

By: Senator(s) Robertson, Dearing,
Fillingane, Harden, Jackson (15th), Jackson
(11th), Horhn

To: Finance

SENATE BILL NO. 3019

1 AN ACT TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972,
2 TO EXTEND UNTIL JULY 1, 2008, THE TIME WITHIN WHICH BONDS MAY BE
3 ISSUED FOR CERTAIN PROJECTS UNDER THE MISSISSIPPI MAJOR ECONOMIC
4 IMPACT ACT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 57-75-15, Mississippi Code of 1972, is
7 amended as follows:

8 57-75-15. (1) Upon notification to the authority by the
9 enterprise that the state has been finally selected as the site
10 for the project, the State Bond Commission shall have the power
11 and is hereby authorized and directed, upon receipt of a
12 declaration from the authority as hereinafter provided, to borrow
13 money and issue general obligation bonds of the state in one or
14 more series for the purposes herein set out. Upon such
15 notification, the authority may thereafter from time to time
16 declare the necessity for the issuance of general obligation bonds
17 as authorized by this section and forward such declaration to the
18 State Bond Commission, provided that before such notification, the
19 authority may enter into agreements with the United States
20 government, private companies and others that will commit the
21 authority to direct the State Bond Commission to issue bonds for
22 eligible undertakings set out in subsection (4) of this section,
23 conditioned on the siting of the project in the state.

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

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

33 (b) Bonds issued under the authority of this section
34 for projects as defined in Section 57-75-5(f)(ii) shall not exceed
35 Sixty-one Million Dollars (\$61,000,000.00). The authority, with
36 the express direction of the State Bond Commission, is authorized
37 to expend any remaining proceeds of bonds issued under the
38 authority of this act prior to January 1, 1998, for the purpose of
39 financing projects as then defined in Section 57-75-5(f)(ii) or
40 for any other projects as defined in Section 57-75-5(f)(ii), as it
41 may be amended from time to time. If there are any monetary
42 proceeds derived from the disposition of any improvements located
43 on real property in Kemper County purchased pursuant to this act
44 for projects related to the NAAS and if there are any monetary
45 proceeds derived from the disposition of any timber located on
46 real property in Kemper County purchased pursuant to this act for
47 projects related to the NAAS, all of such proceeds (both from the
48 disposition of improvements and the disposition of timber)
49 commencing July 1, 1996, through June 30, 2010, shall be paid to
50 the Board of Education of Kemper County, Mississippi, for
51 expenditure by such board of education to benefit the public
52 schools of Kemper County. No bonds shall be issued under this
53 paragraph (b) until the State Bond Commission by resolution adopts
54 a finding that the issuance of such bonds will improve, expand or
55 otherwise enhance the military installation, its support areas or
56 military operations, or will provide employment opportunities to
57 replace those lost by closure or reductions in operations at the
58 military installation or will support critical studies or
59 investigations authorized by Section 57-75-5(f)(ii).

60 (c) Bonds issued under the authority of this section
61 for projects as defined in Section 57-75-5(f)(iii) shall not

62 exceed Ten Million Dollars (\$10,000,000.00). No bonds shall be
63 issued under this paragraph after December 31, 1996.

64 (d) Bonds issued under the authority of this section
65 for projects defined in Section 57-75-5(f)(iv) shall not exceed
66 Three Hundred Fifty-one Million Dollars (\$351,000,000.00). An
67 additional amount of bonds in an amount not to exceed Twelve
68 Million Five Hundred Thousand Dollars (\$12,500,000.00) may be
69 issued under the authority of this section for the purpose of
70 defraying costs associated with the construction of surface water
71 transmission lines for a project defined in Section 57-75-5(f)(iv)
72 or for any facility related to the project. No bonds shall be
73 issued under this paragraph after June 30, 2005.

74 (e) Bonds issued under the authority of this section
75 for projects defined in Section 57-75-5(f)(v) and for facilities
76 related to such projects shall not exceed Thirty-eight Million
77 Five Hundred Thousand Dollars (\$38,500,000.00). No bonds shall be
78 issued under this paragraph after April 1, 2005.

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

83 (g) Bonds issued under the authority of this section
84 for projects defined in Section 57-75-5(f)(viii) shall not exceed
85 Four Million Five Hundred Thousand Dollars (\$4,500,000.00). No
86 bonds shall be issued under this paragraph after June 30, 2008.

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

91 (i) Bonds issued under the authority of this section
92 for projects defined in Section 57-75-5(f)(x) shall not exceed
93 Five Million Dollars (\$5,000,000.00). No bonds shall be issued
94 under this paragraph after April 1, 2005.

95 (j) Bonds issued under the authority of this section
96 for projects defined in Section 57-75-5(f)(xii) shall not exceed
97 Thirty-three Million Dollars (\$33,000,000.00). The amount of
98 bonds that may be issued under this paragraph for projects defined
99 in Section 57-75-5(f)(xii) may be reduced by the amount of any
100 federal or local funds made available for such projects. No bonds
101 shall be issued under this paragraph until local governments in or
102 near the county in which the project is located have irrevocably
103 committed funds to the project in an amount of not less than Two
104 Million Five Hundred Thousand Dollars (\$2,500,000.00) in the
105 aggregate; however, this irrevocable commitment requirement may be
106 waived by the authority upon a finding that due to the unforeseen
107 circumstances created by Hurricane Katrina, the local governments
108 are unable to comply with such commitment. No bonds shall be
109 issued under this paragraph after June 30, 2008.

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

114 (l) Bonds issued under the authority of this section
115 for projects defined in Section 57-75-5(f)(xiv) shall not exceed
116 Twenty-four Million Dollars (\$24,000,000.00). No bonds shall be
117 issued under this paragraph until local governments in the county
118 in which the project is located have irrevocably committed funds
119 to the project in an amount of not less than Two Million Dollars
120 (\$2,000,000.00). No bonds shall be issued under this paragraph
121 after June 30, 2009.

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

126 (n) Bonds issued under the authority of this section
127 for projects defined in Section 57-75-5(f)(xvi) shall not exceed

128 Ten Million Dollars (\$10,000,000.00). No bonds shall be issued
129 under this paragraph after June 30, 2009.

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

134 (p) Bonds issued under the authority of this section
135 for projects defined in Section 57-75-5(f)(xviii) shall not exceed
136 Ninety-six Million Dollars (\$96,000,000.00). No bonds shall be
137 issued under this paragraph after June 30, 2016.

138 (q) Bonds issued under the authority of this section
139 for projects defined in Section 57-75-5(f)(xix) shall not exceed
140 Fifteen Million Dollars (\$15,000,000.00). No bonds shall be
141 issued under this paragraph after June 30, 2010.

142 (r) Bonds issued under the authority of this section
143 for projects defined in Section 57-75-5(f)(xx) shall not exceed
144 Twenty-three Million Dollars (\$23,000,000.00). No bonds shall be
145 issued under this paragraph after June 30, 2010.

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

148 (i) Defraying all or any designated portion of the
149 costs incurred with respect to acquisition, planning, design,
150 construction, installation, rehabilitation, improvement,
151 relocation and with respect to state-owned property, operation and
152 maintenance of the project and any facility related to the project
153 located within the project area, including costs of design and
154 engineering, all costs incurred to provide land, easements and
155 rights-of-way, relocation costs with respect to the project and
156 with respect to any facility related to the project located within
157 the project area, and costs associated with mitigation of
158 environmental impacts and environmental impact studies;

159 (ii) Defraying the cost of providing for the
160 recruitment, screening, selection, training or retraining of

161 employees, candidates for employment or replacement employees of
162 the project and any related activity;

163 (iii) Reimbursing the Mississippi Development
164 Authority for expenses it incurred in regard to projects defined
165 in Section 57-75-5(f)(iv) prior to November 6, 2000. The
166 Mississippi Development Authority shall submit an itemized list of
167 expenses it incurred in regard to such projects to the Chairmen of
168 the Finance and Appropriations Committees of the Senate and the
169 Chairmen of the Ways and Means and Appropriations Committees of
170 the House of Representatives;

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

173 (v) Paying any warranty made by the authority
174 regarding site work for a project defined in Section
175 57-75-5(f)(iv)1;

176 (vi) Defraying the cost of marketing and promotion
177 of a project as defined in Section 57-75-5(f)(iv)1. The authority
178 shall submit an itemized list of costs incurred for marketing and
179 promotion of such project to the Chairmen of the Finance and
180 Appropriations Committees of the Senate and the Chairmen of the
181 Ways and Means and Appropriations Committees of the House of
182 Representatives;

183 (vii) Providing for the payment of interest on the
184 bonds;

185 (viii) Providing debt service reserves;

186 (ix) Paying underwriters' discount, original issue
187 discount, accountants' fees, engineers' fees, attorneys' fees,
188 rating agency fees and other fees and expenses in connection with
189 the issuance of the bonds;

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

192 (xi) Providing grants to enterprises operating
193 projects defined in Section 57-75-5(f)(v), or, in connection with

194 a facility related to such a project, for any purposes deemed by
195 the authority in its sole discretion to be necessary and
196 appropriate;

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

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

203 (xiv) Providing grants, loans and payments to or
204 for the benefit of an enterprise owning or operating a project
205 defined in Section 57-75-5(f)(xviii);

206 (xv) Purchasing equipment for a project defined in
207 Section 57-75-5(f)(viii) subject to such terms and conditions as
208 the authority considers necessary and appropriate; and

209 (xvi) Providing grant funds to an enterprise
210 developing or owning a project defined in Section 57-75-5(f)(xx).

211 Such bonds shall be issued from time to time and in such
212 principal amounts as shall be designated by the authority, not to
213 exceed in aggregate principal amounts the amount authorized in
214 subsection (3) of this section. Proceeds from the sale of the
215 bonds issued under this section may be invested, subject to
216 federal limitations, pending their use, in such securities as may
217 be specified in the resolution authorizing the issuance of the
218 bonds or the trust indenture securing them, and the earning on
219 such investment applied as provided in such resolution or trust
220 indenture.

221 (b) (i) The proceeds of bonds issued after June 21,
222 2002, under this section for projects described in Section
223 57-75-5(f)(iv) may be used to reimburse reasonable actual and
224 necessary costs incurred by the Mississippi Development Authority
225 in providing assistance related to a project for which funding is
226 provided from the use of proceeds of such bonds. The Mississippi

227 Development Authority shall maintain an accounting of actual costs
228 incurred for each project for which reimbursements are sought.
229 Reimbursements under this paragraph (b)(i) shall not exceed Three
230 Hundred Thousand Dollars (\$300,000.00) in the aggregate.
231 Reimbursements under this paragraph (b)(i) shall satisfy any
232 applicable federal tax law requirements.

233 (ii) The proceeds of bonds issued after June 21,
234 2002, under this section for projects described in Section
235 57-75-5(f)(iv) may be used to reimburse reasonable actual and
236 necessary costs incurred by the Department of Audit in providing
237 services related to a project for which funding is provided from
238 the use of proceeds of such bonds. The Department of Audit shall
239 maintain an accounting of actual costs incurred for each project
240 for which reimbursements are sought. The Department of Audit may
241 escalate its budget and expend such funds in accordance with rules
242 and regulations of the Department of Finance and Administration in
243 a manner consistent with the escalation of federal funds.
244 Reimbursements under this paragraph (b)(ii) shall not exceed One
245 Hundred Thousand Dollars (\$100,000.00) in the aggregate.
246 Reimbursements under this paragraph (b)(ii) shall satisfy any
247 applicable federal tax law requirements.

248 (c) (i) The proceeds of bonds issued under this
249 section for projects described in Section 57-75-5(f)(ix) may be
250 used to reimburse reasonable actual and necessary costs incurred
251 by the Mississippi Development Authority in providing assistance
252 related to a project for which funding is provided for the use of
253 proceeds of such bonds. The Mississippi Development Authority
254 shall maintain an accounting of actual costs incurred for each
255 project for which reimbursements are sought. Reimbursements under
256 this paragraph shall not exceed Twenty-five Thousand Dollars
257 (\$25,000.00) in the aggregate.

258 (ii) The proceeds of bonds issued under this
259 section for projects described in Section 57-75-5(f)(ix) may be

260 used to reimburse reasonable actual and necessary costs incurred
261 by the Department of Audit in providing services related to a
262 project for which funding is provided from the use of proceeds of
263 such bonds. The Department of Audit shall maintain an accounting
264 of actual costs incurred for each project for which reimbursements
265 are sought. The Department of Audit may escalate its budget and
266 expend such funds in accordance with rules and regulations of the
267 Department of Finance and Administration in a manner consistent
268 with the escalation of federal funds. Reimbursements under this
269 paragraph shall not exceed Twenty-five Thousand Dollars
270 (\$25,000.00) in the aggregate. Reimbursements under this
271 paragraph shall satisfy any applicable federal tax law
272 requirements.

273 (d) (i) The proceeds of bonds issued under this
274 section for projects described in Section 57-75-5(f)(x) may be
275 used to reimburse reasonable actual and necessary costs incurred
276 by the Mississippi Development Authority in providing assistance
277 related to a project for which funding is provided for the use of
278 proceeds of such bonds. The Mississippi Development Authority
279 shall maintain an accounting of actual costs incurred for each
280 project for which reimbursements are sought. Reimbursements under
281 this paragraph shall not exceed Twenty-five Thousand Dollars
282 (\$25,000.00) in the aggregate.

283 (ii) The proceeds of bonds issued under this
284 section for projects described in Section 57-75-5(f)(x) may be
285 used to reimburse reasonable actual and necessary costs incurred
286 by the Department of Audit in providing services related to a
287 project for which funding is provided from the use of proceeds of
288 such bonds. The Department of Audit shall maintain an accounting
289 of actual costs incurred for each project for which reimbursements
290 are sought. The Department of Audit may escalate its budget and
291 expend such funds in accordance with rules and regulations of the
292 Department of Finance and Administration in a manner consistent

293 with the escalation of federal funds. Reimbursements under this
294 paragraph shall not exceed Twenty-five Thousand Dollars
295 (\$25,000.00) in the aggregate. Reimbursements under this
296 paragraph shall satisfy any applicable federal tax law
297 requirements.

298 (e) (i) The proceeds of bonds issued under this
299 section for projects described in Section 57-75-5(f)(xii) may be
300 used to reimburse reasonable actual and necessary costs incurred
301 by the Mississippi Development Authority in providing assistance
302 related to a project for which funding is provided from the use of
303 proceeds of such bonds. The Mississippi Development Authority
304 shall maintain an accounting of actual costs incurred for each
305 project for which reimbursements are sought. Reimbursements under
306 this paragraph (e)(i) shall not exceed Twenty-five Thousand
307 Dollars (\$25,000.00) in the aggregate.

308 (ii) The proceeds of bonds issued under this
309 section for projects described in Section 57-75-5(f)(xii) may be
310 used to reimburse reasonable actual and necessary costs incurred
311 by the Department of Audit in providing services related to a
312 project for which funding is provided from the use of proceeds of
313 such bonds. The Department of Audit shall maintain an accounting
314 of actual costs incurred for each project for which reimbursements
315 are sought. The Department of Audit may escalate its budget and
316 expend such funds in accordance with rules and regulations of the
317 Department of Finance and Administration in a manner consistent
318 with the escalation of federal funds. Reimbursements under this
319 paragraph (e)(ii) shall not exceed Twenty-five Thousand Dollars
320 (\$25,000.00) in the aggregate. Reimbursements under this
321 paragraph (e)(ii) shall satisfy any applicable federal tax law
322 requirements.

323 (f) (i) The proceeds of bonds issued under this
324 section for projects described in Section 57-75-5(f)(xiii),
325 (f)(xiv), (f)(xv), (f)(xvi), (f)(xvii), (f)(xviii) and (f)(xx) may

326 be used to reimburse reasonable actual and necessary costs
327 incurred by the Mississippi Development Authority in providing
328 assistance related to a project for which funding is provided from
329 the use of proceeds of such bonds. The Mississippi Development
330 Authority shall maintain an accounting of actual costs incurred
331 for each project for which reimbursements are sought.

332 Reimbursements under this paragraph (f)(i) shall not exceed
333 Twenty-five Thousand Dollars (\$25,000.00) for each project.

334 (ii) The proceeds of bonds issued under this
335 section for projects described in Section 57-75-5(f)(xiii),
336 (f)(xiv), (f)(xv), (f)(xvi), (f)(xvii), (f)(xviii) and (f)(xx) may
337 be used to reimburse reasonable actual and necessary costs
338 incurred by the Department of Audit in providing services related
339 to a project for which funding is provided from the use of
340 proceeds of such bonds. The Department of Audit shall maintain an
341 accounting of actual costs incurred for each project for which
342 reimbursements are sought. The Department of Audit may escalate
343 its budget and expend such funds in accordance with rules and
344 regulations of the Department of Finance and Administration in a
345 manner consistent with the escalation of federal funds.

346 Reimbursements under this paragraph (f)(ii) shall not exceed
347 Twenty-five Thousand Dollars (\$25,000.00) for each project.

348 Reimbursements under this paragraph (f)(ii) shall satisfy any
349 applicable federal tax law requirements.

350 (5) The principal of and the interest on the bonds shall be
351 payable in the manner hereinafter set forth. The bonds shall bear
352 date or dates; be in such denomination or denominations; bear
353 interest at such rate or rates; be payable at such place or places
354 within or without the state; mature absolutely at such time or
355 times; be redeemable before maturity at such time or times and
356 upon such terms, with or without premium; bear such registration
357 privileges; and be substantially in such form; all as shall be
358 determined by resolution of the State Bond Commission except that

359 such bonds shall mature or otherwise be retired in annual
360 installments beginning not more than five (5) years from the date
361 thereof and extending not more than twenty-five (25) years from
362 the date thereof. The bonds shall be signed by the Chairman of
363 the State Bond Commission, or by his facsimile signature, and the
364 official seal of the State Bond Commission shall be imprinted on
365 or affixed thereto, attested by the manual or facsimile signature
366 of the Secretary of the State Bond Commission. Whenever any such
367 bonds have been signed by the officials herein designated to sign
368 the bonds, who were in office at the time of such signing but who
369 may have ceased to be such officers before the sale and delivery
370 of such bonds, or who may not have been in office on the date such
371 bonds may bear, the signatures of such officers upon such bonds
372 shall nevertheless be valid and sufficient for all purposes and
373 have the same effect as if the person so officially signing such
374 bonds had remained in office until the delivery of the same to the
375 purchaser, or had been in office on the date such bonds may bear.

376 (6) All bonds issued under the provisions of this section
377 shall be and are hereby declared to have all the qualities and
378 incidents of negotiable instruments under the provisions of the
379 Uniform Commercial Code and in exercising the powers granted by
380 this chapter, the State Bond Commission shall not be required to
381 and need not comply with the provisions of the Uniform Commercial
382 Code.

383 (7) The State Bond Commission shall sell the bonds on sealed
384 bids at public sale, and for such price as it may determine to be
385 for the best interest of the State of Mississippi, but no such
386 sale shall be made at a price less than par plus accrued interest
387 to date of delivery of the bonds to the purchaser. The bonds
388 shall bear interest at such rate or rates not exceeding the limits
389 set forth in Section 75-17-101 as shall be fixed by the State Bond
390 Commission. All interest accruing on such bonds so issued shall
391 be payable semiannually or annually; provided that the first

392 interest payment may be for any period of not more than one (1)
393 year.

394 Notice of the sale of any bonds shall be published at least
395 one time, the first of which shall be made not less than ten (10)
396 days prior to the date of sale, and shall be so published in one
397 or more newspapers having a general circulation in the City of
398 Jackson and in one or more other newspapers or financial journals
399 with a large national circulation, to be selected by the State
400 Bond Commission.

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

406 (8) State bonds issued under the provisions of this section
407 shall be the general obligations of the state and backed by the
408 full faith and credit of the state. The Legislature shall
409 appropriate annually an amount sufficient to pay the principal of
410 and the interest on such bonds as they become due. All bonds
411 shall contain recitals on their faces substantially covering the
412 foregoing provisions of this section.

413 (9) The State Treasurer is authorized to certify to the
414 Department of Finance and Administration the necessity for
415 warrants, and the Department of Finance and Administration is
416 authorized and directed to issue such warrants payable out of any
417 funds appropriated by the Legislature under this section for such
418 purpose, in such amounts as may be necessary to pay when due the
419 principal of and interest on all bonds issued under the provisions
420 of this section. The State Treasurer shall forward the necessary
421 amount to the designated place or places of payment of such bonds
422 in ample time to discharge such bonds, or the interest thereon, on
423 the due dates thereof.

424 (10) The bonds may be issued without any other proceedings
425 or the happening of any other conditions or things other than
426 those proceedings, conditions and things which are specified or
427 required by this chapter. Any resolution providing for the
428 issuance of general obligation bonds under the provisions of this
429 section shall become effective immediately upon its adoption by
430 the State Bond Commission, and any such resolution may be adopted
431 at any regular or special meeting of the State Bond Commission by
432 a majority of its members.

433 (11) In anticipation of the issuance of bonds hereunder, the
434 State Bond Commission is authorized to negotiate and enter into
435 any purchase, loan, credit or other agreement with any bank, trust
436 company or other lending institution or to issue and sell interim
437 notes for the purpose of making any payments authorized under this
438 section. All borrowings made under this provision shall be
439 evidenced by notes of the state which shall be issued from time to
440 time, for such amounts not exceeding the amount of bonds
441 authorized herein, in such form and in such denomination and
442 subject to such terms and conditions of sale and issuance,
443 prepayment or redemption and maturity, rate or rates of interest
444 not to exceed the maximum rate authorized herein for bonds, and
445 time of payment of interest as the State Bond Commission shall
446 agree to in such agreement. Such notes shall constitute general
447 obligations of the state and shall be backed by the full faith and
448 credit of the state. Such notes may also be issued for the
449 purpose of refunding previously issued notes. No note shall
450 mature more than three (3) years following the date of its
451 issuance. The State Bond Commission is authorized to provide for
452 the compensation of any purchaser of the notes by payment of a
453 fixed fee or commission and for all other costs and expenses of
454 issuance and service, including paying agent costs. Such costs
455 and expenses may be paid from the proceeds of the notes.

456 (12) The bonds and interim notes authorized under the
457 authority of this section may be validated in the First Judicial
458 District of the Chancery Court of Hinds County, Mississippi, in
459 the manner and with the force and effect provided now or hereafter
460 by Chapter 13, Title 31, Mississippi Code of 1972, for the
461 validation of county, municipal, school district and other bonds.
462 The necessary papers for such validation proceedings shall be
463 transmitted to the State Bond Attorney, and the required notice
464 shall be published in a newspaper published in the City of
465 Jackson, Mississippi.

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

472 (14) All bonds issued under this chapter shall be legal
473 investments for trustees, other fiduciaries, savings banks, trust
474 companies and insurance companies organized under the laws of the
475 State of Mississippi; and such bonds shall be legal securities
476 which may be deposited with and shall be received by all public
477 officers and bodies of the state and all municipalities and other
478 political subdivisions thereof for the purpose of securing the
479 deposit of public funds.

480 (15) The Attorney General of the State of Mississippi shall
481 represent the State Bond Commission in issuing, selling and
482 validating bonds herein provided for, and the Bond Commission is
483 hereby authorized and empowered to expend from the proceeds
484 derived from the sale of the bonds authorized hereunder all
485 necessary administrative, legal and other expenses incidental and
486 related to the issuance of bonds authorized under this chapter.

487 (16) There is hereby created a special fund in the State
488 Treasury to be known as the Mississippi Major Economic Impact

489 Authority Fund wherein shall be deposited the proceeds of the
490 bonds issued under this chapter and all monies received by the
491 authority to carry out the purposes of this chapter. Expenditures
492 authorized herein shall be paid by the State Treasurer upon
493 warrants drawn from the fund, and the Department of Finance and
494 Administration shall issue warrants upon requisitions signed by
495 the director of the authority.

496 (17) (a) There is hereby created the Mississippi Economic
497 Impact Authority Sinking Fund from which the principal of and
498 interest on such bonds shall be paid by appropriation. All monies
499 paid into the sinking fund not appropriated to pay accruing bonds
500 and interest shall be invested by the State Treasurer in such
501 securities as are provided by law for the investment of the
502 sinking funds of the state.

503 (b) In the event that all or any part of the bonds and
504 notes are purchased, they shall be cancelled and returned to the
505 loan and transfer agent as cancelled and paid bonds and notes and
506 thereafter all payments of interest thereon shall cease and the
507 cancelled bonds, notes and coupons, together with any other
508 cancelled bonds, notes and coupons, shall be destroyed as promptly
509 as possible after cancellation but not later than two (2) years
510 after cancellation. A certificate evidencing the destruction of
511 the cancelled bonds, notes and coupons shall be provided by the
512 loan and transfer agent to the seller.

513 (c) The State Treasurer shall determine and report to
514 the Department of Finance and Administration and Legislative
515 Budget Office by September 1 of each year the amount of money
516 necessary for the payment of the principal of and interest on
517 outstanding obligations for the following fiscal year and the
518 times and amounts of the payments. It shall be the duty of the
519 Governor to include in every executive budget submitted to the
520 Legislature full information relating to the issuance of bonds and
521 notes under the provisions of this chapter and the status of the

522 sinking fund for the payment of the principal of and interest on
523 the bonds and notes.

524 (d) Any monies repaid to the state from loans
525 authorized in Section 57-75-11(hh) shall be deposited into the
526 Mississippi Major Economic Impact Authority Sinking Fund unless
527 the State Bond Commission, at the request of the authority, shall
528 determine that such loan repayments are needed to provide
529 additional loans as authorized under Section 57-75-11(hh). For
530 purposes of providing additional loans, there is hereby created
531 the Mississippi Major Economic Impact Authority Revolving Loan
532 Fund and loan repayments shall be deposited into the fund. The
533 fund shall be maintained for such period as determined by the
534 State Bond Commission for the sole purpose of making additional
535 loans as authorized by Section 57-75-11(hh). Unexpended amounts
536 remaining in the fund at the end of a fiscal year shall not lapse
537 into the State General Fund and any interest earned on amounts in
538 such fund shall be deposited to the credit of the fund.

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

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

545 (18) (a) Upon receipt of a declaration by the authority
546 that it has determined that the state is a potential site for a
547 project, the State Bond Commission is authorized and directed to
548 authorize the State Treasurer to borrow money from any special
549 fund in the State Treasury not otherwise appropriated to be
550 utilized by the authority for the purposes provided for in this
551 subsection.

552 (b) The proceeds of the money borrowed under this
553 subsection may be utilized by the authority for the purpose of
554 defraying all or a portion of the costs incurred by the authority

555 with respect to acquisition options and planning, design and
556 environmental impact studies with respect to a project defined in
557 Section 57-75-5(f)(xi). The authority may escalate its budget and
558 expend the proceeds of the money borrowed under this subsection in
559 accordance with rules and regulations of the Department of Finance
560 and Administration in a manner consistent with the escalation of
561 federal funds.

562 (c) The authority shall request an appropriation or
563 additional authority to issue general obligation bonds to repay
564 the borrowed funds and establish a date for the repayment of the
565 funds so borrowed.

566 (d) Borrowings made under the provisions of this
567 subsection shall not exceed Five Hundred Thousand Dollars
568 (\$500,000.00) at any one time.

569 **SECTION 2.** This act shall take effect and be in force from
570 and after its passage.