

MISSISSIPPI LEGISLATURE

2000 Second Extraordinary Session

To: Finance

By: Senator(s) Minor

Senate Bill 2002

AN ACT TO CREATE THE ADVANTAGE MISSISSIPPI INITIATIVE; TO AMEND SECTIONS 57-1-2 AND 57-1-54, MISSISSIPPI CODE OF 1972, TO CHANGE THE NAME OF THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN AS THE "ACE" FUND WHICH SHALL CONSIST OF MONEY FROM ANY PUBLIC OR PRIVATE SOURCE DESIGNATED FOR DEPOSIT INTO SUCH FUND; TO PROVIDE THAT MONEY FROM SUCH FUND SHALL BE UTILIZED TO ASSIST IN THE MAXIMIZING OF EXTRAORDINARY ECONOMIC DEVELOPMENT OPPORTUNITIES; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL HAVE SOLE DISCRETION IN THE AWARDING OF ACE FUNDS; TO CREATE THE "REGIONAL ECONOMIC DEVELOPMENT ACT" TO PROMOTE THE ISSUING OF BONDS FOR CERTAIN PROJECTS BY LOCAL GOVERNMENT UNITS ACTING JOINTLY OR SEVERALLY WITH OTHER GOVERNMENT UNITS INCLUDING GOVERNMENT UNITS IN AN ADJOINING STATE, THROUGH THE CREATION OF REGIONAL ECONOMIC DEVELOPMENT ALLIANCES; TO PROVIDE THAT A LOCAL GOVERNMENT UNIT MUST APPLY TO THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE FORMATION OF SUCH A REGIONAL ECONOMIC DEVELOPMENT ALLIANCE; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO REFUSE TO ISSUE SUCH CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY; TO GIVE THE MISSISSIPPI DEVELOPMENT AUTHORITY THE POWER TO PLACE CERTAIN REQUIREMENTS ON THE EXERCISE OF CERTAIN DUTIES BY SUCH REGIONAL ECONOMIC DEVELOPMENT AUTHORITIES INCLUDING THE SPECIFYING OF THE EXTENT AND AMOUNT TO WHICH THE LOCAL GOVERNMENT UNIT MAY ISSUE BONDS; TO SPECIFY THE AUTHORITY OF LOCAL GOVERNMENT UNITS TO ISSUE BONDS UNDER THIS ACT; TO PROVIDE FOR THE JOINT EXERCISE OF AUTHORITY BY LOCAL GOVERNMENT UNITS OF THIS STATE AND GOVERNMENTAL UNITS IN ADJOINING STATE; TO PROVIDE THAT JOINT UNDERTAKINGS UNDER THE ACT SHALL BE EVIDENCED BY WRITTEN CONTRACTUAL AGREEMENTS FOR JOINT OR COOPERATIVE ACTION TO PROVIDE SERVICES AND FACILITIES; TO PROVIDE THAT REGIONAL ECONOMIC DEVELOPMENT AUTHORITIES MAY TAKE ANY ACTION THAT ANY LOCAL GOVERNMENT UNIT MEMBER MAY TAKE; TO REQUIRE THE AGREEMENTS MADE UNDER THE ACT TO INCLUDE CERTAIN PROVISIONS; TO REQUIRE SUCH AGREEMENTS TO BE APPROVED BY CERTAIN OFFICERS; TO REQUIRE THE FILING OF SUCH AGREEMENTS; TO AMEND SECTIONS 19-9-1, 21-33-301, 21-41-3, 21-41-5, 21-45-3, 21-45-9 AND 21-45-13, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO CREATE THE "GROWTH AND PROSPERITY ACT" TO ASSIST CERTAIN COUNTIES IN ENCOURAGING ECONOMIC DEVELOPMENT; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO DESIGNATE CERTAIN COUNTIES AS GROWTH AND PROSPERITY

COUNTIES; TO PROVIDE THAT CERTAIN COUNTIES MAY APPLY TO THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR DESIGNATION AS GROWTH AND PROSPERITY COUNTIES; TO PROVIDE INCENTIVES IN THE FORM OF TEMPORARY EXEMPTIONS FROM CERTAIN LOCAL AD VALOREM TAXES AND STATE FRANCHISE, INCOME AND SALES TAXES FOR APPROVED BUSINESS ENTERPRISES THAT LOCATE OR EXPAND IN GROWTH AND PROSPERITY COUNTIES; TO AMEND SECTION 27-7-21, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972, TO REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE FUNDS UNDER THE DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM TO PROVIDE ASSISTANCE TO SMALL MUNICIPALITIES AND LIMITED POPULATION COUNTIES IN COMPLETING INFRASTRUCTURE REGARDLESS OF WHETHER IT IS RELATED TO NEW OR EXPANDED INDUSTRY; TO AMEND SECTION 57-73-21, MISSISSIPPI CODE OF 1972, TO RENAME THE CATEGORIES OF COUNTIES UNDER THE LAW ESTABLISHING THE JOBS TAX CREDIT; TO INCLUDE DATA OR INFORMATION PROCESSING ENTERPRISES OR COMPUTER SOFTWARE DEVELOPMENT ENTERPRISES OR ANY TECHNOLOGY INTENSIVE FACILITY OR ENTERPRISE AS ENTERPRISES WHICH QUALIFY FOR THE JOBS TAX CREDIT; TO INCREASE THE CREDIT FOR JOBS RESULTING FROM THE ESTABLISHMENT OR TRANSFER OF A COMPANY'S NATIONAL OR REGIONAL HEADQUARTERS IN THE STATE UNDER CERTAIN CIRCUMSTANCES; TO INCREASE THE TAX CREDIT FOR NEW JOBS REQUIRING RESEARCH AND DEVELOPMENT SKILLS; TO AMEND SECTION 57-73-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM 25% TO 50% THE AMOUNT OF THE INCOME TAX CREDIT GRANTED TO EMPLOYERS SPONSORING BASIC SKILLS TRAINING; TO AUTHORIZE THE CREDIT TO APPLY TO CERTAIN TRAINING APPROVED BY THE COMMUNITY/JUNIOR COLLEGE DISTRICT WITHIN WHICH THE EMPLOYER IS LOCATED; TO REVISE THE DEFINITION OF EMPLOYERS WHO ARE ELIGIBLE FOR SUCH CREDIT; TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF THE TERM "PROJECT" UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTIONS 57-75-9 AND 57-75-11, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI MAJOR ECONOMIC IMPACT AUTHORITY TO NEGOTIATE WITH THE OWNER OF A PROJECT A FEE-IN-LIEU OF FRANCHISE TAXES THAT SHALL BE NOT LESS THAN \$25,000.00 ANNUALLY; TO AMEND SECTION 57-75-15, MISSISSIPPI CODE OF 1972, TO REVISE THE USES FOR WHICH BOND PROCEEDS MAY BE UTILIZED UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO AMEND SECTIONS 27-13-5, 27-13-7 AND 27-65-101, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; TO REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO DEVELOP A PROGRAM TO ENCOURAGE GROWTH IN THE MISSISSIPPI AGRIBUSINESS INDUSTRY; TO PROVIDE FOR THE REQUIREMENTS OF SUCH PROGRAM; TO CREATE THE "MISSISSIPPI LAND, WATER AND TIMBER RESOURCES ACT" FOR THE PURPOSE OF ASSISTING MISSISSIPPI AGRICULTURAL INDUSTRY IN THE DEVELOPMENT, MARKETING AND DISTRIBUTION OF AGRICULTURAL PRODUCTS; TO CREATE THE MISSISSIPPI LAND, WATER AND TIMBER RESOURCES BOARD; TO PROVIDE THE POWERS AND DUTIES OF THE BOARD; AND FOR RELATED PURPOSES.

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

SECTION 1. This act may be cited as the "Advantage Mississippi Initiative."

SECTION 2. Section 57-1-2, Mississippi Code of 1972, is amended as follows:

57-1-2. For the purposes of this chapter, the following words shall have the meanings ascribed herein, unless the context otherwise requires:

- (a) "Department" shall mean the Mississippi Development Authority * * *.
- (b) "Office" shall mean an administrative subdivision of the department.
- (c) "Executive director" shall mean the executive officer of the department.
- (d) "Agricultural and Industrial Board," "Department of Economic Development," * * * "Board of Economic Development," "Department of Economic and Community Development" and "Mississippi Department of Economic and Community Development" wherever they appear in the laws of the State of Mississippi, shall mean the "Mississippi Development Authority," operating through its executive director.

SECTION 3. Section 57-1-54, Mississippi Code of 1972, is amended as follows:

57-1-54. The Mississippi Development Authority shall be the Department of Economic and Community Development and shall retain all powers and duties granted by law to the Mississippi Department of Economic and Community Development and wherever the term "Mississippi Department of Economic and Community Development," "Department of Economic and Community Development," "Mississippi Department of Economic Development" or "Department of Economic Development" appears in any law the same shall mean the Mississippi Development Authority. The Executive Director of the Mississippi Development Authority may assign to the appropriate divisions such powers and duties as he deems appropriate to carry out its lawful duties.

Nothing in the Mississippi Executive Reorganization Act of 1989 [Laws, 1989, Chapter 544] shall be construed to eliminate or change in any manner the duties, functions or operations of the planning and development districts heretofore created by executive order of the Governor.

SECTION 4. (1) As used in this section:

- (a) "Extraordinary economic development opportunity" means a new or expanded business or industry which maintains a strong financial condition and minimal credit risk and creates substantial employment, particularly in areas of high unemployment.
- (b) "Local economic development entities" means public or private nonprofit local economic development entities, including, but not limited to, chambers of commerce, local authorities, commissions or other entities created by local and private legislation or districts created pursuant to Section 19-5-99.
- (c) "MDA" means the Mississippi Development Authority.

(2) There is hereby created in the State Treasury a special fund to be designated as the ACE Fund, which shall consist of money from any public or private source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund. The purpose of the fund shall be to assist in maximizing extraordinary economic development opportunities related to any new or expanded business or industry. Such funds may be used to make grants to local economic development entities to assist any new or expanding business or industry that meets the criteria provided in this section when such assistance aids in the consummation of a project within the state.

(3) The MDA shall establish a grant program to make grants from the ACE Fund created under this section. Local economic development entities may apply to the MDA for a grant under this section in the manner provided for in subsection (4) of this section.

(4) (a) Any business or industry desiring assistance from a local economic development entity under this section shall submit an application to the local economic development entity which shall include, at a minimum, evidence that the business or industry meets the definition of an extraordinary economic development opportunity, a demonstration that the business or industry is at an economic disadvantage by locating the new or expanded project in the county and a description, including the cost, of the requested assistance.

(b) Upon receipt of the application from a business or industry, the local economic development entity may apply to the MDA for assistance under this section. Such application must contain evidence that the business or industry meets the definition of an extraordinary economic development opportunity, a demonstration that the business or industry is at an economic disadvantage by locating the new or expanded project in the county, a description, including the cost, of the requested assistance, and a demonstration that all other local, state, federal and private funds or programs have been explored and exhausted.

(c) The MDA shall have sole discretion in the awarding of ACE funds except that if an award is made the business or industry and the local economic development entity must meet the statutory requirements of this section.

(5) The MDA shall promulgate rules and regulations for the implementation of this section.

SECTION 5. Sections 5 through 18 of this act may be cited as the "Regional Economic Development Act."

SECTION 6. It is hereby declared that the state's public welfare demands, and the state's public policy requires:

(a) That for the benefit of the people of the State of Mississippi, it is essential to foster and promote the issuing of bonds by any city, county, port authority, or other political subdivision, acting jointly or severally, including any joint bond issuance with a county, parish or other foreign political subdivision in a state adjoining the State of Mississippi.

(b) That the bonds to be issued pursuant to Sections 5 through 18 of this act shall be of any type permissible to be issued by any city or county without limitation.

(c) That the purposes of the bonds issued under Sections 5 through 18 of this act are for acquiring land and/or acquiring or constructing buildings, fixtures, machinery, equipment, infrastructure, utilities, port or airport facilities, roads, railroad spurs and other related projects that have or will provide a multi-jurisdictional benefit.

(d) That the projects contemplated under Sections 5 through 18 of this act are to provide economic development benefits, including but not limited to, industry, distribution, commerce, tourism, healthcare and other purposes in which the public purpose and interest of the state are served.

(e) That costs and revenues connected with a project should both be shared by the members of the alliance created pursuant to Sections 5 through 18 of this act.

(f) That the authority granted under Sections 5 through 18 of this act and the purposes to be accomplished hereby are proper governmental and public purposes and that the resulting economic benefits to the state are of paramount importance, mandating that the provisions of Sections 5 through 18 of this act be liberally construed and applied in order to advance the public purposes.

SECTION 7. It is the purpose of Sections 5 through 18 of this act to permit political subdivisions of the state to make the most efficient use of their powers and resources by enabling them to cooperate and to contract with other political subdivisions, including political subdivisions from adjoining states, on a basis of mutual advantage, to share the costs of and revenues derived from a project, and to pledge revenue from a project to secure payment of the bonds issued for the project, and thereby provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and economic development of the political subdivision.

SECTION 8. For the purposes of Sections 5 through 18 of this act, the following words shall be defined as herein provided unless the context requires otherwise:

(a) "Alliance" means a regional economic development alliance created under Sections 5 through 18 of this act.

(b) "Bond" or "bonds" means bonds, notes or other evidence of indebtedness of the local government unit issued pursuant to Sections 5 through 18 of this act.

(c) "Cost of project" means all costs of site preparation and other start-up costs; all costs of construction; all costs of fixtures and of real and personal property required for the purposes of the project and facilities related thereto, including land and any rights or undivided interest therein, easements, franchises, fees, permits, approvals, licenses, and certificates and the securing of such permits, approvals, licenses, and certificates and all machinery and equipment, including motor vehicles which are used for project functions; and including any cost associated with the closure, post-closure maintenance or corrective action, financing charges and interest prior to and during construction and during such additional period as the alliance may reasonably determine to be necessary for the placing of the project in operation; costs of engineering, surveying, environmental geotechnical, architectural and legal services; costs of plans and specifications and all expenses necessary or incident to determining the feasibility or practicability of the project; administrative expenses; and such other expenses as may be necessary or incidental to the financing authorized in Sections 5 through 18 of this act. The costs of any project may also include funds for the creation of a bond issuance, credit enhancement and debt service reserve, a renewal and replacement reserve, and such other reserves as may be reasonably required by the alliance for the operation of its projects and as may be authorized by any bond resolution or trust agreement or indenture pursuant to the provisions of which the issuance of any such bonds may be authorized. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the costs of the project and may be paid or reimbursed as such out of the proceeds of user fees, of revenue bonds or notes issued under Sections 5 through 18 of this act for such project, or from other revenues obtained by the alliance.

(d) "County" means any county of this state.

(e) "Foreign governmental unit" means any county, parish, city, town, village, utility district, school district, any community college, any institution of higher learning, any municipal airport authority, regional airport authority, port authority or any other political subdivision of an adjoining state.

(f) "Governing body" means the board of supervisors of any county or the governing authority of any city, town or village. As to the state, the term governing body means the State Bond Commission.

(g) "Holder of bonds" or "bondholder" or any similar term means any person who shall be the registered owner of any such bond or bonds which shall at the time be registered other than to bearer.

- (h) "Law" means any act or statute, general, special or local, of this state.
- (i) "Local government unit" means any county or any incorporated city, town or village, acting jointly or severally.
- (j) "MDA" means the Mississippi Development Authority.
- (k) "Municipality" means any incorporated municipality in the state.
- (l) "Person" means a natural person, partnership, association, corporation, business trust or other business entity.
- (m) "Project" means and includes any of the following which promotes economic development or which assists in the creation of jobs:
- (i) Acquisition, construction, repair, renovation, demolition or removal of:
 1. Buildings and site improvements (including fixtures);
 2. Potable and nonpotable water supply systems;
 3. Sewage and waste disposal systems;
 4. Storm water drainage and other drainage systems;
 5. Airport facilities;
 6. Rail lines and rail spurs;
 7. Port facilities;
 8. Highways, streets and other roadways;
 9. Fire suppression and prevention systems;
 10. Utility distribution systems, including, but not limited to, water, electricity, natural gas, telephone and other information and telecommunications facilities, whether by wire, fiber or wireless means; provided, however, that electrical, natural gas, telephone and telecommunication systems shall be constructed, repaired or renovated only for the purpose of completing the project and connecting to existing utility systems and such systems shall not be operated by an alliance;
 11. Business, industrial and technology parks and the acquisition of land and acquisition or construction of improvements to land connected with any of the preceding purposes;
 - (ii) County purposes authorized by or defined in Sections 17-5-3 and 19-9-1, (except Section 19-9-1(f));
 - (iii) Municipal purposes authorized by or defined in Sections 17-5-3, 17-17-301 et seq., 21-27-23, 21-33-301; and
 - (iv) Refunding of bonds as authorized in Section 21-27-1 et seq.
- (n) "Resolution" means a resolution, ordinance, act, record of minutes or other appropriate enactment of a governing body.
- (o) "Revenues" mean any and all taxes, fees, rates, rentals, profits and receipts collected by, payable to, or otherwise derived by, the local government units and foreign governmental units, and all other monies and income of whatsoever kind or character collected by, payable to, or otherwise derived by, the local government unit and foreign governmental units in connection with the economic development projects provided through Sections 5 through 18 of this act.
- (p) "Security" means a bond, note or other evidence of indebtedness issued by a local government unit pursuant to the provisions of Sections 5 through 18 of this act.
- (q) "State" means the State of Mississippi.

SECTION 9. (1) Prior to issuing bonds to finance any proposed project under Sections 5 through 18 of this act, the local government unit shall submit an application to the MDA for a certificate of public convenience and necessity. The application shall be in such form and content as the MDA shall from time to time prescribe.

(2) The MDA shall investigate, find and determine, upon application of any local government unit therefor, as to whether a certificate of public convenience and necessity shall be issued to such local government unit to authorize creation of an alliance. The MDA is authorized and empowered, having due regard to the promotion of the public policy and the general welfare herein declared, to issue or refuse to issue a certificate of public convenience and necessity for the alliance to the local government unit. If and when such certificate is issued, it shall authorize the particular local government unit to create, and operate the alliance but the certificate shall expire twelve (12) months from its date unless within that time such alliance shall have been created.

(3) If and when a certificate is issued, the MDA therein shall fix and determine:

(a) The extent and amount to which the local government unit may issue bonds or make expenditures for such alliance;

(b) The extent and amount that the revenues derived from the project shall be shared by the local government unit with other members of the alliance;

(c) The extent and amount that the revenues derived from the project may be pledged to secure payment of the bonds issued to finance the project;

(d) What property may be acquired therefor;

(e) The terms upon which such acquisition may be had;

(f) What expenditures may be made; and

(g) The construction of buildings and of equipment with its installation.

(4) If the governing board of the local government unit fails or refuses to follow the requirements made by the MDA in the certificate, then the members of the governing board of the local government unit voting for such failure or refusal shall be individually and personally liable, and liable upon their official bonds for any loss that the local government unit may sustain by reason of such failure or refusal to follow the requirements, and in addition may be compelled by injunction to comply with such requirements.

SECTION 10. (1) After receiving a certificate of public convenience and necessity from the MDA, the local government unit is empowered and authorized, from time to time, to issue bonds up to the maximum principal amount authorized in the certificate.

(2) After receiving a certificate of public convenience and necessity from the MDA, the governing body of any local government unit entering into an agreement pursuant to Sections 5 through 18 of this act may incur bonded and floating indebtedness by issuing general obligation bonds as authorized by Sections 19-9-1 through 19-9-31 and Sections 21-33-301 through 21-33-329, or by issuing bonds pursuant to the Tax Increment Financing Act as authorized by Sections 21-45-3 through 21-45-21, by issuing revenue bonds as authorized by any statute authorizing the issuance of revenue bonds, or by issuing special assessment bonds as authorized by Sections 21-41-1 through 21-41-47 and may appropriate funds for the purposes and in the manner prescribed by law without regard to whether the activities and improvements authorized by Sections 5 through 18 of this act to be financed by such debt or appropriation are within or without the boundaries of the local government unit. Revenues derived from any project financed with bonds issued pursuant to Sections 5 through 18 of this act may be pledged in whole or in part to secure payment of the bonded indebtedness incurred to finance the project. Such governing body may sell, lease, grant or otherwise supply goods and services to any other local government unit which is a party to the agreement or the administrative body or legal entity created to operate the joint or cooperative undertaking.

SECTION 11. (1) Any power, authority or responsibility exercised or capable of being exercised by a local government unit of this state may be exercised and carried out jointly with any other local government unit of this state or with a foreign governmental unit of an adjoining state, any state board, agency or commission and any public agency of the United States, to the extent that the laws of the United States permit such joint exercise or enjoyment.

(2) No such power, authority and responsibility may be exercised under the provisions of Sections 5 through 18 of this act which will have the effect of abolishing any office which is held by a person elected by the citizenry.

(3) No agreement made under Sections 5 through 18 of this act shall be entered into by any local government unit without the approval by resolution on the minutes of the governing body of that local government unit.

(4) Any joint undertaking entered into under Sections 5 through 18 of this act shall be evidenced by written contractual agreements for joint or cooperative action to provide services and facilities pursuant to the provisions of Sections 5 through 18 of this act. Such agreement must be approved by MDA. Appropriate action by ordinance, resolution or otherwise pursuant to the law controlling the participating local government units or agencies shall be necessary before any such agreement shall be in force.

(5) An alliance created pursuant to Sections 5 through 18 of this act may take any action that any local government unit member may take. If one (1) member of the alliance shall have authority to undertake a particular project or pursue a particular action, then the alliance shall have identical authority so to do. No local government unit shall be precluded from joining an alliance, and it shall not be the basis for denying an application for a certificate of convenience and necessity by the MDA, solely because the alliance may have power to take actions that the local government unit acting alone could not take.

SECTION 12. (1) The local government unit shall be the issue of debt incurred by the alliance under Sections 5 through 18 of this act and the proceeds of such debt shall be made available to the alliance in order to provide funds to defray the cost of the project.

(2) The local government unit shall have power in the issuance of its bonds to:

(a) Covenant as to the use of any or all of its property, real or personal.

(b) Redeem the bonds, to covenant for their redemption and to provide the terms and conditions thereof.

(c) Covenant to charge rates, fees and charges sufficient to meet operating and maintenance expenses, renewals and replacements, principal and debt service on bonds, creation and maintenance of any reserves required by a bond resolution, trust indenture or other security instrument and to provide for any margins or coverages over and above debt service on the bonds deemed desirable for the marketability of the bonds.

(d) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, as to the terms and conditions upon which such declaration and its consequences may be waived and as to the consequences of default and the remedies of bondholders.

(e) Covenant as to the mortgage or pledge of or the grant of a security interest in any real or personal property and all or any part of the revenues from any facilities or any revenue-producing contract or contracts made by the compact with any person to secure the payment of bonds, subject to such agreements with the holders of bonds as may then exist.

(f) Covenant as to the custody, collection, securing, investment and payment of any revenue assets, monies, funds or property with respect to which the compact may have any rights or interest.

(g) Covenant as to the purpose to which the proceeds from the sale of any bonds then or thereafter to be issued may be applied, and the pledge of such proceeds to secure the payment of the bonds.

(h) Covenant as to the limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(i) Covenant as to the rank or priority of any bonds with respect to any lien or security.

(j) Covenant as to the procedure by which the terms of any contract with or for the benefit of the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given.

(k) Covenant as to the custody of any of its properties or investments, the safekeeping thereof, the insurance to be carried thereon, and the use and disposition of insurance proceeds.

(l) Covenant as to the vesting in a trustee or trustees, within or outside the state, of such properties, rights, powers and duties in trust as the alliance may determine.

(m) Covenant as to the appointing and providing for the duties and obligations of a paying agent or paying agents or other fiduciaries within or outside the state.

(n) Make all other covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, including providing a debt service reserve fund, bond insurance and credit enhancement, or in the absolute discretion of the alliance tend to make the bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein; it being the intention hereof to give the alliance power to do all things in the issuance of bonds and in the provisions for security thereof which are not inconsistent with the Mississippi Constitution 1890.

(o) Execute all instruments necessary or convenient in the exercise of the powers herein granted or in the performance of covenants or duties, which may contain such covenants and provisions, as any purchaser of the bonds of the alliance may reasonably require.

SECTION 13. The MDA is hereby authorized and empowered to promulgate and put into effect all reasonable rules and regulations that it may deem necessary to carry out the provisions of the Regional Economic Development Act.

SECTION 14. The alliance is authorized to cooperate and coordinate with economic development commissions, authorities, districts, travel, and other similar commissions and boards, or other similar agencies of other states, the federal government, and with county, municipal, and regional economic development, travel, and other similar commissions or boards, or other agencies thereof, for the purposes of securing economic development within the State of Mississippi and its adjoining states, and to accomplish this purpose.

SECTION 15. Any agreement made under Sections 5 through 18 of this act shall specify the following:

(a) Its duration.

(b) Its purpose or purposes.

(c) The precise organization, composition, nature and powers of any separate legal or administrative entity created thereby and the specific citation of statutory authority vested in each of the local government units which is to be a party to the agreement.

(d) The manner of financing, staffing and supplying the joint or cooperative undertaking and of establishing and maintaining a budget therefor; provided that the treasurer and/or disbursing

officer of one (1) of the local government units shall be designated in the agreement to receive, disburse and account for all funds of the joint undertaking as a part of the duties of the officer or officers.

(e) The permissible method or methods to be employed in operating the alliance and the project and accomplishing the partial or complete termination or amendment of the agreement and for disposing of property upon such partial or complete termination or amendment.

(f) The provision for administration of issuance of any bonds under Sections 5 through 18 of this act by a local government unit exercising the power authorized by Sections 5 through 18 of this act.

(g) The manner of acquiring, holding and disposing of real and personal property used in the joint or cooperative undertaking in the event that the agreement does not or may not establish a separate legal entity to conduct the joint or cooperative undertaking.

(h) The provision of the terms and conditions that would cause the alliance to terminate.

(i) The manner in which the costs of the project shall be shared between the local government units.

(j) The manner in which the revenues from the project shall be shared by the local government units.

(k) Any other necessary and proper matters.

SECTION 16. (1) In the event that an agreement made pursuant to Sections 5 through 18 of this act shall deal in whole or in part with the provision of services or facilities with regard to which an officer, unit or agency of the state government has constitutional or statutory powers of control, the agreement shall, as a condition precedent to its being in force, be submitted to the state officer, unit or agency having such power of control and shall be approved or disapproved by him or it as to all matters within his or its jurisdiction in the same manner and subject to the same requirements governing action of the Attorney General pursuant to subsection (2) of this section.

(2) Every agreement made by a local government unit under Sections 5 through 18 of this act shall, prior to and as a condition precedent to its entry into force, be submitted to the Attorney General of this state who shall determine whether the agreement is in proper form and compatible with the laws of this state. The Attorney General shall approve any such agreement submitted to him hereunder unless he shall find that it does not meet the conditions set forth herein and elsewhere in the laws of this state and shall detail in writing addressed to the governing bodies of the units concerned the specific respects in which the proposed agreement fails to meet the requirements of law.

Failure to disapprove an agreement submitted hereunder within sixty (60) days of its submission shall constitute approval thereof.

(3) Prior to its being in force, an agreement made pursuant to Sections 5 through 18 of this act shall be filed with the chancery clerk of each of the counties wherein a participating local government unit is located and with the Secretary of State. The chancery clerk and the Secretary of State shall preserve such agreements as public records and index and docket the same separate and apart from all other records in his office.

(4) A copy of any agreement made pursuant to Sections 5 through 18 of this act shall be filed with the State Auditor for audit purposes no later than sixty (60) days after the agreement shall be in force.

SECTION 17. All laws in regard to purchases, auditing, depositories and expenditures in general which limit the authority of the agreeing local governing units shall also apply to any joint body created by the agreement pursuant to the provisions of Sections 5 through 18 of this act.

SECTION 18. The power and authority granted in Sections 5 through 18 of this act shall be additional, alternative and supplementary to existing law, and shall not supersede existing law.

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

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

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

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

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

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

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

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

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

(h) Constructing, reconstructing or repairing boat landing ramps and wharves fronting on the Mississippi Sound or the Gulf of Mexico and on the banks or shores of the inland waters, levees, bays and bayous of any county bordering on the Gulf of Mexico or fronting on the Mississippi Sound, having two (2) municipalities located therein, each with a population in excess of twenty thousand (20,000) in accordance with the then last preceding federal census;

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

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

- (k) Establishing rubbish and garbage disposal systems in accordance with the provisions of Sections 19-5-17 through 19-5-27;
- (l) Defraying the expenses of projects of the county cooperative service district in which it is a participating county, regardless of whether the project is located in the county issuing such bonds;
- (m) Purchasing machinery and equipment which have an expected useful life in excess of ten (10) years. The life of such bonds shall not exceed the expected useful life of such machinery and equipment. Machinery and equipment shall not include any motor vehicle weighing less than twelve thousand (12,000) pounds;
- (n) Purchasing fire fighting equipment and apparatus, and providing housing for the same and purchasing land necessary therefor;
- (o) A project for which a certificate of public convenience and necessity has been obtained by the county pursuant to the Regional Economic Development Act.

The word "bonds," as used in Sections 19-9-1 through 19-9-31, shall be deemed to mean and include bonds, notes, or certificates of indebtedness.

SECTION 20. Section 21-33-301, Mississippi Code of 1972, is amended as follows:

21-33-301. The governing authorities of any municipality are authorized to issue negotiable bonds of the municipality to raise money for the following purposes:

- (a) Erecting municipal buildings, armories, auditoriums, community centers, gymnasiums and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same, and for erecting, equipping and furnishing of buildings to be used as a municipal or civic arts center;
- (b) Erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same;
- (c) Purchasing or constructing, repairing, improving and equipping buildings for public libraries and for purchasing land, equipment and books therefor, whether the title to same be vested in the municipality issuing such bonds or in some subdivision of the state government other than the municipality, or jointly in such municipality and other such subdivision;
- (d) Establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same;
- (e) Protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers;
- (f) Constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor;
- (g) Purchasing land for parks, cemeteries and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of swimming pools and other recreational facilities;
- (h) Constructing bridges and culverts;
- (i) Constructing, repairing and improving wharves, docks, harbors and appurtenant facilities, and purchasing land therefor;
- (j) Constructing, repairing and improving public slaughterhouses, markets, pest houses, workhouses, hospitals, houses of correction, reformatories and jails in the corporate limits, or within three (3) miles of the corporate limits, and purchasing land therefor;
- (k) Altering or changing the channels of streams and water courses to control, deflect or guide the current thereof;

- (l) Purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor;
- (m) Purchasing or renting voting machines and any other election equipment needed in elections held in the municipality;
- (n) Assisting the Board of Trustees of State Institutions of Higher Learning, the Bureau of Building, Grounds and Real Property Management of the Governor's Office of General Services, or any other state agency in acquiring a site for, constructing suitable buildings and runways and equipping an airport for the university or other state-supported four-year college, now or hereafter in existence, in or near which the municipality is located, within not more than ten (10) miles of the municipality;
- (o) Acquiring and improving existing mass transit system; however, no municipal governing authorities shall authorize any bonds to be issued for the acquiring and improving of an existing mass transit system unless an election be conducted in said municipality in the same manner provided for general and special elections, and a majority of the qualified electors of the municipality participating in said election approve the bond issuance for the acquiring and improving of an existing mass transit system;
- (p) Purchasing machinery and equipment which have an expected useful life in excess of ten (10) years. The life of such bonds shall not exceed the expected useful life of such machinery and equipment. Machinery and equipment shall not include any motor vehicle weighing less than twelve thousand (12,000) pounds;
- (q) A project for which a certificate of public convenience and necessity has been obtained by the municipality pursuant to the Regional Economic Development Act.

The word "bonds" as used in this article shall be deemed to mean and include bonds, notes or certificates of indebtedness.

SECTION 21. Section 21-41-3, Mississippi Code of 1972, is amended as follows:

21-41-3. The following local improvements may be constructed hereunder, to wit:

- (a) Streets, highways, boulevards, avenues, squares, lanes, alleys and parks, or any part thereof may be opened, reopened, widened, graded, regraded, paved, repaved, surfaced, resurfaced, and curbs and gutters may be constructed or reconstructed therein.
- (b) Sidewalks may be graded, regraded and leveled, laid, relaid, paved, repaved, surfaced or resurfaced.
- (c) Water mains, water connections, sanitary disposal systems, sanitary sewers, storm covers, and other surface drains or drainage systems may be laid, relaid, and constructed or reconstructed.

- (d) A project for which a certificate of public convenience and necessity has been obtained by the municipality pursuant to the Regional Economic Development Act.

SECTION 22. Section 21-41-5, Mississippi Code of 1972, is amended as follows:

21-41-5. When the governing authorities of any municipality shall determine to make any local or special improvement, the cost of which or any part thereof is to be assessed against the property benefited, they shall adopt a resolution declaring necessary the proposed improvement describing the nature and extent of the work, the general character of the material to be used, and the location and terminal points of the streets, highways, boulevards, avenues, squares, alleys or parks, or parts thereof, or clearly define the boundary of areas in which said improvements are to be made. In publishing said resolution declaring the work necessary, the plans and specifications of said work need not be published but may be referred to as being on file in the office of the city clerk or city engineer. The publication of the resolution may be made as provided in Section 21-

17-19. Said resolution shall fix a date when the governing authorities of said municipality shall meet, which shall be not less than fifteen (15) days after the date of the first publication of the notice herein provided for, to hear any objections or remonstrances that may be made to said improvements. The notice herein provided for shall be published once each week for three (3) successive publications in a public newspaper having a general circulation in the municipality, and if no newspaper is published therein it shall be sufficient to post said notice in three (3) public places of the municipality for not less than fifteen (15) days before said meeting, one which shall be posted at the town or city hall of said municipality. Moreover, the clerk of the municipality shall send a copy of the notice, by certified mail, postage prepaid, within five (5) days after the first publication of the notice herein provided for, to the last-known address of owners of property affected by the resolution. However, failure of the clerk to mail such notice or failure of the owner to receive such notice shall not invalidate any proceeding in this chapter, where such notice has been published as provided herein. Notice declaring the work necessary shall be notice to the property owners that the work has been declared necessary.

If the governing authorities of a municipality desire to make any special or local improvement under the Regional Economic Development Act, the governing authorities also shall comply with any requirements provided therein.

SECTION 23. Section 21-45-3, Mississippi Code of 1972, is amended as follows:

21-45-3. For the purposes of this chapter, the following terms shall have the meanings given them in this section unless a different meaning is clearly indicated by the context:

(a) "Project area" includes:

(i) Areas in which there is a significant amount of buildings or improvements which, by reason of dilapidation, deterioration, age, obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population and overcrowding or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and are detrimental to the public health, safety, morals or welfare;

(ii) Areas in which are located a building or buildings that are of important value for purposes of historical preservation, as designated by the Department of Archives and History;

(iii) Areas which by reason of a significant amount of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, substantially impair or arrest the sound growth of the community, retard the provision of housing accommodations or constitute an economic or social liability and are a menace to the public health, safety, morals or welfare in their present condition and use; * * *

(iv) Areas in which the construction, renovation, repair or rehabilitation of property for residential, commercial or other uses is in the public interest; or

(v) A project for which a certificate of public convenience and necessity has been obtained by the municipality pursuant to the Regional Economic Development Act.

(b) A "redevelopment project" may include any work or undertaking by a municipality:

(i) To acquire project areas or portions thereof, including lands, structures or improvements the acquisition of which is necessary or incidental to the proper clearance, development or redevelopment of such areas or to the prevention of the spread or recurrence of slum conditions or conditions of blight;

- (ii) To clear any project areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities, bulkheads, boat docks and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan and public improvements to encourage private redevelopment in accordance with the redevelopment plan; or
- (iii) To sell or lease property acquired by a municipality as part of a redevelopment project for not less than its fair value for uses in accordance with such redevelopment plan to retain property or public improvements for public use in accordance with the redevelopment plan.

"Redevelopment project" may also include the preparation of a redevelopment plan, the planning, survey and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project, relocation of businesses and families required under applicable law, and upon a determination, by resolution of the governing body of the municipality in which such land is located, that the acquisition and development of additional real property not within a project area is essential to the proper clearance or redevelopment of a project area or a necessary part of the general slum clearance program of the municipality, the acquisition, planning, preparation for development or disposal of such land shall constitute a redevelopment project.

(c) "Redevelopment plan" means a plan for the acquisition, clearance, reconstruction, rehabilitation or future use of a redevelopment project area which shall be sufficiently complete:

- (i) To indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational, residential, commercial and community facilities and other public improvements; and
- (ii) To indicate proposed land uses, waterfront uses, if any, and building requirements in the area. A redevelopment plan may include interlocal cooperation agreements between a municipality and a county whereby both agree to pledge revenues payable to them to fund the debt of service of any indebtedness incurred pursuant to this chapter.

(d) "Governing body" means the governing body of any municipality or the board of supervisors of any county.

(e) "Developer" means any person, firm, corporation, partnership or other entity which enters into an agreement with a municipality whereby the developer agrees to construct, operate and maintain or procure the construction, operation and maintenance of buildings or other facilities or improvements upon land or waterfront being a part of a redevelopment project.

(f) "Municipality" means any city or town incorporated under the laws of the State of Mississippi or any county.

(g) "Clerk" means the municipal clerk or chancery clerk, as the case may be.

SECTION 24. Section 21-45-9, Mississippi Code of 1972, is amended as follows:

21-45-9. Any governing body may issue tax increment bonds, the final maturity of which shall not extend beyond thirty (30) years, for the purpose of financing all or a portion of the cost of a redevelopment project within the boundaries of the municipality, funding any reserve which the governing body may deem advisable in connection with the retirement of the proposed indebtedness and funding any other incidental expenses involved in incurring such indebtedness. The debt service of indebtedness incurred pursuant to this section shall be provided from the added increments of municipal and county ad valorem tax revenues or any portion of the sales taxes, or both, to result from any such redevelopment project and shall never constitute an indebtedness of the municipality within the meaning of any state constitutional provision or

statutory limitation and shall never constitute nor give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers.

Said bonds may be authorized by resolution or resolutions of the governing body, and may be issued in one or more series, may bear such date or dates, mature at such time or times, bear interest at such rate or rates, payable at such times, be in such denominations, be in such form, be registered, be executed in such manner, be payable in such medium of payment, at such place or places, be subject to such terms of redemption, with or without premium, carry such conversion or registration privileges and be declared or become due before the maturity date thereof, as such resolution or resolutions may provide; however, such bonds shall not bear a greater interest rate to maturity than that allowed under Section 75-17-101. Said bonds shall be sold for not less than par value plus accrued interest at public sale in the manner provided by Section 31-19-25 or at private sale, in the discretion of the governing body. The lowest interest rate specified for any bonds issued shall not be less than seventy percent (70%) of the highest interest rate specified for the same bond issue. Said bonds may be repurchased by the municipality out of any available funds at a price not to exceed the principal amount thereof and accrued interest, and all bonds so repurchased shall be cancelled. In connection with the issuance of said bonds, the municipality shall have the power to enter into contracts for rating of the bonds by national rating agencies; obtaining bond insurance or guarantees for such bonds and complying with the terms and conditions of such insurance or guarantees; make provision for payment in advance of maturity at the option of the owner or holder of the bonds; covenant for the security and better marketability of the bonds, including without limitation the establishment of a debt service reserve fund and sinking funds to secure or pay such bonds; and make any other provisions deemed desirable by the municipality in connection with the issuance of said bonds.

If a governing body desires to issue tax increment financing bonds under the Regional Economic Development Act, the governing body also shall comply with any requirements provided therein. In connection with the issuance of said bonds, the municipality may arrange for lines of credit with any bank, firm or person for the purpose of providing an additional source of repayment for such bonds and amounts drawn on such lines of credit may be evidenced by bonds, notes or other evidences of indebtedness containing such terms and conditions as the municipality may determine; provided, however, that such bonds, notes or evidences of indebtedness shall be secured by and payable from the same sources as are pledged to the payment of said bonds which are additionally secured by such line of credit, and that said bonds, notes or other evidences of indebtedness shall be deemed to be bonds for all purposes of this chapter. Pending the preparation or execution of definitive bonds, interim receipts or certificates, or temporary bonds may be delivered to the purchaser or purchasers of said bonds. Any provision of law to the contrary notwithstanding, any bonds, if any, issued pursuant to this chapter shall possess all of the qualities of negotiable instruments.

The municipality may also issue refunding bonds for the purpose of paying any of its bonds at or prior to maturity or upon acceleration or redemption. Refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the municipality may determine. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issuing the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by any of the municipality's resolutions, trust indenture or other security instruments.

The issuance of refunding bonds, the maturities and other details thereof, the security therefor, the rights of the holders and the rights, duties and obligations of the municipality in respect of the same shall be governed by the provisions of this chapter relating to the issuance of bonds other than refunding bonds, insofar as the same may be applicable.

Before incurring any debt pertaining to a redevelopment project incorporating a tax increment financing plan the governing body may, but shall not be required to, secure an agreement from one or more developers obligating such developer or developers:

- (a) To effect the completion of all or any portion of the buildings or other facilities or improvements, as described in the redevelopment project, at no cost to the municipality;
- (b) To pay all or any portion of the real property taxes due on the project in a timely manner; and
- (c) To maintain and operate all or any portion of the buildings or other facilities or improvements of the project in such a manner as to preserve property values.

No breach of any such agreement shall impose any pecuniary liability upon a municipality or any charge upon its general credit or against its taxing powers.

Additionally, the municipality may enter into an agreement with the developer under which the developer may construct all or any part of the redevelopment project with private funds in advance of issuance of the bonds and may be reimbursed by the municipality for actual costs incurred by the developer upon issuance and delivery of the bonds and receipt of the proceeds, conditioned upon dedication of redevelopment project by the developer to the municipality to assure public use and access.

SECTION 25. Section 21-45-13, Mississippi Code of 1972, is amended as follows:

21-45-13. The principal, interest and premium, if any, on any tax increment bond shall be secured by a pledge of the revenues payable to the municipality pursuant to the tax increment financing plan and may also be secured, in the discretion of the municipality, by a lien on all or any part of the redevelopment project and any security by any developer pursuant to and secured by a security agreement. The proceedings under which any indebtedness is authorized or any security agreement may contain any agreement or provisions customarily contained in instruments securing such obligations, without limiting the generality of the foregoing provisions respecting the construction, maintenance and operation of buildings or other facilities or improvements of the project, the creation and maintenance of special funds, the rights and remedies available in the event of default to the debt holders or to the trustee, all as the governing body shall deem advisable; provided, however, that in making any such agreements or provisions, no municipality shall have the power to obligate itself except with respect to:

- (a) The proceeds of the bonds and any property purchased with the proceeds of the bonds;
- (b) Any security pledged, mortgaged or otherwise made available by a developer for the securing of bonds or other indebtedness; and
- (c) No municipality shall have the power to obligate itself except with respect to the application of the revenues from the tax increments; nor shall any municipality have the power to incur a pecuniary liability or charge upon its general credit or against its taxing powers.

Tax increment financing bonds issued under the Regional Economic Development Act also may be secured as provided therein.

The proceedings authorizing any bonds and any security agreement securing bonds may provide that in the event of default in payment of the principal of or interest on such bonds, or in the performance of any agreement contained in such proceedings or security agreement, such payment and performance may be enforced by mandamus or by appointment of a receiver in equity with such powers as may be necessary to enforce the obligations thereof. No breach of

any such agreement shall impose any pecuniary liability upon any municipality or any charge upon its general credit or against its taxing powers.

The trustee under any security agreement or any depository specified by such security agreement may be such persons or corporation as the governing body shall designate; provided, that they may be residents of Mississippi or nonresidents of Mississippi or incorporated under the laws of the United States or the laws of other states of the United States.

SECTION 26. Sections 26 through 31 of this act shall be known and may be cited as the "Growth and Prosperity Act."

SECTION 27. The Legislature finds and determines that there exists in this state a continuing need for programs to assist certain counties in encouraging economic development, the consequent job creation and retention, additional private investment and increased local and state revenue which together insures the further development of a balanced economy. To achieve these purposes, it is necessary to assist and encourage the creation of growth and prosperity by providing temporary relief from certain taxes within certain counties to certain business enterprises.

Further, the Legislature finds and determines that the authority granted under Sections 26 through 31 of this act and the purposes to be accomplished hereby are proper governmental and public purposes and that the resulting economic benefits to the state are of paramount importance, mandating that the provisions of Sections 26 through 31 of this act be liberally construed and applied in order to advance the public purposes.

SECTION 28. As used in Sections 26 through 31 of this act, the following words and phrases shall have the meanings ascribed herein unless the context clearly indicates otherwise:

- (a) "Approved business enterprise" means any business enterprise seeking to locate or expand in a growth and prosperity county, which business enterprise is approved by the MDA.
- (b) "Business enterprise" means any (i) industry for the manufacturing, processing, assembling, storing, warehousing, servicing, distributing or selling of any products or goods, including products of agriculture; (ii) enterprises for research and development, including, but not limited to, scientific laboratories; or (iii) such other businesses or industry as will be in furtherance of the public purposes of Sections 26 through 31 of this act as determined by the MDA and which creates a minimum of ten (10) jobs. "Business enterprise" does not include retail or gaming businesses or electrical generation facilities.
- (c) "Growth and prosperity counties" means those counties which meet the requirements of Sections 26 through 31 of this act and which have by resolution or order given its consent to participate in the Growth and Prosperity Program.
- (d) "Local tax" means any county or municipal ad valorem tax imposed on the approved business enterprise pursuant to law, except the school portion of the tax and any portion of the tax imposed to pay the cost of providing fire and police protection.
- (e) "Local taxing authority" means any county or municipality which by resolution or order has given its consent to participate in the Growth and Prosperity Program acting through its respective board of supervisors or the municipal governing board, council, commission or other legal authority.
- (f) "MDA" means the Mississippi Development Authority.
- (g) "State tax" means any sales and use tax imposed on the business enterprise pursuant to law related to the purchase of component building materials and equipment for initial construction of facilities or expansion of facilities in a growth and prosperity county, all income tax imposed pursuant to law on income earned by the business enterprise in a growth and prosperity county,

and franchise tax imposed pursuant to law on the value of capital used, invested or employed by the business enterprise in a growth and prosperity county.

SECTION 29. From and after December 31, 2000, and until December 31, 2005, any county of this state which has an annualized unemployment rate which is at least two hundred percent (200%) of the state's unemployment rate as of December 31 of any year from 2000 through 2005 as determined by the Mississippi Employment Security Commission may apply to the MDA for the issuance of a certificate of public convenience and necessity. The application, at a minimum, must contain (a) Mississippi Employment Security Commission figures that reflect the annualized unemployment rate of the applying county as of December 31, and (b) an order or resolution of the county consenting to the designation of the county as a growth and prosperity county.

Any municipality of a designated growth and prosperity county may by order or resolution of the municipality consent to participation in the Growth and Prosperity Program.

No incentive or tax exemption shall be given under Sections 26 through 31 of this act without the consent of the affected county or municipality.

SECTION 30. (1) Upon the issuance by the MDA of its certificate of public convenience and necessity, designating certain counties as growth and prosperity counties, any approved business enterprise in any such a growth and prosperity county shall be exempt from all local taxes levied by the county and all state taxes for a period of ten (10) years or until December 31, 2015, whichever occurs first, and upon consent of any municipality within such a county shall be exempt from all local taxes levied by such municipality for a period of ten (10) years or until December 31, 2015, whichever occurs first.

The following conditions, along with any other conditions the MDA shall promulgate from time to time by rule or regulation, shall apply to such exemptions: (a) any exemption provided under Sections 26 through 31 of this act is nontransferable and cannot be applied, used or assigned to any other person or business or tax account; (b) no approved business enterprise may claim or use the exemption granted under Sections 26 through 31 of this act unless that enterprise is in full compliance with all state and local tax laws, and related ordinances and resolutions; and (c) the approved business enterprise must enter into an agreement with the MDA which sets out, at a minimum the performance requirements of the approved business enterprise during the term of the exemption and provisions for the recapture of all or a portion of the taxes exempted if the performance requirements of the approved business enterprise are not met.

Upon entering into such an agreement, the MDA shall forward such agreement to the State Tax Commission and the affected local taxing authorities so that the exemption can be implemented.

The State Tax Commission shall promulgate rules and regulations for the implementation of both local and state exemptions granted under Sections 26 through 31 of this act.

Any business enterprise that relocates its present operation and jobs to a growth and prosperity county from another county in the state shall not receive any of the exemptions granted in Sections 26 through 31 of this act.

(2) If the annualized unemployment rate in a growth and prosperity county falls below one hundred fifty percent (150%) of the state's annualized unemployment rate for three (3) consecutive calendar years, the tax exemptions authorized under Sections 26 through 31 of this act may not be granted to additional business enterprises.

SECTION 31. The MDA shall promulgate rules and regulations for the implementation and administration of Sections 26 through 31 of this act.

SECTION 32. Section 57-61-36, Mississippi Code of 1972, is amended as follows:

57-61-36. (1) (a) Notwithstanding any provision of this chapter to the contrary, the Department of Economic and Community Development shall utilize not more than Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants to municipalities through a development infrastructure grant fund to complete infrastructure related to new or expanded industry.

(b) The Mississippi Development Authority shall use not more than One Million Dollars (\$1,000,000.00) of the funds authorized in paragraph (a) of this subsection (1) for the purpose of making grants to small municipalities and limited population counties through a development infrastructure grant fund to be administered by the Mississippi Development Authority to assist such municipalities and counties in completing infrastructure projects regardless of whether the infrastructure is related to new or expanded industry. For the purposes of this paragraph (b), the term "small municipality" means a municipality in the State of Mississippi with a population of ten thousand (10,000) or less according to the most recent federal decennial census, and the term "limited population county" means a county in the State of Mississippi with a population of thirty thousand (30,000) or less according to the most recent federal decennial census.

(2) Notwithstanding any provision of this chapter to the contrary, the Department of Economic and Community Development may utilize not more than Seven Million Dollars (\$7,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making interest-bearing loans to any agency, department, institution, instrumentality or political subdivision of the state; or any agency, department, institution or instrumentality of any political subdivision of the state; or any business, organization, corporation, association or other legal entity meeting criteria established by the department, through a housing development revolving loan fund, to construct or repair housing for low or moderate income earners; provided, however, that the department may not utilize any bond proceeds authorized under this chapter for the purpose of making any loans to the Mississippi Home Corporation for any purpose whatsoever. No more than forty percent (40%) of the additional bonds authorized by this section in House Bill No. 1694, 1998 Regular Session [Laws, 1998, Chapter 559], may be used for multiple family housing activities. Funds authorized under this subsection may be deposited in the Mississippi Affordable Housing Development Fund authorized in Section 43-33-759 and used for purposes authorized by that section. This subsection (2) shall be repealed from and after July 1, 2001.

(3) Notwithstanding any provision of this chapter to the contrary, the Department of Economic and Community Development shall utilize not more than Five Million Dollars (\$5,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants to municipalities through an equipment and public facilities grant fund to aid in infrastructure-related improvements as determined by the Department of Economic and Community Development, the purchase of equipment and in the purchase, construction or repair and renovation of public facilities. Any bonds previously issued for the Development Infrastructure Revolving Loan Program which have not been loaned or applied for are eligible to be administered as grants.

The requirements of Section 57-61-9 shall not apply to any grant made under this subsection. The Department of Economic and Community Development may establish criteria and guidelines to govern grants made pursuant to this subsection.

(4) Notwithstanding any provision of this chapter to the contrary, the Department of Economic and Community Development may utilize not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out of the proceeds of bonds authorized to be issued in this chapter in order to

match federal funds available from the United States Department of Agriculture for the purpose of establishing an intermediary relending program to be administered by the Department of Economic and Community Development. The Department of Economic and Community Development may establish criteria and guidelines to govern loans made under such program.

SECTION 33. Section 57-73-21, Mississippi Code of 1972, is amended as follows:

57-73-21. (1) Annually by December 31, using the most current data available from the University Research Center, Mississippi State Employment Security Commission and the United States Department of Commerce, the State Tax Commission shall rank and designate the state's counties as provided in this section. The twenty-eight (28) counties in this state having a combination of the highest unemployment rate and lowest per capita income for the most recent thirty-six-month period, with equal weight being given to each category, are designated Tier Three areas. The twenty-seven (27) counties in the state with a combination of the next highest unemployment rate and next lowest per capita income for the most recent thirty-six-month period, with equal weight being given to each category, are designated Tier Two areas. The twenty-seven (27) counties in the state with a combination of the lowest unemployment rate and the highest per capita income for the most recent thirty-six-month period, with equal weight being given to each category, are designated Tier One areas. Counties designated by the Tax Commission qualify for the appropriate tax credit for jobs as provided in subsections (2), (3) and (4) of this section. The designation by the Tax Commission is effective for the tax years of permanent business enterprises which begin after the date of designation. For companies which plan an expansion in their labor forces, the Tax Commission shall prescribe certification procedures to ensure that the companies can claim credits in future years without regard to whether or not a particular county is removed from the list of Tier Three or Tier Two areas.

(2) Permanent business enterprises primarily engaged in manufacturing, processing, warehousing, distribution, wholesaling and research and development, or permanent business enterprises designated by rule and regulation of the Mississippi Development Authority as air transportation and maintenance facilities, final destination or resort hotels having a minimum of one hundred fifty (150) guest rooms, recreational facilities that impact tourism, movie industry studios, * * * telecommunications enterprises, data or information processing enterprises or computer software development enterprises or any technology intensive facility or enterprise, in counties designated by the Tax Commission as Tier Three areas are allowed a job tax credit for taxes imposed by Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually for each net new full-time employee job for five (5) years beginning with years two (2) through six (6) after the creation of the job. The number of new full-time jobs must be determined by comparing the monthly average number of full-time employees subject to the Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. Only those permanent businesses that increase employment by ten (10) or more in a Tier Three area are eligible for the credit. Credit is not allowed during any of the five (5) years if the net employment increase falls below ten (10). The Tax Commission shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of ten (10).

(3) Permanent business enterprises primarily engaged in manufacturing, processing, warehousing, distribution, wholesaling and research and development, or permanent business enterprises designated by rule and regulation of the Mississippi Development Authority as air transportation and maintenance facilities, final destination or resort hotels having a minimum of one hundred fifty (150) guest rooms, recreational facilities that impact tourism, movie industry studios, * * * telecommunications enterprises, data or information processing enterprises or

computer software development enterprises or any technology intensive facility or enterprise, in counties that have been designated by the Tax Commission as Tier Two areas are allowed a job tax credit for taxes imposed by Section 27-7-5 equal to One Thousand Dollars (\$1,000.00) annually for each net new full-time employee job for five (5) years beginning with years two (2) through six (6) after the creation of the job. The number of new full-time jobs must be determined by comparing the monthly average number of full-time employees subject to Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. Only those permanent businesses that increase employment by fifteen (15) or more in Tier Two areas * * * are eligible for the credit. The credit is not allowed during any of the five (5) years if the net employment increase falls below fifteen (15). The Tax Commission shall adjust the credit allowed each year for the net new employment fluctuations above the minimum level of fifteen (15).

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

(5) In addition to the credits authorized in subsections (2), (3) and (4), an additional Five Hundred Dollars (\$500.00) credit for each net new full-time employee or an additional One Thousand Dollars (\$1,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least one hundred twenty-five percent (125%) of the average annual wage of the state as determined by the Mississippi Unemployment Security Commission, or an additional Two Thousand Dollars (\$2,000.00) credit for each net new full-time employee who is paid a salary, excluding benefits which are not subject to Mississippi income taxation, of at least two hundred percent (200%) of the average annual wage of the state as determined by the Mississippi Unemployment Security Commission, shall be allowed for any company establishing or transferring its national or regional headquarters from within or outside the State of Mississippi. A minimum of thirty-five (35) jobs must be created to qualify for the additional credit. The State Tax Commission shall establish criteria and prescribe procedures to determine if a company qualifies as a national or regional headquarters for purposes of receiving the credit awarded in this subsection.

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

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

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

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

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

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

(12) The tax credits provided for in this section shall be in addition to any tax credits described in Sections 57-51-13(b), 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official action by the Department of Economic Development prior to July 1, 1989, to any business enterprise determined prior to July 1, 1989, by the Department of Economic Development to be a qualified business as defined in Section 57-51-5(f) or Section 57-54-5(d) or a qualified company as described in Section 57-53-1, as the case may be; however, from and after July 1, 1989, tax credits shall be allowed only under either this section or Sections 57-51-13(b), 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time employee.

(13) As used in this section, the term "telecommunications enterprises" means entities engaged in the creation, display, management, storage, processing, transmission or distribution for compensation of images, text, voice, video or data by wire or by wireless means, or entities engaged in the construction, design, development, manufacture, maintenance or distribution for compensation of devices, products, software or structures used in the above activities.

Companies organized to do business as commercial broadcast radio stations, television stations or news organizations primarily serving in-state markets shall not be included within the definition of the term "telecommunications enterprises."

SECTION 34. Section 57-73-25, Mississippi Code of 1972, is amended as follows:

57-73-25. (1) A fifty percent (50%) income tax credit shall be granted to any employer (as defined in subsection (4) of this section) sponsoring basic skills training. The fifty percent (50%) credit shall be granted to employers that participate in employer-sponsored retraining programs through a community/junior college in the district within which the employer is located or training approved by such community/junior college. The retraining must be designed to increase opportunities for employee advancement or retention with the employer. The credit is applied to

qualified training or retraining expenses, which are expenses related to instructors, instructional materials and equipment, and the construction and maintenance of facilities by such employer designated for training purposes which is attributable to training or retraining provided through such community/junior college or training approved by such community/junior college. The credits allowed under this section shall only be used by the actual employer qualifying for the credits. The credit shall not exceed fifty percent (50%) of the income tax liability in a tax year and may be carried forward for the five (5) successive years if the amount allowable as credit exceeds the income tax liability in a tax year; however, thereafter, if the amount allowable as a credit exceeds the tax liability, the amount of excess shall not be refundable or carried forward to any other taxable year. Nothing in this section shall be interpreted in any manner as to prevent the continuing operation of state-supported university programs.

(2) Employer-sponsored training shall include an evaluation by the State Board for Community and Junior Colleges to ensure that the training provided is job related and conforms to the definitions of "basic skills training" and "retraining programs" as hereinafter defined.

(3) Employers shall be certified as eligible for the tax credit by the State Board for Community and Junior Colleges and the State Tax Commission.

(4) For the purposes of this section:

(a) "Basic skills training" means any employer-sponsored training by the appropriate community/junior college or training approved by such community/junior college that enhances reading, writing or math skills, up to the twelfth grade level, of employees who are unable to function effectively on the job due to deficiencies in these areas or who would be displaced because such skill deficiencies will inhibit their training for new technology.

(b) "Retraining programs" means employer-sponsored training by the appropriate community/junior college or training approved by such community/junior college for hourly paid employees of an employer that, upon successful completion, increases the employee's opportunity for consideration for promotion or retention with the employer.

(c) "Employer-sponsored training" means training purchased by the employer from the appropriate community/junior college in the district within which the employer is located or training approved by such community/junior college.

(d) "Employer" means those permanent business enterprises as defined and set out in Section 57-73-21 (2), (3), (4) and (5).

(5) The tax credits provided for in this section shall be in addition to all other tax credits heretofore granted by the laws of the state.

(6) The Board for Community and Junior Colleges shall make a report to the Legislature by January 30 of each year summarizing the number of participants, the junior or community college through which said training was offered and the type training offered.

(7) This section shall stand repealed from and after July 1, 2002.

SECTION 35. Section 57-75-5, Mississippi Code of 1972, is amended as follows:

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

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

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

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

(d) "Facility related to the project" means and includes any of the following, as the same may pertain to the project within the project area: (i) facilities to provide potable and industrial water supply systems, sewage and waste disposal systems and water, natural gas and electric transmission systems to the site of the project; (ii) airports, airfields and air terminals; (iii) rail lines; (iv) port facilities; (v) highways, streets and other roadways; (vi) public school buildings, classrooms and instructional facilities, including any functionally related facilities; (vii) parks, outdoor recreation facilities and athletic facilities; (viii) auditoriums, pavilions, campgrounds, art centers, cultural centers, folklore centers and other public facilities; and (ix) health care facilities, public or private.

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

(f) "Project" means:

(i) Any industrial, commercial, research and development, warehousing, distribution, transportation, processing, mining, United States government or tourism enterprise together with all real property required for construction, maintenance and operation of the enterprise with an initial capital investment of not less than Three Hundred Million Dollars (\$300,000,000.00) from private or United States government sources together with all buildings, and other supporting land and facilities, structures or improvements of whatever kind required or useful for construction, maintenance and operation of the enterprise; or with an initial capital investment of not less than One Hundred Fifty Million Dollars (\$150,000,000.00) from private or United States government sources together with all buildings and other supporting land and facilities, structures or improvements of whatever kind required or useful for construction, maintenance and operation of the enterprise and which creates at least one thousand (1,000) net new full-time jobs; or which creates at least one thousand (1,000) net new full-time jobs which provides an average salary, excluding benefits which are not subject to Mississippi income taxation, of at least one hundred twenty-five percent (125%) of the average annual wage of the state as determined by the Mississippi Employment Security Commission. "Project" shall * * * include any addition to or expansion of an existing enterprise if such addition or expansion has an initial capital investment of not less than Three Hundred Million Dollars (\$300,000,000.00) from private or United States government sources, or has an initial capital investment of not less than One Hundred Fifty Million Dollars (\$150,000,000.00) from private or United States government sources together with all buildings and other supporting land and facilities, structures or improvements of whatever kind required or useful for construction, maintenance and operation of the enterprise and which creates at least one thousand (1,000) net new full-time jobs; or which creates at least one thousand (1,000) net new full-time jobs which provides an average salary, excluding benefits which are not subject to Mississippi income taxation, of at least one hundred twenty-five percent (125%) of the average annual wage of the state as determined by the Mississippi Employment Security Commission. "Project" shall also include any ancillary development or business resulting from the enterprise, of which the authority is notified, within three (3) years from the date that the enterprise entered into commercial production, that the project area has been selected as the site for the ancillary development or business.

(ii) Any enterprise that directly will employ and maintain a minimum of three thousand five hundred (3,500) people within a three-year period with an initial capital investment from any source of not less than Fifty Million Dollars (\$50,000,000.00). The provisions of this subparagraph (ii) shall be repealed from and after July 1, 1996.

(iii) Any major capital project designed to improve, expand or otherwise enhance any active duty United States Air Force or Navy training bases or naval stations, their support areas or their military operations, upon designation by the authority that any such base was or is at risk to be recommended for closure or realignment pursuant to the Defense Base Closure and Realignment Act of 1990; or any major development project determined by the authority to be necessary to acquire base properties and to provide employment opportunities through construction of projects as defined in Section 57-3-5, which shall be located on or provide direct support service or access to such military installation property as such property exists on July 1, 1993, in the event of closure or reduction of military operations at the installation. From and after July 1, 1997, projects described in this subparagraph (iii) shall not be considered to be within the meaning of the term "project" for purposes of this section, unless such projects are commenced before July 1, 1997, and shall not be eligible for any funding provided under the Mississippi Major Economic Impact Act.

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

(v) Any major capital project designed to improve, expand or enhance any state-owned port facility located on the Gulf of Mexico, which project will support and attract a two million (2,000,000) ton increase in cargo and three hundred fifty (350) direct port-related jobs and which is in keeping with a developed and approved master plan, or any major capital project developed under the name "Project Greystone" and/or any major capital project designed to build, construct or develop an automobile or truck assembly facility within the State of Mississippi, which project or facility will create, directly or indirectly, two thousand (2,000) jobs with an initial capital investment from any source of not less than Three Hundred Fifty Million Dollars (\$350,000,000.00). The architectural and engineering fees on any such project shall not exceed four and one-half percent (4-1/2%) of the total construction cost of such project. "Project" shall also include any ancillary development or business resulting from the enterprise, of which the authority is notified, within three (3) years from the date that the enterprise entered into commercial production, that the project area has been selected as the site for the ancillary development or business; provided, however, that any such ancillary development or business shall not be subject to the limitation on architectural and engineering fees of four and one-half percent (4-1/2%) of the total construction cost.

(vi) Any major capital project designed to construct the corporate headquarters and initial factory, to be located in the Golden Triangle Region of the state, for any Mississippi corporation that develops, constructs and operates automated robotic systems to improve the quality of, and reduce the costs of, manufacturing wire harness assemblies for certain industries, or manufactures thin film polymer lithium-ion rechargeable batteries which project has a ten-year strategic plan of supporting one thousand (1,000) direct project-related jobs for each group of wire harness contracts amounting to Thirty-five Million Dollars (\$35,000,000.00), or which has a ten-year strategic plan of supporting one thousand five hundred (1,500) direct project-related jobs for each group of polymer lithium-ion rechargeable battery contracts amounting to Forty Million Dollars (\$40,000,000.00).

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

(viii) Any major capital project designed to manufacture, produce and transmit electrical power using natural gas as its primary raw material to be constructed and maintained in Panola County, Mississippi, with an initial capital investment of not less than Two Hundred Fifty Million Dollars (\$250,000,000.00).

(g) "Project area" means the project site, together with any area or territory within the state lying within sixty-five (65) miles of any portion of the project site whether or not such area or territory be contiguous. The project area shall also include all territory within a county if any portion of such county lies within sixty-five (65) miles of any portion of the project site. "Project site" means the real property on which the principal facilities of the enterprise will operate.

(h) "Public agency" means:

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

(ii) Any city, town, county, political subdivision, school district or other district created or existing under the laws of the state or any public agency of any such city, town, county, political subdivision or district;

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

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

(i) "State" means State of Mississippi.

(j) "Fee-in-lieu" means a negotiated fee to be paid by the project in lieu of any franchise taxes imposed on the project by Chapter 13, Title 27, Mississippi Code of 1972. The fee-in-lieu shall not be less than Twenty-five Thousand Dollars (\$25,000.00) annually.

SECTION 36. Section 57-75-9, Mississippi Code of 1972, is amended as follows:

57-75-9. The authority is hereby designated and empowered to act on behalf of the state in submitting a siting proposal for any project eligible for assistance under this act. The authority is empowered to take all steps appropriate or necessary to effect the siting, development, and operation of the project within the state, including the negotiation of a fee-in-lieu. If the state is selected as the preferred site for the project, the authority is hereby designated and empowered to act on behalf of the state and to represent the state in the planning, financing, development, construction and operation of the project or any facility related to the project, with the concurrence of the affected public agency. The authority may take affirmative steps to coordinate fully all aspects of the submission of a siting proposal for the project and, if the state is selected as the preferred site, to coordinate fully, with the concurrence of the affected public agency, the development of the project or any facility related to the project with private business, the United States government and other public agencies. All public agencies are encouraged to cooperate to the fullest extent possible to effectuate the duties of the authority; however, the development of the project or any facility related to the project by the authority may be done only with the concurrence of the affected public agency.

SECTION 37. Section 57-75-11, Mississippi Code of 1972, is amended as follows:

[Through June 30, 2001, this section shall read as follows:]

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

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

- (b) To employ or contract with architects, engineers, attorneys, accountants, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix and pay their compensation.
- (c) To make such applications and enter into such contracts for financial assistance as may be appropriate under applicable federal or state law.
- (d) To apply for, accept and utilize grants, gifts and other funds or aid from any source for any purpose contemplated by the act, and to comply, subject to the provisions of this act, with the terms and conditions thereof.
- (e) To acquire by purchase, lease, gift, or in other manner, including quick-take eminent domain, or obtain options to acquire, and to own, maintain, use, operate and convey any and all property of any kind, real, personal, or mixed, or any interest or estate therein, within the project area, necessary for the project or any facility related to the project. The provisions of this paragraph that allow the acquisition of property by quick-take eminent domain shall be repealed by operation of law on July 1, 1994.
- (f) To acquire by purchase or lease any public lands and public property, including sixteenth section lands and lieu lands, within the project area, which are necessary for the project. Sixteenth section lands or lieu lands acquired under this act shall be deemed to be acquired for the purposes of industrial development thereon and such acquisition will serve a higher public interest in accordance with the purposes of this act.
- (g) If the authority identifies any land owned by the state as being necessary, for the location or use of the project, or any facility related to the project, to recommend to the Legislature the conveyance of such land or any interest therein, as the Legislature deems appropriate.
- (h) To make or cause to be made such examinations and surveys as may be necessary to the planning, design, construction and operation of the project.
- (i) From and after the date of notification to the authority by the enterprise that the state has been finally selected as the site of the project, to acquire by condemnation and to own, maintain, use, operate and convey or otherwise dispose of any and all property of any kind, real, personal or mixed, or any interest or estate therein, within the project area, necessary for the project or any facility related to the project, with the concurrence of the affected public agency, and the exercise of the powers granted by this act, according to the procedures provided by Chapter 27, Title 11, Mississippi Code of 1972, except as modified by this act.
- (i) In acquiring lands by condemnation, the authority shall not acquire minerals or royalties in minerals unless a competent registered professional engineer shall have certified that the acquisition of such minerals and royalties in minerals is necessary for purposes of the project; provided that limestone, clay, chalk, sand and gravel shall not be considered as minerals within the meaning of this section; and
- (ii) Unless minerals or royalties in minerals have been acquired by condemnation or otherwise, no person or persons owning the drilling rights or the right to share in production of minerals shall be prevented from exploring, developing, or producing oil or gas with necessary rights-of-way for ingress and egress, pipelines and other means of transporting interests on any land or interest therein of the authority held or used for the purposes of this act; but any such activities shall be under such reasonable regulation by the authority as will adequately protect the project contemplated by this act as provided in subparagraph (t) of this section.
- (j) To negotiate the necessary relocation or rerouting of roads and highways, railroad, telephone and telegraph lines and properties, electric power lines, pipelines and related facilities, or to require the anchoring or other protection of any of these, provided due compensation is paid to

the owners thereof or agreement is had with such owners regarding the payment of the cost of such relocation, and to acquire by condemnation or otherwise easements or rights-of-way for such relocation or rerouting and to convey the same to the owners of the facilities being relocated or rerouted in connection with the purposes of this act.

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

(l) To perform or have performed any and all acts and make all payments necessary to comply with all applicable federal laws, rules or regulations including but not limited to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USCS 4601, 4602, 4621 to 4638, and 4651 to 4655) and relocation rules and regulations promulgated by any agency or department of the federal government.

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

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

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

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

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

(r) To adopt and enforce with the concurrence of the affected public agency all necessary and reasonable rules and regulations to carry out and effectuate the implementation of the project and any land use plan or zoning classification adopted for the project area, including but not limited to rules, regulations, and restrictions concerning mining, construction, excavation or any other activity the occurrence of which may endanger the structure or operation of the project. Such rules may be enforced within the project area and without the project area as necessary to protect the structure and operation of the project. The authority is authorized to plan or replan, zone or rezone, and make exceptions to any regulations, whether local or state, with the concurrence of the affected public agency which are inconsistent with the design, planning, construction or operation of the project and facilities related to the project.

- (s) To plan, design, coordinate and implement measures and programs to mitigate impacts on the natural environment caused by the project or any facility related to the project.
 - (t) To develop plans for technology transfer activities to ensure private sector conduits for exchange of information, technology and expertise related to the project to generate opportunities for commercial development within the state.
 - (u) To consult with the State Department of Education and other public agencies for the purpose of improving public schools and curricula within the project area.
 - (v) To consult with the State Board of Health and other public agencies for the purpose of improving medical centers, hospitals and public health centers in order to provide appropriate health care facilities within the project area.
 - (w) To consult with the Office of Minority Business Enterprise Development and other public agencies for the purpose of developing plans for technical assistance and loan programs to maximize the economic impact related to the project for minority business enterprises within the State of Mississippi.
 - (x) To deposit into the "Yellow Creek Project Area Fund" created pursuant to Section 57-75-31:
 - (i) Any funds or aid received as authorized in this section for the project described in Section 57-75-5(f)(vii), and
 - (ii) Any funds received from the sale or lease of property from the project described in Section 57-75-5(f)(vii) pursuant to the powers exercised under this section.
 - (y) To manage and develop the project described in Section 57-75-5(f)(vii) subject to the provisions of Section 57-75-29.
 - (z) To promulgate rules and regulations necessary to effectuate the purposes of this act.
 - (aa) To negotiate a fee-in-lieu with the owners of the project.
- [From and after July 1, 2001, this section shall read as follows:]
- 57-75-11. The authority, in addition to any and all powers now or hereafter granted to it, is empowered and shall exercise discretion and the use of these powers depending on the circumstances of the project or projects:
- (a) To maintain an office at a place or places within the state.
 - (b) To employ or contract with architects, engineers, attorneys, accountants, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix and pay their compensation.
 - (c) To make such applications and enter into such contracts for financial assistance as may be appropriate under applicable federal or state law.
 - (d) To apply for, accept and utilize grants, gifts and other funds or aid from any source for any purpose contemplated by the act, and to comply, subject to the provisions of this act, with the terms and conditions thereof.
 - (e) To acquire by purchase, lease, gift, or in other manner, including quick-take eminent domain, or obtain options to acquire, and to own, maintain, use, operate and convey any and all property of any kind, real, personal, or mixed, or any interest or estate therein, within the project area, necessary for the project or any facility related to the project. The provisions of this paragraph that allow the acquisition of property by quick-take eminent domain shall be repealed by operation of law on July 1, 1994.
 - (f) To acquire by purchase or lease any public lands and public property, including sixteenth section lands and lieu lands, within the project area, which are necessary for the project. Sixteenth section lands or lieu lands acquired under this act shall be deemed to be acquired for

the purposes of industrial development thereon and such acquisition will serve a higher public interest in accordance with the purposes of this act.

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

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

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

(i) In acquiring lands by condemnation, the authority shall not acquire minerals or royalties in minerals unless a competent registered professional engineer shall have certified that the acquisition of such minerals and royalties in minerals is necessary for purposes of the project; provided that limestone, clay, chalk, sand and gravel shall not be considered as minerals within the meaning of this section; and

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

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

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

(l) To perform or have performed any and all acts and make all payments necessary to comply with all applicable federal laws, rules or regulations including but not limited to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USCS 4601, 4602, 4621 to 4638, and 4651 to 4655) and relocation rules and regulations promulgated by any agency or department of the federal government.

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

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

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

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

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

(r) To adopt and enforce with the concurrence of the affected public agency all necessary and reasonable rules and regulations to carry out and effectuate the implementation of the project and any land use plan or zoning classification adopted for the project area, including but not limited to rules, regulations, and restrictions concerning mining, construction, excavation or any other activity the occurrence of which may endanger the structure or operation of the project. Such rules may be enforced within the project area and without the project area as necessary to protect the structure and operation of the project. The authority is authorized to plan or replan, zone or rezone, and make exceptions to any regulations, whether local or state, with the concurrence of the affected public agency which are inconsistent with the design, planning, construction or operation of the project and facilities related to the project.

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

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

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

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

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

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

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

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

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

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

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

SECTION 38. Section 57-75-15, Mississippi Code of 1972, is amended as follows:

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

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

(3) (a) Bonds issued under the authority of this section for projects as defined in Section 57-75-5(f)(i) shall not exceed an aggregate principal amount in the sum of Sixty-four Million Two Hundred Fifty Thousand Dollars (\$64,250,000.00).

(b) Bonds issued under the authority of this section for projects as defined in Section 57-75-5(f)(ii) shall not exceed Ninety Million Dollars (\$90,000,000.00). The provisions of this paragraph (b) shall be repealed from and after July 1, 1996.

(c) Bonds issued under the authority of this section for projects as defined in Section 57-75-5(f)(iii) shall not exceed Fifty Million Dollars (\$50,000,000.00), nor shall the bonds issued for projects related to any single military installation exceed Sixteen Million Six Hundred Sixty-seven Thousand Dollars (\$16,667,000.00). If any proceeds of bonds issued for projects related to the Meridian Naval Auxiliary Air Station ("NAAS") are used for the development of a water and sewer service system by the City of Meridian, Mississippi, to serve the NAAS and if the City of Meridian annexes any of the territory served by the water and sewer service system, the city shall repay the State of Mississippi the amount of all bond proceeds expended on any portion of the water and sewer service system project; and if there are any monetary proceeds derived from the disposition of any improvements located on real property in Kemper County purchased pursuant to this act for projects related to the NAAS and if there are any monetary proceeds derived from the disposition of any timber located on real property in Kemper County purchased pursuant to this act for projects related to the NAAS, all of such proceeds (both from the disposition of improvements and the disposition of timber) commencing July 1, 1996, through June 30, 2010, shall be paid to the Board of Education of Kemper County, Mississippi, for expenditure by such board of education to benefit the public schools of Kemper County. No bonds shall be issued under this paragraph (c) until the State Bond Commission by resolution adopts a finding that the issuance of such bonds will improve, expand or otherwise enhance the military installation, its support areas or military operations, or will provide employment opportunities to replace those

lost by closure or reductions in operations at the military installation. From and after July 1, 1997, bonds shall not be issued for any projects, as defined in Section 57-75-5(f)(iii), which are not commenced before July 1, 1997. The proceeds of any bonds issued for projects commenced before July 1, 1997, shall be used for the purposes for which the bonds were issued until completion of the projects.

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

(e) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(v) shall not exceed One Hundred Ten Million Dollars (\$110,000,000.00). No bonds shall be issued under this paragraph after June 30, 2001.

(f) Bonds issued under the authority of this section for the project defined in Section 57-75-5(f)(vi) shall not exceed Twenty Million Three Hundred Seventy Thousand Dollars (\$20,370,000.00). No bonds shall be issued under this paragraph (f) until the State Bond Commission by resolution adopts a finding that the project has secured wire harness contracts or contracts to manufacture thin film polymer lithium-ion rechargeable batteries, or any combination of such contracts, in the aggregate amount of Twenty Million Dollars (\$20,000,000.00), either from the United States Government or the private sector. No bonds shall be issued under this paragraph after June 30, 2001.

(g) Bonds issued under the authority of this section for projects defined in Section 57-75-5(f)(viii) shall not exceed Twenty-six Million Dollars (\$26,000,000.00). No bonds shall be issued after June 30, 2001.

(4) The proceeds from the sale of the bonds issued under this section may be applied for the purposes of: (a) defraying all or any designated portion of the costs incurred with respect to acquisition, planning, design, construction, installation, rehabilitation, improvement, relocation and with respect to state-owned property, operation and maintenance of the project and any facility related to the project located within the project area, including costs of design and engineering, all costs incurred to provide land, easements and rights-of-way, relocation costs with respect to the project and with respect to any facility related to the project located within the project area, and costs associated with mitigation of environmental impacts; (b) defraying the cost of providing to the recruitment, screening, selection, training or retraining of employees, candidates for employment or replacement employees of the project and any related activity; (c) providing for the payment of interest on the bonds; (d) providing debt service reserves; and (f) paying underwriters' discount, original issue discount, accountants' fees, engineers' fees, attorneys' fees, rating agency fees and other fees and expenses in connection with the issuance of the bonds. Such bonds shall be issued from time to time and in such principal amounts as shall be designated by the authority, not to exceed in aggregate principal amounts the amount authorized in subsection (3) of this section. Proceeds from the sale of the bonds issued under this section may be invested, subject to federal limitations, pending their use, in such securities as may be specified in the resolution authorizing the issuance of the bonds or the trust indenture securing them, and the earning on such investment applied as provided in such resolution or trust indenture.

(5) The principal of and the interest on the bonds shall be payable in the manner hereinafter set forth. The bonds shall bear date or dates; be in such denomination or denominations; bear interest at such rate or rates; be payable at such place or places within or without the state; mature absolutely at such time or times; be redeemable before maturity at such time or times and

upon such terms, with or without premium; bear such registration privileges; and be substantially in such form; all as shall be determined by resolution of the State Bond Commission except that such bonds shall mature or otherwise be retired in annual installments beginning not more than five (5) years from the date thereof and extending not more than twenty-five (25) years from the date thereof. The bonds shall be signed by the Chairman of the State Bond Commission, or by his facsimile signature, and the official seal of the State Bond Commission shall be imprinted on or affixed thereto, attested by the manual or facsimile signature of the Secretary of the State Bond Commission. Whenever any such bonds have been signed by the officials herein designated to sign the bonds, who were in office at the time of such signing but who may have ceased to be such officers before the sale and delivery of such bonds, or who may not have been in office on the date such bonds may bear, the signatures of such officers upon such bonds shall nevertheless be valid and sufficient for all purposes and have the same effect as if the person so officially signing such bonds had remained in office until the delivery of the same to the purchaser, or had been in office on the date such bonds may bear.

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

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

Notice of the sale of any bonds shall be published at least one (1) time, the first of which shall be made not less than ten (10) days prior to the date of sale, and shall be so published in one or more newspapers having a general circulation in the City of Jackson and in one or more other newspapers or financial journals with a large national circulation, to be selected by the State Bond Commission.

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

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

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

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

(11) In anticipation of the issuance of bonds hereunder, the State Bond Commission is authorized to negotiate and enter into any purchase, loan, credit or other agreement with any bank, trust company or other lending institution or to issue and sell interim notes for the purpose of making any payments authorized under this section. All borrowings made under this provision shall be evidenced by notes of the state which shall be issued from time to time, for such amounts not exceeding the amount of bonds authorized herein, in such form and in such denomination and subject to such terms and conditions of sale and issuance, prepayment or redemption and maturity, rate or rates of interest not to exceed the maximum rate authorized herein for bonds, and time of payment of interest as the State Bond Commission shall agree to in such agreement. Such notes shall constitute general obligations of the state and shall be backed by the full faith and credit of the state. Such notes may also be issued for the purpose of refunding previously issued notes; except that no notes shall mature more than three (3) years following the date of issuance of the first note hereunder and provided further, that all outstanding notes shall be retired from the proceeds of the first issuance of bonds hereunder. The State Bond Commission is authorized to provide for the compensation of any purchaser of the notes by payment of a fixed fee or commission and for all other costs and expenses of issuance and service, including paying agent costs. Such costs and expenses may be paid from the proceeds of the notes.

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

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

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

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

(16) There is hereby created a special fund in the State Treasury to be known as the Mississippi Major Economic Impact Authority Fund wherein shall be deposited the proceeds of the bonds

issued under this chapter and all monies received by the authority to carry out the purposes of this chapter. Expenditures authorized herein shall be paid by the State Treasurer upon warrants drawn from the fund, and the Department of Finance and Administration shall issue warrants upon requisitions signed by the director of the authority.

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

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

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

SECTION 39. Section 27-13-5, Mississippi Code of 1972, is amended as follows:

27-13-5. (1) Franchise tax levy. Except as otherwise provided in subsections (3) and (4) of this section, there is hereby imposed, to be paid and collected as hereinafter provided, a franchise or excise tax upon every corporation, association or joint stock company or partnership treated as a corporation under the income tax laws or regulations, organized or created for pecuniary gain, having privileges not possessed by individuals, and having authorized capital stock now existing in this state, or hereafter organized, created or established, under and by virtue of the laws of the State of Mississippi, equal to Two Dollars and Fifty Cents (\$2.50) for each One Thousand Dollars (\$1,000.00), or fraction thereof, of the value of the capital used, invested or employed in the exercise of any power, privilege or right enjoyed by such organization within this state, except as hereinafter provided. In no case shall the franchise tax due for the accounting period be less than Twenty-five Dollars (\$25.00). It is the purpose of this section to require the payment to the State of Mississippi of this tax for the right granted by the laws of this state to exist as such organization, and to enjoy, under the protection of the laws of this state, the powers, rights, privileges and immunities derived from the state by the form of such existence.

(2) Annual report of domestic corporations. Each domestic corporation shall file, within the time prescribed by Section 79-3-251, an annual report as required by the provisions of Section 79-3-249.

(3) A corporation that has negotiated a fee-in-lieu for a project as defined in Section 57-75-5 shall not be subject to the tax levied as such project by this section; provided, however, that the fee-in-lieu payment shall be otherwise treated in the same manner as the payment of franchise taxes.

(4) An approved business enterprise as defined in Sections 26 through 31 of Senate Bill No. 2002, 2000 Second Extraordinary Session shall not be subject to the tax levied by this section on the value of capital used, invested or employed by the approved business enterprise in a growth and prosperity county as provided in Sections 26 through 31 of Senate Bill No. 2002, 2000 Second Extraordinary Session.

SECTION 40. Section 27-13-7, Mississippi Code of 1972, is amended as follows:

27-13-7. (1) Franchise tax levy. Except as otherwise provided in subsections (3) and (4) of this section, there is hereby imposed, levied and assessed upon every corporation, association or joint stock company, or partnership treated as a corporation under the Income Tax Laws or regulations as hereinbefore defined, organized and existing under and by virtue of the laws of some other state, territory or country, or organized and existing without any specific statutory authority, now or hereafter doing business or exercising any power, privilege or right within this state, as hereinbefore defined, a franchise or excise tax equal to Two Dollars and Fifty Cents (\$2.50) of each One Thousand Dollars (\$1,000.00), or fraction thereof, of the value of capital used, invested or employed within this state, except as hereinafter provided. In no case shall the franchise tax due for the accounting period be less than Twenty-five Dollars (\$25.00). It is the purpose of this section to require the payment of a tax by all organizations not organized under the laws of this state, measured by the amount of capital or its equivalent, for which such organization receives the benefit and protection of the government and laws of the state.

(2) Annual report of foreign corporations. Each foreign corporation authorized to transact business in this state shall file, within the time prescribed by Section 79-3-251, an annual report as required by the provisions of Section 79-3-249.

(3) A corporation that has negotiated a fee-in-lieu for a project as defined in Section 57-75-5 shall not be subject to the tax levied by this section on such project; provided, however, that the fee-in-lieu payment shall be otherwise treated in the same manner as the payment of franchise taxes.

(4) An approved business enterprise as defined in Sections 26 through 31 of Senate Bill No. 2002, 2000 Second Extraordinary Session, shall not be subject to the tax levied by this section on the value of capital used, invested or employed by the approved business enterprise in a growth and prosperity county as provided in Sections 26 through 31 of Senate Bill No. 2002, 2000 Second Extraordinary Session.

SECTION 41. Section 27-65-101, Mississippi Code of 1972, is amended as follows:

27-65-101. (1) The exemptions from the provisions of this chapter which are of an industrial nature or which are more properly classified as industrial exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by the provisions of the Constitution of the United States or the State of Mississippi. No industrial exemption as now provided by any other section except Section 57-3-33 shall be valid as against the tax herein levied. Any subsequent industrial exemption from the tax levied hereunder shall be provided by amendment to this section. No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21.

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

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

- (b) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases (except natural gas) to a manufacturer for use directly in manufacturing or processing a product for sale or rental or repairing or reconditioning vessels or barges of fifty (50) tons load displacement and over. This exemption shall not apply to any property used as fuel except to the extent that such fuel comprises by-products which have no market value.
- (c) The gross proceeds of sales of dry docks, offshore drilling equipment for use in oil exploitation or production, vessels or barges of fifty (50) tons load displacement and over, when sold by the manufacturer or builder thereof.
- (d) Sales to commercial fishermen of commercial fishing boats of over five (5) tons load displacement and not more than fifty (50) tons load displacement as registered with the United States Coast Guard and licensed by the Mississippi Commission on Marine Resources.
- (e) The gross income from repairs to vessels and barges engaged in foreign trade or interstate transportation.
- (f) Sales of petroleum products to vessels or barges for consumption in marine international commerce or interstate transportation businesses.
- (g) Sales and rentals of rail rolling stock (and component parts thereof) for ultimate use in interstate commerce and gross income from services with respect to manufacturing, repairing, cleaning, altering, reconditioning or improving such rail rolling stock (and component parts thereof).
- (h) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases (except natural gas) used or consumed directly in manufacturing, repairing, cleaning, altering, reconditioning or improving such rail rolling stock (and component parts thereof). This exemption shall not apply to any property used as fuel.
- (i) Machinery or tools or repair parts therefor or replacements thereof, fuel or supplies used directly in manufacturing, converting or repairing ships of three thousand (3,000) tons load displacement and over, but not to include office and plant supplies or other equipment not directly used on the ship being built, converted or repaired.
- (j) Sales of tangible personal property to persons operating ships in international commerce for use or consumption on board such ships. This exemption shall be limited to cases in which procedures satisfactory to the commissioner, ensuring against use in this state other than on such ships, are established.
- (k) Sales of materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of construction of the building, or any addition thereon, to be used therein, to qualified businesses, as defined in Section 57-51-5, which are located in a county or portion thereof designated as an enterprise zone pursuant to Sections 57-51-1 through 57-51-15.
- (l) Sales of materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of construction of the building, or any addition thereon, to be used therein, to qualified businesses, as defined in Section 57-54-5.
- (m) Income from storage and handling of perishable goods by a public storage warehouse.
- (n) The value of natural gas lawfully injected into the earth for cycling, repressuring or lifting of oil, or lawfully vented or flared in connection with the production of oil; however, if any gas so injected into the earth is sold for such purposes, then the gas so sold shall not be exempt.
- (o) The gross collections from self-service commercial laundering, drying, cleaning and pressing equipment.

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

(q) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Three areas (as such term is defined in Section 57-73-21), which businesses are certified by the State Tax Commission as being eligible for the exemption granted in this paragraph (q).

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

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

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

(u) Sales of machinery and equipment to nonprofit organizations if the organization: (i) is tax-exempt pursuant to Section 501(c)(4) of the Internal Revenue Code of 1986, as amended; (ii) assists in the implementation of the national contingency plan or area contingency plan, and which is created in response to the requirements of Title IV, Subtitle B of the Oil Pollution Act of 1990, P.L. 101-380; and (iii) engages primarily in programs to contain, clean up and otherwise mitigate spills of oil or other substances occurring in the United States coastal and tidal waters. For purposes of this exemption, "machinery and equipment" means any ocean-going vessels, barges, booms, skimmers and other capital equipment used primarily in the operations of nonprofit organizations referred to herein.

(v) Sales of component materials and equipment to approved business enterprises as provided under Sections 26 through 31 of Senate Bill No. 2002, 2000 Second Extraordinary Session.

(2) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses are certified by the State Tax Commission as being eligible for the exemption granted in this

paragraph, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter.

SECTION 42. (1) For the purposes of this section, the following words shall have the meanings ascribed in this section unless the context otherwise requires:

(a) "Agribusiness" means any agricultural, aquacultural, horticultural, manufacturing, research and development or processing enterprise or enterprises.

(b) "Farmer" means a resident of Mississippi who engages or wishes to engage in the commercial production of crops on land in Mississippi. The term shall include individuals, partnerships and corporations.

(2) The Mississippi Development Authority shall develop and implement a program to stimulate growth in the agricultural industry for agribusiness concerns and farmers.

(3) The program developed and implemented by the Mississippi Development Authority under this section shall:

(a) Increase the availability of financial assistance available to agribusiness concerns and farmers;

(b) Provide incentives for agribusiness concerns and farmers which will encourage growth in the Mississippi agricultural industry;

(c) Assist new agribusiness concerns and farmers in developing and implementing business plans;

(d) Develop methods for increasing markets for the goods and services of agribusiness concerns and farmers;

(e) Work with public and private entities in disseminating information about public and private programs that benefit agribusiness concerns and farmers;

(f) Identify sources of financial assistance available to agribusiness concerns and farmers and assist agribusiness concerns and farmers with the preparation of applications for assistance from public and private sources; and

(g) Assist new agribusiness concerns and farmers in developing and implementing business plans.

(3) (a) The Mississippi Development Authority shall file an annual report with the Governor, the Secretary of the Senate and the Clerk of the House of Representatives not later than December 1 of each year, regarding the impact of the program created under this section on the agribusiness industry in Mississippi.

(b) The Mississippi Development Authority shall file an annual report with the Governor, the Secretary of the Senate and the Clerk of the House of Representatives not later than December 1 of each year, with recommendations for any legislation necessary to accomplish the purposes of this section.

SECTION 43. Sections 43 through 46 of this act shall be known and may be cited as the "Mississippi Land, Water and Timber Resources Act."

SECTION 44. (1) There is created the Mississippi Land, Water and Timber Resources Board, hereinafter referred to as "the board," for the purpose of assisting Mississippi agricultural industry in the development, marketing and distribution of agricultural products.

(2) The board shall be composed of the following members:

(a) The Chairman of the Senate Agriculture Committee, or a member of the Senate Agriculture Committee designated by the chairman, as a nonvoting member;

- (b) The Chairman of the House of Representatives Agriculture Committee or a member of the House of Representatives Agriculture Committee designated by the chairman, as a nonvoting member;
 - (c) The Executive Director of the Mississippi Development Authority, or his designee;
 - (d) The Commissioner of the Mississippi Department of Agriculture and Commerce, or his designee;
 - (e) The President of the Mississippi Farm Bureau Federation, or his designee;
 - (f) The Executive Director of the Cooperative Extension Service at Mississippi State University, or his designee;
 - (g) The Executive Director of the Agribusiness and Natural Resource Development Center at Alcorn State University, or his designee;
 - (h) The Director of the Agricultural Finance Division of the Mississippi Development Authority, or his designee; and
 - (i) The Director of the Agriculture Marketing Division of the Mississippi Department of Agriculture and Commerce, or his designee.
- (2) The Executive Director of the Mississippi Development Authority and the Commissioner of the Mississippi Department of Agriculture and Commerce shall serve as co-chairmen of the board.
- (3) The board shall meet at least once each calendar quarter at the call of the co-chairmen. A majority of the members of the board shall constitute a quorum at all meetings. An affirmative vote of a majority of the members present and voting is required in the adoption of any actions taken by the board. All members must be notified, in writing, of all regular and special meetings of the board, which notices must be mailed at least ten (10) days before the dates of the meetings. All meetings shall take place at the State Capitol in Jackson, Mississippi. The board shall provide a copy of the minutes of each of its meeting to the Chairman of the Senate Agriculture Committee and the Chairman of the House of Representatives Agriculture Committee.
- (4) Members of the board shall not receive compensation. However, each member may be paid travel expenses and meals and lodging expenses as provided in Section 25-3-41, for such expenses incurred in furtherance of their duties. Travel expenses and meals and lodging expenses and other necessary expenses incurred by the board shall be paid out of funds appropriated to the Governor's Office.
- (5) In carrying out the provisions of the Mississippi Land, Water and Timber Resources Act, the board may utilize the services, facilities and personnel of all departments, agencies, offices and institutions of the state, and all such departments, agencies, offices and institutions shall cooperate with the board in carrying out the provisions of such act.

SECTION 45. The board shall have the following powers and duties:

- (a) To develop marketing plans and opportunities for independent farmers in Mississippi;
- (b) To encourage the commercialization of new agricultural technology businesses;
- (c) To initiate the development of processing facilities for Mississippi agricultural commodities;
- (d) To initiate the development of Mississippi wholesale distribution businesses for agricultural inputs and products;
- (e) To promote the development of institutional and specialty markets for Mississippi agriculture products;
- (f) To encourage additional research for new agricultural product development;

(g) To develop a working relationship with the state offices of the United States Department of Agriculture as may be appropriate for the promotion and development of agriculture in Mississippi.

(h) To promote the rural quality of life in Mississippi through such programs as 4-H, Future Farmers of America and agricultural education;

(i) To file an annual report with the Governor, Secretary of the Senate and the Clerk of the House of Representatives not later than December 1 of each year, with recommendations for any legislation necessary to accomplish the purposes of the Mississippi Land, Water and Timber Resources Act.

(j) The board may promulgate and enforce rules and regulations as may be necessary to carry out the provisions of the Mississippi Land, Water and Timber Resources Act.

(k) To expend funds out of the Mississippi Land, Water and Timber Resources Fund, upon legislative appropriation, to carry out its powers and duties under the Mississippi Land, Water and Timber Resources Act.

SECTION 46. The Mississippi Land, Water and Timber Resources Board may accept and expend funds appropriated or otherwise made available by the Legislature and funds from any other source in order to carry out the provisions of the Mississippi Land, Water and Timber Resources Act. Such funds shall be deposited into a special fund hereby established in the State Treasury, to be known as the "Mississippi Land, Water and Timber Resources Fund."

Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or interest earned on amounts in the fund shall be deposited to the credit of the fund.

SECTION 47. This act shall take effect and be in force from and after its passage.