commission, provided that before such notification, the
708 authority may enter into agreements with the United States
709 government, private companies and others that will commit the
710 authority to direct the State Bond Commission to issue bonds for
711 eligible undertakings set out in subsection (4) of this section,
712 conditioned on the siting of the project in the state.

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

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

722 (b) Bonds issued under the authority of this section
723 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
724 Sixty-one Million Dollars (\$61,000,000.00). The authority, with
725 the express direction of the State Bond Commission, is authorized
726 to expend any remaining proceeds of bonds issued under the
727 authority of this act prior to January 1, 1998, for the purpose of
728 financing projects as then defined in Section 57-75-5(f)(ii) or
729 for any other projects as defined in Section 57-75-5(f)(ii), as it
730 may be amended from time to time. If any proceeds of bonds issued
731 for projects related to the Meridian Naval Auxiliary Air Station
732 ("NAAS") are used for the development of a water and sewer service
733 system by the City of Meridian, Mississippi, to serve the NAAS and

734 if the City of Meridian annexes any of the territory served by the
735 water and sewer service system, the city shall repay the State of
736 Mississippi the amount of all bond proceeds expended on any
737 portion of the water and sewer service system project; and if
738 there are any monetary proceeds derived from the disposition of
739 any improvements located on real property in Kemper County
740 purchased pursuant to this act for projects related to the NAAS
741 and if there are any monetary proceeds derived from the
742 disposition of any timber located on real property in Kemper
743 County purchased pursuant to this act for projects related to the
744 NAAS, all of such proceeds (both from the disposition of
745 improvements and the disposition of timber) commencing July 1,
746 1996, through June 30, 2010, shall be paid to the Board of
747 Education of Kemper County, Mississippi, for expenditure by such
748 board of education to benefit the public schools of Kemper County.
749 No bonds shall be issued under this paragraph (b) until the State
750 Bond Commission by resolution adopts a finding that the issuance
751 of such bonds will improve, expand or otherwise enhance the
752 military installation, its support areas or military operations,
753 or will provide employment opportunities to replace those lost by
754 closure or reductions in operations at the military installation
755 or will support critical studies or investigations authorized by
756 Section 57-75-5(f)(ii); however, not more than One Million Dollars
757 (\$1,000,000.00) in the aggregate shall be authorized for such
758 studies or investigations.

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

763 (d) Bonds issued under the authority of this section
764 for projects defined in Section 57-75-5(f)(iv) shall not exceed
765 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
766 additional amount of bonds in an amount not to exceed Twelve

767 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
768 issued under the authority of this section for the purpose of
769 defraying costs associated with the construction of surface water
770 transmission lines for a project defined in Section 57-75-5(f)(iv)
771 or for any facility related to the project. No bonds shall be
772 issued under this paragraph after June 30, 2005.

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

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

782 (g) Bonds issued under the authority of this section
783 for projects defined in Section 57-75-5(f)(viii) shall not exceed
784 Four Million Five Hundred Thousand Dollars (\$4,500,000.00). No
785 bonds shall be issued under this paragraph after June 30, 2007.

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

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

794 (j) Bonds issued under the authority of this section
795 for projects defined in Section 57-75-5(f)(xii) shall not exceed
796 Twenty-three Million Seven Hundred Thousand Dollars
797 (\$23,700,000.00). No bonds shall be issued under this paragraph
798 until local governments in or near the county in which the project
799 is located have irrevocably committed funds to the project in an

800 amount of not less than Two Million Five Hundred Thousand Dollars
801 (\$2,500,000.00) in the aggregate. No bonds shall be issued under
802 this paragraph after June 30, 2008.

803 (k) Bonds issued under the authority of this section
804 for projects defined in Section 57-75-5(f)(xiii) shall not exceed
805 Three Million Dollars (\$3,000,000.00). No bonds shall be issued
806 under this paragraph after June 30, 2009.

807 (l) Bonds issued under the authority of this section
808 for projects defined in Section 57-75-5(f)(xiv) shall not exceed
809 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
810 under this paragraph until local governments in the county in
811 which the project is located have irrevocably committed funds to
812 the project in an amount of not less than Two Million Dollars
813 (\$2,000,000.00). No bonds shall be issued under this paragraph
814 after June 30, 2009.

815 (m) Bonds issued under the authority of this section
816 for projects defined in Section 57-75-5(f)(xv) shall not exceed
817 Five Hundred Thousand Dollars (\$500,000.00). No bonds shall be
818 issued under this paragraph after June 30, 2009.

819 (n) Bonds issued under the authority of this section
820 for projects defined in Section 57-75-5(f)(xvi) shall not exceed
821 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
822 under this paragraph after June 30, 2009.

823 (o) Bonds issued under the authority of this section
824 for projects defined in Section 57-75-5(f)(xvii) shall not exceed
825 Three Million Five Hundred Thousand Dollars (\$3,500,000.00). No
826 bonds shall be issued under this paragraph after June 30, 2009.

827 (p) Bonds issued under the authority of this section
828 for projects defined in Section 57-75-5(f)(xviii) shall not exceed
829 One Hundred Ten Million Dollars (\$110,000,000.00). No bonds shall
830 be issued under this paragraph after June 30, 2016.

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

833 (i) Defraying all or any designated portion of the
834 costs incurred with respect to acquisition, planning, design,
835 construction, installation, rehabilitation, improvement,
836 relocation and with respect to state-owned property, operation and
837 maintenance of the project and any facility related to the project
838 located within the project area, including costs of design and
839 engineering, all costs incurred to provide land, easements and
840 rights-of-way, relocation costs with respect to the project and
841 with respect to any facility related to the project located within
842 the project area, and costs associated with mitigation of
843 environmental impacts and environmental impact studies;

844 (ii) Defraying the cost of providing for the
845 recruitment, screening, selection, training or retraining of
846 employees, candidates for employment or replacement employees of
847 the project and any related activity;

848 (iii) Reimbursing the Mississippi Development
849 Authority for expenses it incurred in regard to projects defined
850 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
851 Mississippi Development Authority shall submit an itemized list of
852 expenses it incurred in regard to such projects to the Chairmen of
853 the Finance and Appropriations Committees of the Senate and the
854 Chairmen of the Ways and Means and Appropriations Committees of
855 the House of Representatives;

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

858 (v) Paying any warranty made by the authority
859 regarding site work for a project defined in Section
860 57-75-5(f)(iv)1;

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

866 Ways and Means and Appropriations Committees of the House of
867 Representatives;

868 (vii) Providing for the payment of interest on the
869 bonds;

870 (viii) Providing debt service reserves;

871 (ix) Paying underwriters' discount, original issue
872 discount, accountants' fees, engineers' fees, attorneys' fees,
873 rating agency fees and other fees and expenses in connection with
874 the issuance of the bonds;

875 (x) For purposes authorized in paragraphs (b),
876 (c), (d), (e) and (f) of this subsection (4);

877 (xi) Providing grants to enterprises operating
878 projects defined in Section 57-75-5(f)(v), or, in connection with
879 a facility related to such a project, for any purposes deemed by
880 the authority in its sole discretion to be necessary and
881 appropriate;

882 (xii) Providing grant funds or loans to a public
883 agency or an enterprise owning, leasing or operating a project
884 defined in Section 57-75-5(f)(ii); * * *

885 (xiii) Providing grant funds or loans to an
886 enterprise owning, leasing or operating a project defined in
887 Section 57-75-5(f)(xiv);

888 (xiv) Providing grants and loans to an enterprise
889 owning or operating a project defined in Section
890 57-75-5(f)(xviii).

891 Such bonds shall be issued from time to time and in such
892 principal amounts as shall be designated by the authority, not to
893 exceed in aggregate principal amounts the amount authorized in
894 subsection (3) of this section. Proceeds from the sale of the
895 bonds issued under this section may be invested, subject to
896 federal limitations, pending their use, in such securities as may
897 be specified in the resolution authorizing the issuance of the
898 bonds or the trust indenture securing them, and the earning on

899 such investment applied as provided in such resolution or trust
900 indenture.

901 (b) (i) The proceeds of bonds issued after June 21,
902 2002, under this section for projects described in Section
903 57-75-5(f)(iv) may be used to reimburse reasonable actual and
904 necessary costs incurred by the Mississippi Development Authority
905 in providing assistance related to a project for which funding is
906 provided from the use of proceeds of such bonds. The Mississippi
907 Development Authority shall maintain an accounting of actual costs
908 incurred for each project for which reimbursements are sought.
909 Reimbursements under this paragraph (b)(i) shall not exceed Three
910 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
911 Reimbursements under this paragraph (b)(i) shall satisfy any
912 applicable federal tax law requirements.

913 (ii) The proceeds of bonds issued after June 21,
914 2002, under this section for projects described in Section
915 57-75-5(f)(iv) may be used to reimburse reasonable actual and
916 necessary costs incurred by the Department of Audit in providing
917 services related to a project for which funding is provided from
918 the use of proceeds of such bonds. The Department of Audit shall
919 maintain an accounting of actual costs incurred for each project
920 for which reimbursements are sought. The Department of Audit may
921 escalate its budget and expend such funds in accordance with rules
922 and regulations of the Department of Finance and Administration in
923 a manner consistent with the escalation of federal funds.
924 Reimbursements under this paragraph (b)(ii) shall not exceed One
925 Hundred Thousand Dollars (\$100,000.00) in the aggregate.
926 Reimbursements under this paragraph (b)(ii) shall satisfy any
927 applicable federal tax law requirements.

928 (c) (i) The proceeds of bonds issued under this
929 section for projects described in Section 57-75-5(f)(ix) may be
930 used to reimburse reasonable actual and necessary costs incurred
931 by the Mississippi Development Authority in providing assistance

932 related to a project for which funding is provided for the use of
933 proceeds of such bonds. The Mississippi Development Authority
934 shall maintain an accounting of actual costs incurred for each
935 project for which reimbursements are sought. Reimbursements under
936 this paragraph shall not exceed Twenty-five Thousand Dollars
937 (\$25,000.00) in the aggregate.

938 (ii) The proceeds of bonds issued under this
939 section for projects described in Section 57-75-5(f)(ix) may be
940 used to reimburse reasonable actual and necessary costs incurred
941 by the Department of Audit in providing services related to a
942 project for which funding is provided from the use of proceeds of
943 such bonds. The Department of Audit shall maintain an accounting
944 of actual costs incurred for each project for which reimbursements
945 are sought. The Department of Audit may escalate its budget and
946 expend such funds in accordance with rules and regulations of the
947 Department of Finance and Administration in a manner consistent
948 with the escalation of federal funds. Reimbursements under this
949 paragraph shall not exceed Twenty-five Thousand Dollars
950 (\$25,000.00) in the aggregate. Reimbursements under this
951 paragraph shall satisfy any applicable federal tax law
952 requirements.

953 (d) (i) The proceeds of bonds issued under this
954 section for projects described in Section 57-75-5(f)(x) may be
955 used to reimburse reasonable actual and necessary costs incurred
956 by the Mississippi Development Authority in providing assistance
957 related to a project for which funding is provided for the use of
958 proceeds of such bonds. The Mississippi Development Authority
959 shall maintain an accounting of actual costs incurred for each
960 project for which reimbursements are sought. Reimbursements under
961 this paragraph shall not exceed Twenty-five Thousand Dollars
962 (\$25,000.00) in the aggregate.

963 (ii) The proceeds of bonds issued under this
964 section for projects described in Section 57-75-5(f)(x) may be

965 used to reimburse reasonable actual and necessary costs incurred
966 by the Department of Audit in providing services related to a
967 project for which funding is provided from the use of proceeds of
968 such bonds. The Department of Audit shall maintain an accounting
969 of actual costs incurred for each project for which reimbursements
970 are sought. The Department of Audit may escalate its budget and
971 expend such funds in accordance with rules and regulations of the
972 Department of Finance and Administration in a manner consistent
973 with the escalation of federal funds. Reimbursements under this
974 paragraph shall not exceed Twenty-five Thousand Dollars
975 (\$25,000.00) in the aggregate. Reimbursements under this
976 paragraph shall satisfy any applicable federal tax law
977 requirements.

978 (e) (i) The proceeds of bonds issued under this
979 section for projects described in Section 57-75-5(f)(xii) may be
980 used to reimburse reasonable actual and necessary costs incurred
981 by the Mississippi Development Authority in providing assistance
982 related to a project for which funding is provided from the use of
983 proceeds of such bonds. The Mississippi Development Authority
984 shall maintain an accounting of actual costs incurred for each
985 project for which reimbursements are sought. Reimbursements under
986 this paragraph (e)(i) shall not exceed Twenty-five Thousand
987 Dollars (\$25,000.00) in the aggregate.

988 (ii) The proceeds of bonds issued under this
989 section for projects described in Section 57-75-5(f)(xii) may be
990 used to reimburse reasonable actual and necessary costs incurred
991 by the Department of Audit in providing services related to a
992 project for which funding is provided from the use of proceeds of
993 such bonds. The Department of Audit shall maintain an accounting
994 of actual costs incurred for each project for which reimbursements
995 are sought. The Department of Audit may escalate its budget and
996 expend such funds in accordance with rules and regulations of the
997 Department of Finance and Administration in a manner consistent

998 with the escalation of federal funds. Reimbursements under this
999 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars
1000 (\$25,000.00) in the aggregate. Reimbursements under this
1001 paragraph (e)(ii) shall satisfy any applicable federal tax law
1002 requirements.

1003 (f) (i) The proceeds of bonds issued under this
1004 section for projects described in Section 57-75-5(f)(xiii),
1005 (f)(xiv), (f)(xv), (f)(xvi), (f)(xvii) and (f)(xviii) may be used
1006 to reimburse reasonable actual and necessary costs incurred by the
1007 Mississippi Development Authority in providing assistance related
1008 to a project for which funding is provided from the use of
1009 proceeds of such bonds. The Mississippi Development Authority
1010 shall maintain an accounting of actual costs incurred for each
1011 project for which reimbursements are sought. Reimbursements under
1012 this paragraph (f)(i) shall not exceed Twenty-five Thousand
1013 Dollars (\$25,000.00) for each project.

1014 (ii) The proceeds of bonds issued under this
1015 section for projects described in Section 57-75-5(f)(xiii),
1016 (f)(xiv), (f)(xv), (f)(xvi), (f)(xvii) and (f)(xviii) may be used
1017 to reimburse reasonable actual and necessary costs incurred by the
1018 Department of Audit in providing services related to a project for
1019 which funding is provided from the use of proceeds of such bonds.
1020 The Department of Audit shall maintain an accounting of actual
1021 costs incurred for each project for which reimbursements are
1022 sought. The Department of Audit may escalate its budget and
1023 expend such funds in accordance with rules and regulations of the
1024 Department of Finance and Administration in a manner consistent
1025 with the escalation of federal funds. Reimbursements under this
1026 paragraph (f)(ii) shall not exceed Twenty-five Thousand Dollars
1027 (\$25,000.00) for each project. Reimbursements under this
1028 paragraph (f)(ii) shall satisfy any applicable federal tax law
1029 requirements.

1030 (5) The principal of and the interest on the bonds shall be
1031 payable in the manner hereinafter set forth. The bonds shall bear
1032 date or dates; be in such denomination or denominations; bear
1033 interest at such rate or rates; be payable at such place or places
1034 within or without the state; mature absolutely at such time or
1035 times; be redeemable before maturity at such time or times and
1036 upon such terms, with or without premium; bear such registration
1037 privileges; and be substantially in such form; all as shall be
1038 determined by resolution of the State Bond Commission except that
1039 such bonds shall mature or otherwise be retired in annual
1040 installments beginning not more than five (5) years from the date
1041 thereof and extending not more than twenty-five (25) years from
1042 the date thereof. The bonds shall be signed by the Chairman of
1043 the State Bond Commission, or by his facsimile signature, and the
1044 official seal of the State Bond Commission shall be imprinted on
1045 or affixed thereto, attested by the manual or facsimile signature
1046 of the Secretary of the State Bond Commission. Whenever any such
1047 bonds have been signed by the officials herein designated to sign
1048 the bonds, who were in office at the time of such signing but who
1049 may have ceased to be such officers before the sale and delivery
1050 of such bonds, or who may not have been in office on the date such
1051 bonds may bear, the signatures of such officers upon such bonds
1052 shall nevertheless be valid and sufficient for all purposes and
1053 have the same effect as if the person so officially signing such
1054 bonds had remained in office until the delivery of the same to the
1055 purchaser, or had been in office on the date such bonds may bear.

1056 (6) All bonds issued under the provisions of this section
1057 shall be and are hereby declared to have all the qualities and
1058 incidents of negotiable instruments under the provisions of the
1059 Uniform Commercial Code and in exercising the powers granted by
1060 this chapter, the State Bond Commission shall not be required to
1061 and need not comply with the provisions of the Uniform Commercial
1062 Code.

1063 (7) The State Bond Commission shall sell the bonds on sealed
1064 bids at public sale, and for such price as it may determine to be
1065 for the best interest of the State of Mississippi, but no such
1066 sale shall be made at a price less than par plus accrued interest
1067 to date of delivery of the bonds to the purchaser. The bonds
1068 shall bear interest at such rate or rates not exceeding the limits
1069 set forth in Section 75-17-101 as shall be fixed by the State Bond
1070 Commission. All interest accruing on such bonds so issued shall
1071 be payable semiannually or annually; provided that the first
1072 interest payment may be for any period of not more than one (1)
1073 year.

1074 Notice of the sale of any bonds shall be published at least
1075 one time, the first of which shall be made not less than ten (10)
1076 days prior to the date of sale, and shall be so published in one
1077 or more newspapers having a general circulation in the City of
1078 Jackson and in one or more other newspapers or financial journals
1079 with a large national circulation, to be selected by the State
1080 Bond Commission.

1081 The State Bond Commission, when issuing any bonds under the
1082 authority of this section, may provide that the bonds, at the
1083 option of the state, may be called in for payment and redemption
1084 at the call price named therein and accrued interest on such date
1085 or dates named therein.

1086 (8) State bonds issued under the provisions of this section
1087 shall be the general obligations of the state and backed by the
1088 full faith and credit of the state. The Legislature shall
1089 appropriate annually an amount sufficient to pay the principal of
1090 and the interest on such bonds as they become due. All bonds
1091 shall contain recitals on their faces substantially covering the
1092 foregoing provisions of this section.

1093 (9) The State Treasurer is authorized to certify to the
1094 Department of Finance and Administration the necessity for
1095 warrants, and the Department of Finance and Administration is

1096 authorized and directed to issue such warrants payable out of any
1097 funds appropriated by the Legislature under this section for such
1098 purpose, in such amounts as may be necessary to pay when due the
1099 principal of and interest on all bonds issued under the provisions
1100 of this section. The State Treasurer shall forward the necessary
1101 amount to the designated place or places of payment of such bonds
1102 in ample time to discharge such bonds, or the interest thereon, on
1103 the due dates thereof.

1104 (10) The bonds may be issued without any other proceedings
1105 or the happening of any other conditions or things other than
1106 those proceedings, conditions and things which are specified or
1107 required by this chapter. Any resolution providing for the
1108 issuance of general obligation bonds under the provisions of this
1109 section shall become effective immediately upon its adoption by
1110 the State Bond Commission, and any such resolution may be adopted
1111 at any regular or special meeting of the State Bond Commission by
1112 a majority of its members.

1113 (11) In anticipation of the issuance of bonds hereunder, the
1114 State Bond Commission is authorized to negotiate and enter into
1115 any purchase, loan, credit or other agreement with any bank, trust
1116 company or other lending institution or to issue and sell interim
1117 notes for the purpose of making any payments authorized under this
1118 section. All borrowings made under this provision shall be
1119 evidenced by notes of the state which shall be issued from time to
1120 time, for such amounts not exceeding the amount of bonds
1121 authorized herein, in such form and in such denomination and
1122 subject to such terms and conditions of sale and issuance,
1123 prepayment or redemption and maturity, rate or rates of interest
1124 not to exceed the maximum rate authorized herein for bonds, and
1125 time of payment of interest as the State Bond Commission shall
1126 agree to in such agreement. Such notes shall constitute general
1127 obligations of the state and shall be backed by the full faith and
1128 credit of the state. Such notes may also be issued for the

1129 purpose of refunding previously issued notes. No note shall
1130 mature more than three (3) years following the date of its
1131 issuance. The State Bond Commission is authorized to provide for
1132 the compensation of any purchaser of the notes by payment of a
1133 fixed fee or commission and for all other costs and expenses of
1134 issuance and service, including paying agent costs. Such costs
1135 and expenses may be paid from the proceeds of the notes.

1136 (12) The bonds and interim notes authorized under the
1137 authority of this section may be validated in the First Judicial
1138 District of the Chancery Court of Hinds County, Mississippi, in
1139 the manner and with the force and effect provided now or hereafter
1140 by Chapter 13, Title 31, Mississippi Code of 1972, for the
1141 validation of county, municipal, school district and other bonds.
1142 The necessary papers for such validation proceedings shall be
1143 transmitted to the State Bond Attorney, and the required notice
1144 shall be published in a newspaper published in the City of
1145 Jackson, Mississippi.

1146 (13) Any bonds or interim notes issued under the provisions
1147 of this chapter, a transaction relating to the sale or securing of
1148 such bonds or interim notes, their transfer and the income
1149 therefrom shall at all times be free from taxation by the state or
1150 any local unit or political subdivision or other instrumentality
1151 of the state, excepting inheritance and gift taxes.

1152 (14) All bonds issued under this chapter shall be legal
1153 investments for trustees, other fiduciaries, savings banks, trust
1154 companies and insurance companies organized under the laws of the
1155 State of Mississippi; and such bonds shall be legal securities
1156 which may be deposited with and shall be received by all public
1157 officers and bodies of the state and all municipalities and other
1158 political subdivisions thereof for the purpose of securing the
1159 deposit of public funds.

1160 (15) The Attorney General of the State of Mississippi shall
1161 represent the State Bond Commission in issuing, selling and

1162 validating bonds herein provided for, and the Bond Commission is
1163 hereby authorized and empowered to expend from the proceeds
1164 derived from the sale of the bonds authorized hereunder all
1165 necessary administrative, legal and other expenses incidental and
1166 related to the issuance of bonds authorized under this chapter.

1167 (16) There is hereby created a special fund in the State
1168 Treasury to be known as the Mississippi Major Economic Impact
1169 Authority Fund wherein shall be deposited the proceeds of the
1170 bonds issued under this chapter and all monies received by the
1171 authority to carry out the purposes of this chapter. Expenditures
1172 authorized herein shall be paid by the State Treasurer upon
1173 warrants drawn from the fund, and the Department of Finance and
1174 Administration shall issue warrants upon requisitions signed by
1175 the director of the authority.

1176 (17) (a) There is hereby created the Mississippi Economic
1177 Impact Authority Sinking Fund from which the principal of and
1178 interest on such bonds shall be paid by appropriation. All monies
1179 paid into the sinking fund not appropriated to pay accruing bonds
1180 and interest shall be invested by the State Treasurer in such
1181 securities as are provided by law for the investment of the
1182 sinking funds of the state.

1183 (b) In the event that all or any part of the bonds and
1184 notes are purchased, they shall be cancelled and returned to the
1185 loan and transfer agent as cancelled and paid bonds and notes and
1186 thereafter all payments of interest thereon shall cease and the
1187 cancelled bonds, notes and coupons, together with any other
1188 cancelled bonds, notes and coupons, shall be destroyed as promptly
1189 as possible after cancellation but not later than two (2) years
1190 after cancellation. A certificate evidencing the destruction of
1191 the cancelled bonds, notes and coupons shall be provided by the
1192 loan and transfer agent to the seller.

1193 (c) The State Treasurer shall determine and report to
1194 the Department of Finance and Administration and Legislative

1195 Budget Office by September 1 of each year the amount of money
1196 necessary for the payment of the principal of and interest on
1197 outstanding obligations for the following fiscal year and the
1198 times and amounts of the payments. It shall be the duty of the
1199 Governor to include in every executive budget submitted to the
1200 Legislature full information relating to the issuance of bonds and
1201 notes under the provisions of this chapter and the status of the
1202 sinking fund for the payment of the principal of and interest on
1203 the bonds and notes.

1204 (d) Any monies repaid to the state from loans
1205 authorized in Section 57-75-11(hh) shall be deposited into the
1206 Mississippi Major Economic Impact Authority Sinking Fund unless
1207 the State Bond Commission, at the request of the authority, shall
1208 determine that such loan repayments are needed to provide
1209 additional loans as authorized under Section 57-75-11(hh). For
1210 purposes of providing additional loans, there is hereby created
1211 the Mississippi Major Economic Impact Authority Revolving Loan
1212 Fund and loan repayments shall be deposited into the fund. The
1213 fund shall be maintained for such period as determined by the
1214 State Bond Commission for the sole purpose of making additional
1215 loans as authorized by Section 57-75-11(hh). Unexpended amounts
1216 remaining in the fund at the end of a fiscal year shall not lapse
1217 into the State General Fund and any interest earned on amounts in
1218 such fund shall be deposited to the credit of the fund.

1219 (e) Any monies repaid to the state from loans
1220 authorized in Section 57-75-11(ii) shall be deposited into the
1221 Mississippi Major Economic Impact Authority Sinking Fund.

1222 (f) Any monies repaid to the state from loans
1223 authorized in Section 57-75-11(jj) shall be deposited into the
1224 Mississippi Major Economic Impact Authority Sinking Fund.

1225 (18) (a) Upon receipt of a declaration by the authority
1226 that it has determined that the state is a potential site for a
1227 project, the State Bond Commission is authorized and directed to

1228 authorize the State Treasurer to borrow money from any special
1229 fund in the State Treasury not otherwise appropriated to be
1230 utilized by the authority for the purposes provided for in this
1231 subsection.

1232 (b) The proceeds of the money borrowed under this
1233 subsection may be utilized by the authority for the purpose of
1234 defraying all or a portion of the costs incurred by the authority
1235 with respect to acquisition options and planning, design and
1236 environmental impact studies with respect to a project defined in
1237 Section 57-75-5(f)(xi). The authority may escalate its budget and
1238 expend the proceeds of the money borrowed under this subsection in
1239 accordance with rules and regulations of the Department of Finance
1240 and Administration in a manner consistent with the escalation of
1241 federal funds.

1242 (c) The authority shall request an appropriation or
1243 additional authority to issue general obligation bonds to repay
1244 the borrowed funds and establish a date for the repayment of the
1245 funds so borrowed.

1246 (d) Borrowings made under the provisions of this
1247 subsection shall not exceed Five Hundred Thousand Dollars
1248 (\$500,000.00) at any one time.

1249 **SECTION 4.** Section 27-65-101, Mississippi Code of 1972, is
1250 amended as follows:

1251 27-65-101. (1) The exemptions from the provisions of this
1252 chapter which are of an industrial nature or which are more
1253 properly classified as industrial exemptions than any other
1254 exemption classification of this chapter shall be confined to
1255 those persons or property exempted by this section or by the
1256 provisions of the Constitution of the United States or the State
1257 of Mississippi. No industrial exemption as now provided by any
1258 other section except Section 57-3-33 shall be valid as against the
1259 tax herein levied. Any subsequent industrial exemption from the
1260 tax levied hereunder shall be provided by amendment to this

1261 section. No exemption provided in this section shall apply to
1262 taxes levied by Section 27-65-15 or 27-65-21.

1263 The tax levied by this chapter shall not apply to the
1264 following:

1265 (a) Sales of boxes, crates, cartons, cans, bottles and
1266 other packaging materials to manufacturers and wholesalers for use
1267 as containers or shipping materials to accompany goods sold by
1268 said manufacturers or wholesalers where possession thereof will
1269 pass to the customer at the time of sale of the goods contained
1270 therein and sales to anyone of containers or shipping materials
1271 for use in ships engaged in international commerce.

1272 (b) Sales of raw materials, catalysts, processing
1273 chemicals, welding gases or other industrial processing gases
1274 (except natural gas) to a manufacturer for use directly in
1275 manufacturing or processing a product for sale or rental or
1276 repairing or reconditioning vessels or barges of fifty (50) tons
1277 load displacement and over. For the purposes of this exemption,
1278 electricity used directly in the electrolysis process in the
1279 production of sodium chlorate shall be considered a raw material.
1280 This exemption shall not apply to any property used as fuel except
1281 to the extent that such fuel comprises by-products which have no
1282 market value.

1283 (c) The gross proceeds of sales of dry docks, offshore
1284 drilling equipment for use in oil exploitation or production,
1285 vessels or barges of fifty (50) tons load displacement and over,
1286 when sold by the manufacturer or builder thereof.

1287 (d) Sales to commercial fishermen of commercial fishing
1288 boats of over five (5) tons load displacement and not more than
1289 fifty (50) tons load displacement as registered with the United
1290 States Coast Guard and licensed by the Mississippi Commission on
1291 Marine Resources.

1292 (e) The gross income from repairs to vessels and barges
1293 engaged in foreign trade or interstate transportation.

1294 (f) Sales of petroleum products to vessels or barges
1295 for consumption in marine international commerce or interstate
1296 transportation businesses.

1297 (g) Sales and rentals of rail rolling stock (and
1298 component parts thereof) for ultimate use in interstate commerce
1299 and gross income from services with respect to manufacturing,
1300 repairing, cleaning, altering, reconditioning or improving such
1301 rail rolling stock (and component parts thereof).

1302 (h) Sales of raw materials, catalysts, processing
1303 chemicals, welding gases or other industrial processing gases
1304 (except natural gas) used or consumed directly in manufacturing,
1305 repairing, cleaning, altering, reconditioning or improving such
1306 rail rolling stock (and component parts thereof). This exemption
1307 shall not apply to any property used as fuel.

1308 (i) Sales of machinery or tools or repair parts
1309 therefor or replacements thereof, fuel or supplies used directly
1310 in manufacturing, converting or repairing ships of three thousand
1311 (3,000) tons load displacement and over, but not to include office
1312 and plant supplies or other equipment not directly used on the
1313 ship being built, converted or repaired.

1314 (j) Sales of tangible personal property to persons
1315 operating ships in international commerce for use or consumption
1316 on board such ships. This exemption shall be limited to cases in
1317 which procedures satisfactory to the commissioner, ensuring
1318 against use in this state other than on such ships, are
1319 established.

1320 (k) Sales of materials used in the construction of a
1321 building, or any addition or improvement thereon, and sales of any
1322 machinery and equipment not later than three (3) months after the
1323 completion of construction of the building, or any addition
1324 thereon, to be used therein, to qualified businesses, as defined
1325 in Section 57-51-5, which are located in a county or portion

1326 thereof designated as an enterprise zone pursuant to Sections
1327 57-51-1 through 57-51-15.

1328 (1) Sales of materials used in the construction of a
1329 building, or any addition or improvement thereon, and sales of any
1330 machinery and equipment not later than three (3) months after the
1331 completion of construction of the building, or any addition
1332 thereon, to be used therein, to qualified businesses, as defined
1333 in Section 57-54-5.

1334 (m) Income from storage and handling of perishable
1335 goods by a public storage warehouse.

1336 (n) The value of natural gas lawfully injected into the
1337 earth for cycling, repressuring or lifting of oil, or lawfully
1338 vented or flared in connection with the production of oil;
1339 however, if any gas so injected into the earth is sold for such
1340 purposes, then the gas so sold shall not be exempt.

1341 (o) The gross collections from self-service commercial
1342 laundering, drying, cleaning and pressing equipment.

1343 (p) Sales of materials used in the construction of a
1344 building, or any addition or improvement thereon, and sales of any
1345 machinery and equipment not later than three (3) months after the
1346 completion of construction of the building, or any addition
1347 thereon, to be used therein, to qualified companies, certified as
1348 such by the Mississippi Development Authority under Section
1349 57-53-1.

1350 (q) Sales of component materials used in the
1351 construction of a building, or any addition or improvement
1352 thereon, sales of machinery and equipment to be used therein, and
1353 sales of manufacturing or processing machinery and equipment which
1354 is permanently attached to the ground or to a permanent foundation
1355 and which is not by its nature intended to be housed within a
1356 building structure, not later than three (3) months after the
1357 initial start-up date, to permanent business enterprises engaging
1358 in manufacturing or processing in Tier Three areas (as such term

1359 is defined in Section 57-73-21), which businesses are certified by
1360 the State Tax Commission as being eligible for the exemption
1361 granted in this paragraph (q).

1362 (r) Sales of component materials used in the
1363 construction of a building, or any addition or improvement
1364 thereon, and sales of any machinery and equipment not later than
1365 three (3) months after the completion of the building, addition or
1366 improvement thereon, to be used therein, for any company
1367 establishing or transferring its national or regional headquarters
1368 from within or outside the State of Mississippi and creating a
1369 minimum of thirty-five (35) jobs at the new headquarters in this
1370 state. The Tax Commission shall establish criteria and prescribe
1371 procedures to determine if a company qualifies as a national or
1372 regional headquarters for the purpose of receiving the exemption
1373 provided in this paragraph.

1374 (s) The gross proceeds from the sale of semitrailers,
1375 trailers, boats, travel trailers, motorcycles and all-terrain
1376 cycles if exported from this state within forty-eight (48) hours
1377 and registered and first used in another state.

1378 (t) Gross income from the storage and handling of
1379 natural gas in underground salt domes and in other underground
1380 reservoirs, caverns, structures and formations suitable for such
1381 storage.

1382 (u) Sales of machinery and equipment to nonprofit
1383 organizations if the organization: (i) is tax-exempt pursuant to
1384 Section 501(c)(4) of the Internal Revenue Code of 1986, as
1385 amended; (ii) assists in the implementation of the national
1386 contingency plan or area contingency plan, and which is created in
1387 response to the requirements of Title IV, Subtitle B of the Oil
1388 Pollution Act of 1990, Public Law 101-380; and (iii) engages
1389 primarily in programs to contain, clean up and otherwise mitigate
1390 spills of oil or other substances occurring in the United States
1391 coastal and tidal waters. For purposes of this exemption,

1392 "machinery and equipment" means any ocean-going vessels, barges,
1393 booms, skimmers and other capital equipment used primarily in the
1394 operations of nonprofit organizations referred to herein.

1395 (v) Sales or leases of materials and equipment to
1396 approved business enterprises as provided under the Growth and
1397 Prosperity Act.

1398 (w) From and after July 1, 2001, sales of pollution
1399 control equipment to manufacturers or custom processors for
1400 industrial use. For the purposes of this exemption, "pollution
1401 control equipment" means equipment, devices, machinery or systems
1402 used or acquired to prevent, control, monitor or reduce air, water
1403 or groundwater pollution, or solid or hazardous waste as required
1404 by federal or state law or regulation.

1405 (x) Sales or leases to a manufacturer of motor vehicles
1406 operating a project that has been certified by the Mississippi
1407 Major Economic Impact Authority as a project as defined in Section
1408 57-75-5(f)(iv)1 of machinery and equipment; special tooling such
1409 as dies, molds, jigs and similar items treated as special tooling
1410 for federal income tax purposes; or repair parts therefor or
1411 replacements thereof; repair services thereon; fuel, supplies,
1412 electricity, coal and natural gas used directly in the manufacture
1413 of motor vehicles or motor vehicle parts or used to provide
1414 climate control for manufacturing areas.

1415 (y) Sales or leases of component materials, machinery
1416 and equipment used in the construction of a building, or any
1417 addition or improvement thereon to an enterprise operating a
1418 project that has been certified by the Mississippi Major Economic
1419 Impact Authority as a project as defined in Section
1420 57-75-5(f)(iv)1 and any other sales or leases required to
1421 establish or operate such project.

1422 (z) Sales of component materials and equipment to a
1423 business enterprise as provided under Section 57-64-33.

1424 (aa) The gross income from the stripping and painting
1425 of commercial aircraft engaged in foreign or interstate
1426 transportation business.

1427 (bb) Sales of production items used in the production
1428 of motion pictures such as film; videotape; component building
1429 materials used in the construction of a set; makeup; fabric used
1430 as or in the making of costumes; clothing, including, shoes,
1431 accessories and jewelry used as wardrobes; materials used as set
1432 dressing; materials used as props on a set or by an actor;
1433 materials used in the creation of special effects; and expendable
1434 items purchased for limited use by grip, electric and camera
1435 departments such as tape, fasteners and compressed air. For the
1436 purposes of this paragraph (aa) the term "motion picture" means a
1437 nationally distributed feature-length film, video, television
1438 series or commercial made in Mississippi, in whole or in part, for
1439 theatrical or television viewing or as a television pilot. The
1440 term "motion picture" shall not include the production of
1441 television coverage of news and athletic events, or a film, video,
1442 television series or commercial that contains any material or
1443 performance defined in Section 97-29-103.

1444 (cc) Sales or leases to an enterprise owning or
1445 operating a project that has been designated by the Mississippi
1446 Major Economic Impact Authority as a project as defined in Section
1447 57-75-5(f)(xviii) of machinery and equipment; special tooling such
1448 as dies, molds, jigs and similar items treated as special tooling
1449 for federal income tax purposes; or repair parts therefor or
1450 replacements thereof; repair services thereon; fuel, supplies,
1451 electricity, coal and natural gas used directly in the
1452 manufacturing/production operations of the project or used to
1453 provide climate control for manufacturing/production areas.

1454 (dd) Sales or leases of component materials, machinery
1455 and equipment used in the construction of a building, or any
1456 addition or improvement thereon to an enterprise owning or

1457 operating a project that has been designated by the Mississippi
1458 Major Economic Impact Authority as a project as defined in Section
1459 57-75-5(f)(xviii) and any other sales or leases required to
1460 establish or operate such project.

1461 (2) Sales of component materials used in the construction of
1462 a building, or any addition or improvement thereon, sales of
1463 machinery and equipment to be used therein, and sales of
1464 manufacturing or processing machinery and equipment which is
1465 permanently attached to the ground or to a permanent foundation
1466 and which is not by its nature intended to be housed within a
1467 building structure, not later than three (3) months after the
1468 initial start-up date, to permanent business enterprises engaging
1469 in manufacturing or processing in Tier Two areas and Tier One
1470 areas (as such areas are designated in accordance with Section
1471 57-73-21), which businesses are certified by the State Tax
1472 Commission as being eligible for the exemption granted in this
1473 paragraph, shall be exempt from one-half (1/2) of the taxes
1474 imposed on such transactions under this chapter.

1475 (3) (a) For purposes of this subsection:

1476 (i) "Telecommunications enterprises" shall have
1477 the meaning ascribed to such term in Section 57-73-21(13);

1478 (ii) "Tier One areas" mean counties designated as
1479 Tier One areas pursuant to Section 57-73-21(1);

1480 (iii) "Tier Two areas" mean counties designated as
1481 Tier Two areas pursuant to Section 57-73-21(1);

1482 (iv) "Tier Three areas" mean counties designated
1483 as Tier Three areas pursuant to Section 57-73-21(1); and

1484 (v) "Equipment used in the deployment of broadband
1485 technologies" means any equipment capable of being used for or in
1486 connection with the transmission of information at a rate, prior
1487 to taking into account the effects of any signal degradation, that
1488 is not less than three hundred eighty-four (384) kilobits per
1489 second in at least one direction, including, but not limited to,

1490 asynchronous transfer mode switches, digital subscriber line
1491 access multiplexers, routers, servers, multiplexers, fiber optics
1492 and related equipment.

1493 (b) Sales of equipment to telecommunications
1494 enterprises after June 30, 2003, and before July 1, 2013, that is
1495 installed in Tier One areas and used in the deployment of
1496 broadband technologies shall be exempt from one-half (1/2) of the
1497 taxes imposed on such transactions under this chapter.

1498 (c) Sales of equipment to telecommunications
1499 enterprises after June 30, 2003, and before July 1, 2013, that is
1500 installed in Tier Two and Tier Three areas and used in the
1501 deployment of broadband technologies shall be exempt from the
1502 taxes imposed on such transactions under this chapter.

1503 **SECTION 5.** Section 27-67-7, Mississippi Code of 1972, is
1504 amended as follows:

1505 27-67-7. The tax levied by this article shall not be
1506 collected in the following instances:

1507 (a) On the use, storage or consumption of any tangible
1508 personal property if the sale thereof has already been included in
1509 the measure of this tax or the tax imposed by Section 27-65-24 or
1510 Section 27-65-17, 27-65-19 or 27-65-25, or has already been
1511 included in the measure of a sales tax imposed by another state in
1512 which the property was sold or use tax imposed by some other state
1513 in which the property was used. If the rate of sales or use tax
1514 paid another state by the person using the property in Mississippi
1515 is not equal to or greater than the rate imposed by this article,
1516 then the user or purchaser shall apply the difference in these
1517 rates to the purchase price or value of the property and pay to
1518 the commissioner the amount of tax thus computed. Persons using
1519 business property in this state which has been used by them in
1520 other states shall be entitled to a credit for sales and/or use
1521 tax paid to other states equal to the aggregate of all such state
1522 rates multiplied by the value of the property at the time of

1523 importation into this state. Persons using business property in
1524 this state which was acquired from another person who used it in
1525 other states shall be entitled to a credit equal to the applicable
1526 rate in the state of last prior use multiplied by the value of the
1527 property at the time of importation into this state. Provided,
1528 however, that credit for use tax paid to another state shall not
1529 apply on the purchase price of tangible personal property that has
1530 been only stored or warehoused in the other state and the first
1531 use of the property occurs in Mississippi. Provided, further,
1532 that credit for sales or use tax paid to another state shall not
1533 apply on the purchase price or value of automobiles, trucks,
1534 truck-tractors, semitrailers, trailers, boats, travel trailers,
1535 motorcycles and all-terrain cycles imported and first used in
1536 Mississippi.

1537 Credit for sales or use tax paid to another state as provided
1538 above shall be evidenced by an invoice clearly and correctly
1539 showing the amount of such tax as a separate item, and no credit
1540 shall be allowed otherwise.

1541 (b) On the use, storage or consumption of tangible
1542 personal property to the extent that sales of similar property in
1543 Mississippi are either excluded or specifically exempt from sales
1544 tax or are taxed at the wholesale rate.

1545 This exemption shall be confined to the use of property the
1546 sale of which is an itemized exemption in the Mississippi Sales
1547 Tax Law, or to use by persons who are listed in said law as being
1548 exempt from sales tax.

1549 (c) On the use, storage or consumption of tangible
1550 personal property brought into this state by a nonresident for his
1551 or her use or enjoyment while temporarily within the state, but
1552 not including tangible personal property brought in for use in
1553 connection with a business activity. This exemption shall not
1554 apply to property which remains situated in this state for the

1555 repeated use, storage or consumption by out-of-state visitors, or
1556 which is acquired by visitors and first used in this state.

1557 (d) On the use of a motor vehicle for which a
1558 registration is required by the motor vehicle law, when such motor
1559 vehicle was purchased by a natural person for his personal or
1560 family use while such person was a bona fide resident of another
1561 state and who thereafter became a resident of this state, but not
1562 to include a motor vehicle which is transferred by the owner
1563 thereof for commercial use or for use by another person within
1564 this state.

1565 (e) On the use of personal and household effects by a
1566 natural person acquired while such person was a bona fide resident
1567 of another state, and who thereafter became a resident of this
1568 state.

1569 (f) On the use or rental of motion picture film,
1570 video-audio tapes and phonograph records for exhibition either by
1571 a person paying Mississippi sales tax on gross income from
1572 admissions for such exhibitions or by a person operating a
1573 television or radio broadcasting station.

1574 (g) On any vehicle purchased in another state for use
1575 outside of this state by a Mississippi citizen serving in the
1576 Armed Forces and stationed in another state who elects to license
1577 the vehicle in Mississippi.

1578 (h) On the cost or value and on the use, storage and
1579 consumption of rail rolling stock and component parts thereof.

1580 (i) On the use, storage or consumption of literature,
1581 video tapes and photographic slides used by religious institutions
1582 for the propagation of their creeds or for carrying on their
1583 customary nonprofit religious activities, and on the use of any
1584 tangible personal property purchased and first used in another
1585 state by religious institutions for the propagation of their
1586 creeds or for carrying on their customary nonprofit religious
1587 activities. "Religious institution," for the purpose of this

1588 exemption, means any religious institution granted an exemption
1589 under 26 USCS Section 501(c)(3). Any exemption under this
1590 paragraph obtained by fraud, misstatement or misrepresentation,
1591 shall be cancelled by the State Tax Commission, and the person
1592 committing the fraud, misstatement or misrepresentation shall be
1593 liable for prosecution for fraud on the assessment, and, on
1594 conviction, shall be fined not less than One Thousand Dollars
1595 (\$1,000.00), or punished by imprisonment in the State Penitentiary
1596 for a term not to exceed five (5) years, or both, within the
1597 discretion of the court.

1598 (j) The tax on the cost or value of farm machinery used
1599 in the harvesting of agricultural products shall be limited to the
1600 ratio of use within this state to the life of the property.

1601 (k) On the use, storage or consumption, between July 1,
1602 1993, and June 30, 1994, of machinery and equipment to
1603 corporations qualified as tax-exempt organizations under Section
1604 501(c)(4) of the Internal Revenue Code and established in response
1605 to the Federal Oil Pollution Act of 1990 to provide a private
1606 capability to respond to major oil spills. For purposes of this
1607 exemption, "machinery and equipment" means property with a useful
1608 life of at least three (3) years which is used primarily in the
1609 operations of the Marine Oil Spill Response Corporation and shall
1610 include, without limitation, vessels, barges, booms and skimmers.
1611 This paragraph shall stand repealed on July 1, 1995.

1612 (l) On the use of machinery and equipment; special
1613 tooling such as dies, molds, jigs and similar items treated as
1614 special tooling for federal income tax purposes; or repair parts
1615 therefor or replacements thereof; or repair services thereon; by a
1616 taxpayer other than the manufacturer when the manufacturer still
1617 holds title to the items and the items are purchased by the
1618 manufacturer as a part of a project as defined in Section
1619 57-75-5(f)(iv)1.

1620 (m) On the use, storage or consumption of utilities
1621 purchased by a manufacturer described in Section 27-65-101(x).

1622 (n) On the use, storage or consumption of utilities
1623 purchased by an enterprise described in Section 27-65-101(cc).

1624 **SECTION 6.** (1) Any enterprise owning or operating a project
1625 as defined in Section 57-75-5(f)(xviii) is allowed a job tax
1626 credit for taxes imposed by Section 27-7-5 equal to Five Thousand
1627 Dollars (\$5,000.00) annually for each net new full-time employee
1628 job for a period of ten (10) years from the date the credit
1629 commences. The credit shall commence on the date selected by the
1630 enterprise; provided, however, that the commencement date shall
1631 not be more than two (2) years from the date the project begins
1632 operation. For the year in which the commencement date occurs,
1633 the number of new full-time jobs and the credit shall be
1634 determined by the State Tax Commission. For each year thereafter,
1635 the number of new full-time jobs created shall be determined by
1636 calculating the monthly average number of full-time employees
1637 subject to the Mississippi income tax withholding for the year.
1638 For every year subsequent to the year the commencement date
1639 occurs, the credit is not allowed for any year in which the
1640 overall monthly average number of full-time employees subject to
1641 the Mississippi income tax withholding falls below the minimum
1642 jobs requirement provided in Section 57-75-5(f)(xviii). The State
1643 Tax Commission shall adjust the credit allowed each year for the
1644 net new employment fluctuations.

1645 (2) For the first five (5) years in which a tax credit is
1646 claimed under this section, any tax credit claimed but not used in
1647 any taxable year may be carried forward for five (5) consecutive
1648 years from the close of the tax year in which the credits were
1649 earned. For the remainder of the ten-year period, any tax credit
1650 claimed under this section but not used in any taxable year may be
1651 carried forward for three (3) consecutive years from the close of
1652 the tax year in which the credits were earned. The credit that

1653 may be utilized each year shall be limited to an amount not
1654 greater than the total state income tax liability of the
1655 enterprise that is generated by, or arises out of, the project.

1656 (3) The tax credits provided for in this section shall be in
1657 lieu of the tax credits provided for in Section 57-73-21 and any
1658 enterprise utilizing the tax credit authorized in this section
1659 shall not utilize the tax credit authorized in Section 57-73-21.

1660 **SECTION 7.** (1) An enterprise owning or operating a project
1661 as defined in Section 57-75-5(f)(xviii) is allowed an annual
1662 investment tax credit for taxes imposed by Section 27-7-5 equal to
1663 seven and one-half percent (7-1/2%) of the eligible investments
1664 made by the enterprise. The credit shall commence on the date
1665 selected by the enterprise; provided, however, that the
1666 commencement date shall not be more than two (2) years from the
1667 date of completion of construction of the project. For the
1668 purposes of this section, the term "eligible investment" means the
1669 amount of investment in a project as defined in Section
1670 57-75-5(f)(xviii) that is greater than Four Hundred Million
1671 Dollars (\$400,000,000.00) and used in the initial establishment of
1672 the project.

1673 (2) Any tax credit claimed under this section but not used
1674 in any taxable year may be carried forward for ten (10)
1675 consecutive years from the close of the tax year in which the
1676 credits were earned. The credit that may be utilized in any one
1677 tax year shall be limited to an amount not greater than the total
1678 state income tax liability of the enterprise for that year that is
1679 generated by, or arises out of, the project.

1680 (3) The credit received under this section is subject to
1681 recapture if the property for which the tax credit was received is
1682 disposed of, or converted to, other than business use. The amount
1683 of the credit subject to recapture is one hundred percent (100%)
1684 of the credit in the first year and fifty percent (50%) of the

1685 credit in the second year. This subsection shall not apply in
1686 cases in which an entire facility is sold.

1687 **SECTION 8.** (1) (a) Any county in which there is to be
1688 constructed a project as defined in Section 57-75-5(f)(xviii) is
1689 authorized to assist in defraying the costs incurred or to be
1690 incurred by the enterprise establishing such project by:

1691 (i) Contributing a sum of up to Five Million
1692 Dollars (\$5,000,000.00) to such enterprise for use in connection
1693 with the construction of the project; and/or

1694 (ii) Lending a sum of up to Five Million Dollars
1695 upon such terms as the board of supervisors of such county and
1696 such enterprise may agree, the proceeds of which loan shall be
1697 used by such enterprise in connection with the construction or
1698 financing of the project.

1699 (b) In order to provide the amounts set forth in
1700 paragraph (a) of this subsection (1), any such county may
1701 appropriate monies from the county's general funds or provide such
1702 amounts from the proceeds of general obligation bonds, or any
1703 combination of the foregoing. Any such county may issue the bonds
1704 for such purpose pursuant to the procedures for the issuance of
1705 bonds under Chapter 9 of Title 19, Mississippi Code of 1972, or
1706 Section 19-5-99.

1707 (2) The board of supervisors of any county may donate real
1708 property for use in the location, construction and/or operation of
1709 a project as defined under Section 57-75-5(f)(xviii) to one or
1710 more economic development authorities, economic development
1711 districts, industrial development authorities or similar public
1712 agencies created pursuant to state law that engage in economic or
1713 industrial development in the county, and any such public agencies
1714 may accept such donation of real property from the county. Such
1715 public agencies also may transfer and convey among themselves,
1716 with or without consideration being paid or received, real

1717 property to be used in the location, construction and/or operation
1718 of such a project, and may accept such transfers or donations.

1719 **SECTION 9.** Section 19-7-3, Mississippi Code of 1972, is
1720 amended as follows:

1721 19-7-3. (1) In case any of the real estate belonging to the
1722 county shall cease to be used for county purposes, the board of
1723 supervisors may sell, convey or lease the same on such terms as
1724 the board may elect and may, in addition, exchange the same for
1725 real estate belonging to any other political subdivision located
1726 within the county. In case of a sale on a credit, the county
1727 shall have a lien on the same for the purchase money, as against
1728 all persons, until paid and may enforce the lien as in such cases
1729 provided by law. The deed of conveyance in such cases shall be
1730 executed in the name of the county by the president of the board
1731 of supervisors, pursuant to an order of the board entered on its
1732 minutes.

1733 (2) (a) Before any lease, deed or conveyance is executed,
1734 the board shall publish at least once each week for three (3)
1735 consecutive weeks, in a public newspaper of the county in which
1736 the land is located, or if no newspaper be published in said
1737 county then in a newspaper having general circulation therein, the
1738 intention to lease or sell, as the case may be, the county-owned
1739 land and to accept sealed competitive bids for the leasing or
1740 sale. The board shall thereafter accept bids for the lease or
1741 sale and shall award the lease to the highest bidder in the manner
1742 provided by law.

1743 (b) The board of supervisors of any county may contract
1744 for the professional services of a Mississippi-licensed real
1745 estate broker to assist in the marketing and sale or lease of the
1746 property for a reasonable commission, consistent with or lower
1747 than the market rate, for services rendered to be paid from the
1748 sale or lease proceeds.

1749 (3) Whenever the board of supervisors shall find and
1750 determine, by resolution duly and lawfully adopted and spread upon
1751 its minutes (a) that any county-owned property is no longer needed
1752 for county or related purposes and is not to be used in the
1753 operation of the county, (b) that the sale of the property in the
1754 manner otherwise provided by law is not necessary or desirable for
1755 the financial welfare of the county, and (c) that the use of the
1756 county property for the purpose for which it is to be sold,
1757 conveyed or leased will promote and foster the development and
1758 improvement of the community in which it is located and the civic,
1759 social, educational, cultural, moral, economic or industrial
1760 welfare thereof, the board of supervisors of such county shall be
1761 authorized and empowered, in its discretion, to sell, convey,
1762 lease, or otherwise dispose of same for any of the purposes set
1763 forth herein.

1764 (4) Nothing contained in this section shall be construed to
1765 prohibit, restrict or to prescribe conditions with regard to the
1766 authority granted under Section 17-25-3 or Section 8 of House Bill
1767 No. _____, 2005 Regular Session.

1768 **SECTION 10.** Section 19-9-1, Mississippi Code of 1972, is
1769 amended as follows:

1770 19-9-1. The board of supervisors of any county is authorized
1771 to issue negotiable bonds of the county to raise money for the
1772 following purposes:

1773 (a) Purchasing or erecting, equipping, repairing,
1774 reconstructing, remodeling and enlarging county buildings,
1775 courthouses, office buildings, jails, hospitals, nurses' homes,
1776 health centers, clinics, and related facilities, and the purchase
1777 of land therefor;

1778 (b) Erecting, equipping, repairing, reconstructing,
1779 remodeling, or acquiring county homes for indigents, and
1780 purchasing land therefor;

1781 (c) Purchasing or constructing, repairing, improving
1782 and equipping buildings for public libraries and for purchasing
1783 land, equipment and books therefor, whether the title to same be
1784 vested in the county issuing such bonds or in some subdivision of
1785 the state government other than the county, or jointly in such
1786 county and other such subdivision;

1787 (d) Establishing county farms for convicts, purchasing
1788 land therefor, and erecting, remodeling, and equipping necessary
1789 buildings therefor;

1790 (e) Constructing, reconstructing, and repairing roads,
1791 highways and bridges, and acquiring the necessary land, including
1792 land for road building materials, acquiring rights-of-way
1793 therefor; and the purchase of heavy construction equipment and
1794 accessories thereto reasonably required to construct, repair and
1795 renovate roads, highways and bridges and approaches thereto within
1796 the county;

1797 (f) Erecting, repairing, equipping, remodeling or
1798 enlarging or assisting or cooperating with another county or other
1799 counties in erecting, repairing, equipping, remodeling, or
1800 enlarging buildings, and related facilities for an agricultural
1801 high school, or agricultural high school-junior college, including
1802 gymnasiums, auditoriums, lunchrooms, vocational training
1803 buildings, libraries, teachers' homes, school barns, garages for
1804 transportation vehicles, and purchasing land therefor;

1805 (g) Purchasing or renting voting machines and any other
1806 election equipment to be used in elections held within the county;

1807 (h) Constructing, reconstructing or repairing boat
1808 landing ramps and wharves fronting on the Mississippi Sound or the
1809 Gulf of Mexico and on the banks or shores of the inland waters,
1810 levees, bays and bayous of any county bordering on the Gulf of
1811 Mexico or fronting on the Mississippi Sound, having two (2)
1812 municipalities located therein, each with a population in excess

1813 of twenty thousand (20,000) in accordance with the then last
1814 preceding federal census;

1815 (i) Assisting the Board of Trustees of State
1816 Institutions of Higher Learning, the Office of General Services or
1817 any other state agency in acquiring a site for constructing
1818 suitable buildings and runways and equipping an airport for any
1819 state university or other state-supported four-year college now or
1820 hereafter in existence in such county;

1821 (j) Aiding and cooperating in the planning,
1822 undertaking, construction or operation of airports and air
1823 navigation facilities, including lending or donating money,
1824 pursuant to the provisions of the airport authorities law, being
1825 Sections 61-3-1 through 61-3-83, Mississippi Code of 1972,
1826 regardless of whether such airports or air navigation facilities
1827 are located in the county or counties issuing such bonds;

1828 (k) Establishing rubbish and garbage disposal systems
1829 in accordance with the provisions of Sections 19-5-17 through
1830 19-5-27;

1831 (l) Defraying the expenses of projects of the county
1832 cooperative service district in which it is a participating
1833 county, regardless of whether the project is located in the county
1834 issuing such bonds;

1835 (m) Purchasing machinery and equipment which have an
1836 expected useful life in excess of ten (10) years. The life of
1837 such bonds shall not exceed the expected useful life of such
1838 machinery and equipment. Machinery and equipment shall not
1839 include any motor vehicle weighing less than twelve thousand
1840 (12,000) pounds;

1841 (n) Purchasing fire fighting equipment and apparatus,
1842 and providing housing for the same and purchasing land necessary
1843 therefor;

1844 (o) A project for which a certificate of public
1845 convenience and necessity has been obtained by the county pursuant
1846 to the Regional Economic Development Act;

1847 (p) Constructing dams or low-water control structures
1848 on lakes or bodies of water under the provisions of Section
1849 19-5-92;

1850 (q) For the purposes provided for in Section 8 of House
1851 Bill No. _____, 2005 Regular Session.

1852 **SECTION 11.** Section 19-9-5, Mississippi Code of 1972, is
1853 amended as follows:

1854 19-9-5. No county shall hereafter issue bonds secured by a
1855 pledge of its full faith and credit for the purposes authorized by
1856 law in an amount which, when added to the then outstanding bonds
1857 of such county, shall exceed either (a) fifteen percent (15%) of
1858 the assessed value of the taxable property within such county
1859 according to the last completed assessment for taxation, or (b)
1860 fifteen percent (15%) of the assessment upon which taxes were
1861 levied for its fiscal year ending September 30, 1984, whichever is
1862 greater.

1863 However, any county in the state which shall have experienced
1864 washed-out or collapsed bridges on the public roads of the county
1865 for any cause or reason may hereafter issue bonds for bridge
1866 purposes as now authorized by law in an amount which, when added
1867 to the then outstanding general obligation bonds of such county,
1868 shall not exceed either (a) twenty percent (20%) of the assessed
1869 value of the taxable property within such county according to the
1870 last completed assessment for taxation or (b) fifteen percent
1871 (15%) of the assessment upon which taxes were levied for its
1872 fiscal year ending September 30, 1984, whichever is greater.

1873 Provided further, in computing such indebtedness, there may
1874 be deducted all bonds or other evidences of indebtedness
1875 heretofore or hereafter issued, for the construction of hospitals,
1876 ports or other capital improvements which are payable primarily

1877 from the net revenue to be generated from such hospital, port or
1878 other capital improvement, which revenue shall be pledged to the
1879 retirement of such bonds or other evidences of indebtedness,
1880 together with the full faith and credit of the county. However,
1881 in no case shall any county contract any indebtedness payable in
1882 whole or in part from proceeds of ad valorem taxes which, when
1883 added to all of the outstanding general obligation indebtedness,
1884 both bonded and floating, shall exceed either (a) twenty percent
1885 (20%) of the assessed value of all taxable property within such
1886 county according to the last completed assessment for taxation, or
1887 (b) fifteen percent (15%) of the assessment upon which taxes were
1888 levied for its fiscal year ending September 30, 1984, whichever is
1889 greater. Nothing herein contained shall be construed to apply to
1890 contract obligations in any form heretofore or hereafter incurred
1891 by any county which are subject to annual appropriations therefor,
1892 or to bonds heretofore or hereafter issued by any county for
1893 school purposes, or to bonds issued by any county under the
1894 provisions of Sections 57-1-1 through 57-1-51, or to any
1895 indebtedness incurred under Section 55-23-8, or to bonds issued
1896 under Section 8 of House Bill No. _____, 2005 Regular Session.

1897 **SECTION 12.** This act shall take effect and be in force from
1898 and after its passage, except for Sections 6 and 7, which shall
1899 take effect and be in force from and after January 1, 2005.