

By: Senator(s) Hill

To: Finance

SENATE BILL NO. 2975

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION  
2 BONDS TO PROVIDE FUNDS, THROUGH THE REGULATORY SANDBOX INCENTIVE  
3 FUND FOR ENERGY TECH INNOVATION, TO OFFSET FEDERAL AND STATE  
4 REGULATORY BURDENS IMPOSED ON ELIGIBLE APPLICANTS; AND FOR RELATED  
5 PURPOSES.

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

7 **SECTION 1.** This act shall be known and may be cited as the  
8 "Regulatory Sandbox Incentive Fund for Energy Tech Innovation."

9 **SECTION 2.** (1) As used in this act, the following words  
10 shall have the meanings ascribed herein unless the context clearly  
11 requires otherwise:

12 (a) "Accreted value" of any bond means, as of any date  
13 of computation, an amount equal to the sum of (i) the stated  
14 initial value of such bond, plus (ii) the interest accrued thereon  
15 from the issue date to the date of computation at the rate,  
16 compounded semiannually, that is necessary to produce the  
17 approximate yield to maturity shown for bonds of the same  
18 maturity.

19 (b) "State" means the State of Mississippi.



20 (c) "Commission" means the State Bond Commission.

21 (d) "Authority" means the Mississippi Development  
22 Authority.

23 (e) "Applicant" means an entity whose application to  
24 participate in the Regulatory Sandbox Energy Tech Innovation Pilot  
25 Program is approved in accordance with the provisions of this  
26 chapter.

27 (2) (a) (i) A special fund, to be designated the "2021  
28 Regulatory Sandbox Incentive Fund for Energy Tech Innovation," is  
29 created within the State Treasury. The fund shall be maintained  
30 by the State Treasurer as a separate and special fund, separate  
31 and apart from the General Fund of the state. Unexpended amounts  
32 remaining in the fund at the end of a fiscal year shall not lapse  
33 into the State General Fund, and any interest earned or investment  
34 earnings on amounts in the fund shall be deposited into such fund.

35 (ii) Monies deposited into the fund shall be  
36 disbursed, in the discretion of the authority, to offset federal  
37 and state regulatory burdens imposed on eligible applicants. Of  
38 the monies deposited into the fund, not more than Fifty Thousand  
39 Dollars (\$50,000.00) may be used to offset the regulatory burdens  
40 imposed on eligible applicants.

41 (b) Amounts deposited into such special fund shall be  
42 disbursed to pay the costs of the offsets described in paragraph  
43 (a) of this subsection. Promptly after the authority has  
44 certified, by resolution duly adopted, that the offsets described



45 in paragraph (a) of this subsection have been completed, any  
46 amounts remaining in such special fund shall be applied to pay  
47 debt service on the bonds issued under this section, in accordance  
48 with the proceedings authorizing the issuance of such bonds and as  
49 directed by the commission.

50 (3) (a) The commission, at one time, or from time to time,  
51 may declare by resolution the necessity for issuance of general  
52 obligation bonds of the State of Mississippi to provide funds for  
53 all costs incurred or to be incurred for the purposes described in  
54 subsection (2) of this section. Upon the adoption of a resolution  
55 by the authority declaring the necessity for the issuance of any  
56 part or all of the general obligation bonds authorized by this  
57 subsection, the authority shall deliver a certified copy of its  
58 resolution or resolutions to the commission. Upon receipt of such  
59 resolution, the commission, in its discretion, may act as the  
60 issuing agent, prescribe the form of the bonds, determine the  
61 appropriate method for sale of the bonds, advertise for and accept  
62 bids or negotiate the sale of the bonds, issue and sell the bonds  
63 so authorized to be sold, and do any and all other things  
64 necessary and advisable in connection with the issuance and sale  
65 of such bonds. The total amount of bonds issued under this  
66 section shall not exceed One Million Dollars (\$1,000,000.00). No  
67 bonds shall be issued under this section after July 1, 2025.

68 (b) Any investment earnings on amounts deposited into  
69 the special fund created in subsection (2) of this section shall



70 be used to pay debt service on bonds issued under this section, in  
71 accordance with the proceedings authorizing issuance of such  
72 bonds.

73 (4) The principal of and interest on the bonds authorized  
74 under this section shall be payable in the manner provided in this  
75 subsection. Such bonds shall bear such date or dates, be in such  
76 denomination or denominations, bear interest at such rate or rates  
77 (not to exceed the limits set forth in Section 75-17-101,  
78 Mississippi Code of 1972), be payable at such place or places  
79 within or without the State of Mississippi, shall mature  
80 absolutely at such time or times not to exceed twenty-five (25)  
81 years from date of issue, be redeemable before maturity at such  
82 time or times and upon such terms, with or without premium, shall  
83 bear such registration privileges, and shall be substantially in  
84 such form, all as shall be determined by resolution of the  
85 commission.

86 (5) The bonds authorized by this section shall be signed by  
87 the chairman of the commission, or by his facsimile signature, and  
88 the official seal of the commission shall be affixed thereto,  
89 attested by the secretary of the commission. The interest  
90 coupons, if any, to be attached to such bonds may be executed by  
91 the facsimile signatures of such officers. Whenever any such  
92 bonds have been signed by the officials designated to sign the  
93 bonds who were in office at the time of such signing, but who may  
94 have ceased to be such officers before the sale and delivery of



95 such bonds, or who may not have been in office on the date such  
96 bonds may bear, the signatures of such officers upon such bonds  
97 and coupons shall nevertheless be valid and sufficient for all  
98 purposes and have the same effect as if the person so officially  
99 signing such bonds had remained in office until their delivery to  
100 the purchaser, or had been in office on the date such bonds may  
101 bear. However, notwithstanding anything herein to the contrary,  
102 such bonds may be issued as provided in the Registered Bond Act of  
103 the State of Mississippi.

104 (6) All bonds and interest coupons issued under the  
105 provisions of this section have all the qualities and incidents of  
106 negotiable instruments under the provisions of the Uniform  
107 Commercial Code, and in exercising the powers granted by this  
108 section, the commission shall not be required to and need not  
109 comply with the provisions of the Uniform Commercial Code.

110 (7) The commission shall act as issuing agent for the bonds  
111 authorized under this section, prescribe the form of the bonds,  
112 determine the appropriate method for sale of the bonds, advertise  
113 for and accept bids or negotiate the sale of the bonds, issue and  
114 sell the bonds so authorized to be sold, pay all fees and costs  
115 incurred in such issuance and sale, and do any and all other  
116 things necessary and advisable in connection with the issuance and  
117 sale of such bonds. The commission is authorized and empowered to  
118 pay the costs that are incident to the sale, issuance and delivery  
119 of the bonds authorized under this section from the proceeds



120 derived from the sale of such bonds. The commission may sell such  
121 bonds on sealed bids at public sale or may negotiate the sale of  
122 the bonds for such price as it may determine to be for the best  
123 interest of the State of Mississippi. All interest accruing on  
124 such bonds so issued shall be payable semiannually or annually.

125 If such bonds are sold by sealed bids at public sale, notice  
126 of the sale shall be published at least one time, not less than  
127 ten (10) days before the date of sale, and shall be so published  
128 in one or more newspapers published or having a general  
129 circulation in the City of Jackson, Mississippi, selected by the  
130 commission.

131 The commission, when issuing any bonds under the authority of  
132 this section, may provide that bonds, at the option of the State  
133 of Mississippi, may be called in for payment and redemption at the  
134 call price named therein and accrued interest on such date or  
135 dates named therein.

136 (8) The bonds issued under the provisions of this section  
137 are general obligations of the State of Mississippi, and for the  
138 payment thereof the full faith and credit of the State of  
139 Mississippi is irrevocably pledged. If the funds appropriated by  
140 the Legislature are insufficient to pay the principal of and the  
141 interest on such bonds as they become due, then the deficiency  
142 shall be paid by the State Treasurer from any funds in the State  
143 Treasury not otherwise appropriated. All such bonds shall contain



144 recitals on their faces substantially covering the provisions of  
145 this subsection.

146 (9) Upon the issuance and sale of bonds under the provisions  
147 of this section, the commission shall transfer the proceeds of any  
148 such sale or sales to the special fund created in subsection (2)  
149 of this section. The proceeds of such bonds shall be disbursed  
150 solely upon the order of the authority under such restrictions, if  
151 any, as may be contained in the resolution providing for the  
152 issuance of the bonds.

153 (10) The bonds authorized under this section may be issued  
154 without any other proceedings or the happening of any other  
155 conditions or things other than those proceedings, conditions and  
156 things which are specified or required by this section. Any  
157 resolution providing for the issuance of bonds under the  
158 provisions of this section shall become effective immediately upon  
159 its adoption by the commission, and any such resolution may be  
160 adopted at any regular or special meeting of the commission by a  
161 majority of its members.

162 (11) The bonds authorized under the authority of this  
163 section may be validated in the Chancery Court of the First  
164 Judicial District of Hinds County, Mississippi, in the manner and  
165 with the force and effect provided by Title 31, Chapter 13,  
166 Mississippi Code of 1972, for the validation of county, municipal,  
167 school district and other bonds. The notice to taxpayers required



168 by such statutes shall be published in a newspaper published or  
169 having a general circulation in the City of Jackson, Mississippi.

170 (12) Any holder of bonds issued under the provisions of this  
171 section or of any of the interest coupons pertaining thereto may,  
172 either at law or in equity, by suit, action, mandamus or other  
173 proceeding, protect and enforce any and all rights granted under  
174 this section, or under such resolution, and may enforce and compel  
175 performance of all duties required by this section to be  
176 performed, in order to provide for the payment of bonds and  
177 interest thereon.

178 (13) All bonds issued under the provisions of this section  
179 shall be legal investments for trustees and other fiduciaries, and  
180 for savings banks, trust companies and insurance companies  
181 organized under the laws of the State of Mississippi, and such  
182 bonds shall be legal securities which may be deposited with and  
183 shall be received by all public officers and bodies of this state  
184 and all municipalities and political subdivisions for the purpose  
185 of securing the deposit of public funds.

186 (14) Bonds issued under the provisions of this section and  
187 income therefrom shall be exempt from all taxation in the State of  
188 Mississippi.

189 (15) The proceeds of the bonds issued under this section  
190 shall be used solely for the purposes herein provided, including  
191 the costs incident to the issuance and sale of such bonds.





192           (16) The State Treasurer is authorized, without further  
193 process of law, to certify to the Department of Finance and  
194 Administration the necessity for warrants. The Department of  
195 Finance and Administration is authorized and directed to issue  
196 such warrants, in such amounts as may be necessary to pay when due  
197 the principal of, premium, if any, and interest on, or the  
198 accreted value of, all bonds issued under this section. The State  
199 Treasurer shall forward the necessary amount to the designated  
200 place or places of payment of such bonds in ample time to  
201 discharge such bonds, or the interest thereon, on the due dates  
202 thereof.

203           (17) This section shall be deemed to be full and complete  
204 authority for the exercise of the powers herein granted, but this  
205 section shall not be deemed to repeal or to be in derogation of  
206 any existing law of this state.

207           **SECTION 3.** (1) Subject to authorization by the authority,  
208 upon submission to the Department of Revenue of the such written  
209 authorization and such other documentation as the Department of  
210 Revenue may require, any eligible applicant who incurs costs for  
211 federal and state regulatory burdens shall be allowed a credit, in  
212 an amount equal to fifty percent (50%) of the applicant's tax  
213 liability.

214           (2) The maximum amount of the credit provided for in this  
215 section that may be utilized in any one (1) taxable year shall not  
216 exceed the lesser of Twenty Thousand Dollars (\$20,000.00) or the



217 amount of tax imposed upon the eligible applicant for the taxable  
218 year reduced by the sum of all other credits allowable to the  
219 eligible applicant, except credit for tax payments made by or on  
220 behalf of the eligible applicant. Any unused portion of the  
221 credit may be carried forward for five (5) succeeding tax years.

222 (3) (a) The tax credit authorized in this section shall be  
223 available only to a taxpayer that is a business enterprise engaged  
224 in commercial, industrial or professional activities and operating  
225 as a corporation, limited liability company, partnership or sole  
226 proprietorship. Except as otherwise provided in this section, a  
227 credit is allowed against the taxes imposed by Sections 27-7-5,  
228 27-15-103, 27-15-109 and 27-15-123, Mississippi Code of 1972.

229 (b) Tax credits authorized by this section that are  
230 earned by a partnership, limited liability company, S corporation  
231 or other similar pass-through entity, shall be allocated among all  
232 partners, members or shareholders, respectively, either in  
233 proportion to their ownership interest in such entity or as the  
234 partners, members or shareholders mutually agree as provided in an  
235 executed document.

236 (4) To be eligible for the tax credit, an applicant must be  
237 selected by the authority for participation in the Regulatory  
238 Sandbox Energy Tech Innovation Pilot Program. In determining  
239 eligibility, the authority shall consider:

240 (a) The compliance costs, as calculated in monetary  
241 terms, of the overall regulatory burden imposed on the applicant



242 and defined as any statement or instrument of general application,  
243 having the force of law, affecting the rights or conduct of any  
244 person or business. Such regulations and rules include  
245 administrative rules adopted in accordance with the Administrative  
246 Procedures Act and any guidance document that includes a  
247 regulatory requirement;

248 (b) Whether the regulatory burden is essential to the  
249 health, safety or welfare of Mississippi citizens;

250 (c) Whether the regulatory burden is the least  
251 restrictive necessary to protect consumers from present,  
252 significant and substantiated harms that threaten public health  
253 and safety; and

254 (d) The capacity of the applicant to temporarily test  
255 an innovative product or service on a limited basis without  
256 otherwise being licensed or authorized to act under the laws of  
257 the state or made to comply with any other regulatory burdens.

258 **SECTION 4.** The authority shall use no more than twenty-five  
259 percent (25%) of the funds in the Regulatory Sandbox Incentive  
260 Fund for Energy Tech Innovation for the purposes of:

261 (a) Reviewing state laws and regulations that may  
262 unnecessarily inhibit the creation and success of new companies or  
263 industries in the agricultural sector and providing  
264 recommendations to the Governor and the Legislature on modifying  
265 such state laws and regulations;



266 (b) Creating a framework for analyzing the risk level  
267 to the health, safety and financial well-being of consumers  
268 related to permanently removing or temporarily waiving laws and  
269 regulations that may unnecessarily inhibit the creation and  
270 success of new companies or industries; and

271 (c) Providing tax incentives and regulatory offset  
272 payments to applicants that would qualify for participation in the  
273 Regulatory Sandbox Energy Tech Innovation Pilot Program.

274 **SECTION 5.** This act shall take effect and be in force from  
275 and after July 1, 2021.

