Chapter No. 301
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HOUSE BILL NO. 403

Originated in House Don Richardson Clerk

HOUSE BILL NO. 403

AN ACT TO AMEND SECTION 25, CHAPTER 533, LAWS OF 2010, AS AMENDED BY SECTION 4, CHAPTER 30, LAWS OF 2010 SECOND EXTRAORDINARY SESSION, TO INCREASE BY $75,000,000.00 THE AMOUNT OF BONDS AUTHORIZED TO BE ISSUED FOR THE MISSISSIPPI INDUSTRY INCENTIVE FINANCING REVOLVING FUND; TO AUTHORIZE THE BOARD OF SUPERVISORS OF A COUNTY OR THE GOVERNING AUTHORITIES OF A MUNICIPALITY TO ENTER INTO AN AGREEMENT WITH AN APPROVED BUSINESS ENTERPRISE ELIGIBLE FOR A LOAN FROM THE MISSISSIPPI INDUSTRY INCENTIVE FINANCING REVOLVING FUND PROVIDING THAT THE COUNTY OR MUNICIPALITY WILL NOT LEVY ANY TAXES, FEES OR ASSESSMENTS UPON THE ENTERPRISE OTHER THAN TAXES, FEES OR ASSESSMENTS THAT ARE GENERALLY LEVIED UPON ALL TAXPAYERS AND THAT THE BOARD OF SUPERVISORS OR THE GOVERNING AUTHORITIES MAY EACH ENTER INTO A FEE-IN-LIEU AGREEMENT AS PROVIDED IN SECTION 27-31-104, MISSISSIPPI CODE OF 1972; TO PROVIDE THAT SUCH AGREEMENTS MAY BE FOR A PERIOD NOT TO EXCEED 20 YEARS; TO AMEND SECTION 57-1-221, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IT IS THE POLICY OF THE MISSISSIPPI DEVELOPMENT AUTHORITY TO ACCOMMODATE AND SUPPORT ENTERPRISES THAT RECEIVE LOANS FROM THE MISSISSIPPI INDUSTRY INCENTIVE FINANCING REVOLVING FUND THAT WISH TO HAVE A PROGRAM OF DIVERSITY IN CONTRACTING OR THAT WISH TO DO BUSINESS WITH OR CAUSE THEIR PRIME CONTRACTORS TO DO BUSINESS WITH MISSISSIPPI COMPANIES, INCLUDING COMPANIES THAT ARE SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 25, Chapter 533, Laws of 2010, as amended by Section 4, Chapter 30, Laws of 2010 Second Extraordinary Session, is amended as follows:

Section 25. (1) As used in this section, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Accreted value" of any bonds means, as of any date of computation, an amount equal to the sum of (i) the stated initial value of such bond, plus (ii) the interest accrued thereon from the issue date to the date of computation at the rate, compounded semiannually, that is necessary to produce the

approximate yield to maturity shown for bonds of the same maturity.

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

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

(2) (a) The Mississippi Development Authority, at one time, or from time to time, may declare by resolution the necessity for issuance of general obligation bonds of the State of Mississippi to provide funds for the program authorized in Section 57-1-221. Upon the adoption of a resolution by the Mississippi Development Authority, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by this subsection, the Mississippi Development Authority shall deliver a certified copy of its resolution or resolutions to the commission. Upon receipt of such resolution, the commission, in its discretion, may act as the issuing agent, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The total amount of bonds issued under this section shall not exceed Two Hundred Twenty Million Dollars ($220,000,000.00). No bonds authorized under this section shall be issued after July 1, 2014.

(b) The proceeds of bonds issued pursuant to this section shall be deposited into the Mississippi Industry Incentive Financing Revolving Fund created pursuant to Section 57-1-221. Any investment earnings on bonds issued pursuant to this section shall be used to pay debt service on bonds issued under this section, in accordance with the proceedings authorizing issuance of such bonds.

(3) The principal of and interest on the bonds authorized under this section shall be payable in the manner provided in this subsection. Such bonds shall bear such date or dates, be in such

denomination or denominations, bear interest at such rate or rates (not to exceed the limits set forth in Section 75-17-101, Mississippi Code of 1972), be payable at such place or places within or without the State of Mississippi, shall mature absolutely at such time or times not to exceed twenty-five (25) years from date of issue, be redeemable before maturity at such time or times and upon such terms, with or without premium, shall bear such registration privileges, and shall be substantially in such form, all as shall be determined by resolution of the commission.

(4) The bonds authorized by this section shall be signed by the chairman of the commission, or by his facsimile signature, and the official seal of the commission shall be affixed thereto, attested by the secretary of the commission. The interest coupons, if any, to be attached to such bonds may be executed by the facsimile signatures of such officers. Whenever any such bonds shall have been signed by the officials 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 and coupons 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 their delivery to the purchaser, or had been in office on the date such bonds may bear. However, notwithstanding anything herein to the contrary, such bonds may be issued as provided in the Registered Bond Act of the State of Mississippi.

(5) All bonds and interest coupons issued under the provisions of this section 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

section, the commission shall not be required to and need not comply with the provisions of the Uniform Commercial Code.

(6) The commission shall act as issuing agent for the bonds authorized under this section, prescribe the form of the bonds, determine the appropriate method for sale of the bonds, advertise for and accept bids or negotiate the sale of the bonds, issue and sell the bonds so authorized to be sold, pay all fees and costs incurred in such issuance and sale, and do any and all other things necessary and advisable in connection with the issuance and sale of such bonds. The commission is authorized and empowered to pay the costs that are incident to the sale, issuance and delivery of the bonds authorized under this section from the proceeds derived from the sale of such bonds. The commission may sell such bonds on sealed bids at public sale or may negotiate the sale of the bonds for such price as it may determine to be for the best interest of the State of Mississippi. All interest accruing on such bonds so issued shall be payable semiannually or annually.

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

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

(7) The bonds issued under the provisions of this section are general obligations of the State of Mississippi, and for the payment thereof the full faith and credit of the State of Mississippi is irrevocably pledged. If the funds appropriated by the Legislature are insufficient to pay the principal of and the

interest on such bonds as they become due, then the deficiency shall be paid by the State Treasurer from any funds in the State Treasury not otherwise appropriated. All such bonds shall contain recitals on their faces substantially covering the provisions of this subsection.

(8) Upon the issuance and sale of bonds under the provisions of this section, the commission shall transfer the proceeds of any such sale or sales to the Mississippi Industry Incentive Financing Revolving Fund created in Section 57-1-221. The proceeds of such bonds shall be disbursed solely upon the order of the Mississippi Development Authority under such restrictions, if any, as may be contained in the resolution providing for the issuance of the bonds.

(9) The bonds authorized under this section 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 section. Any resolution providing for the issuance of bonds under the provisions of this section shall become effective immediately upon its adoption by the commission, and any such resolution may be adopted at any regular or special meeting of the commission by a majority of its members.

(10) The bonds authorized under the authority of this section may be validated in the Chancery Court of the First Judicial District of Hinds County, Mississippi, in the manner and with the force and effect provided by Chapter 13, Title 31, Mississippi Code of 1972, for the validation of county, municipal, school district and other bonds. The notice to taxpayers required by such statutes shall be published in a newspaper published or having a general circulation in the City of Jackson, Mississippi.

(11) Any holder of bonds issued under the provisions of this section or of any of the interest coupons pertaining thereto may, either at law or in equity, by suit, action, mandamus or other

proceeding, protect and enforce any and all rights granted under this section, or under such resolution, and may enforce and compel performance of all duties required by this section to be performed, in order to provide for the payment of bonds and interest thereon.

(12) All bonds issued under the provisions of this section shall be legal investments for trustees and other fiduciaries, and for 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 this state and all municipalities and political subdivisions for the purpose of securing the deposit of public funds.

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

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

(15) The State Treasurer is authorized, without further process of law, 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, in such amounts as may be necessary to pay when due the principal of, premium, if any, and interest on, or the accreted value of, all bonds issued under this section; and 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.

(16) This section shall be deemed to be full and complete authority for the exercise of the powers therein granted, but this

section shall not be deemed to repeal or to be in derogation of any existing law of this state.

SECTION 2. (1) As used in this section:

(a) "Enterprise" means an approved business enterprise as defined in Section 57-1-221.

(b) "Project" means a project as defined in Section 57-1-221 with a minimum capital investment in this state of not less than One Hundred Million Dollars ($100,000,000.00).

(2) The board of supervisors of a county or the governing authorities of a municipality may each enter into an agreement with an enterprise that receives a loan for a project under Section 57-1-221, that provides that the county or municipality will not levy any taxes, fees or assessments upon the enterprise other than taxes, fees or assessments that are generally levied upon all taxpayers.

(3) The board of supervisors of a county or the governing authorities of a municipality may each enter into a fee-in-lieu agreement as provided in Section 27-31-104, with an enterprise that receives a loan for a project under Section 57-1-221.

(4) The agreements authorized in this section may be for a period not to exceed twenty (20) years.

SECTION 3. Section 57-1-221, Mississippi Code of 1972, is amended as follows:

57-1-221. (1) As used in this section:

(a) "Approved business enterprise" means any project that:

(i) Locates or expands in this state and creates a minimum of two hundred fifty (250) new, full-time jobs with a total capital investment in the state of a minimum of Thirty Million Dollars ($30,000,000.00) in Tier 1 or Tier 2 counties;

(ii) Locates or expands in this state and creates a minimum of two hundred fifty (250) new, full-time jobs with a

total capital investment in the state of a minimum of Fifteen Million Dollars ($15,000,000.00) in Tier 3 counties; or

(iii) Locates or expands in this state and creates a minimum of one thousand (1,000) new, full-time jobs.

(b) "MDA" means the Mississippi Development Authority.

(c) "Facility related to the project" means and includes any of the following, as they may pertain to the project:

(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) Building facilities and equipment necessary to operate the facility;

(iii) Rail lines;

(iv) Airports, airfields, air terminals and port facilities;

(v) Highways, streets and other roadways; and

(vi) Fire protection facilities, equipment and elevated water tanks.

(d) "Project" means 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 that is approved by the MDA.

(2) (a) There is created a special fund in the State Treasury to be known as the Mississippi Industry Incentive Financing Revolving Fund which shall consist of money from any source designated for deposit into the 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. Money in the fund shall be disbursed by the Mississippi Development

Authority for the purposes authorized in subsection (3) of this section.

(b) Money in the fund that is derived from the proceeds of general obligation bonds may be used to reimburse reasonable actual and necessary costs incurred by the MDA in providing grants or loans under this section through the use of general obligation bonds. An accounting of actual costs incurred for which reimbursement is sought shall be maintained for each grant or loan by the MDA. Reimbursement of reasonable actual and necessary costs for assistance shall not exceed three percent (3%) of the proceeds of bonds issued for such assistance. Reimbursements made under this subsection shall satisfy any applicable federal tax law requirements.

(3) The MDA shall establish a program to make grants or loans from the Mississippi Industry Incentive Financing Revolving Fund to local governments and approved business enterprises to construct or otherwise provide facilities related to the project.

(4) (a) Any business enterprise or local government desiring a grant or loan under this section shall submit an application to the MDA which shall include, at a minimum:

(i) Evidence that the business or industry meets the definition of an approved business enterprise;

(ii) A description, including the cost, of the requested assistance;

(iii) A description of the purpose for which the assistance is requested; and

(iv) Any other information required by the MDA.

(b) The MDA shall require that binding commitments be entered into requiring that:

(i) The minimum requirements of this section and such other requirements as the MDA considers proper shall be met; and

(ii) If such requirements are not met, all or a portion of the funds provided by this section as determined by the MDA shall be repaid.

(c) Upon receipt of the application from a business enterprise or local government for a grant or loan under this section, the MDA shall determine whether the enterprise meets the definition of an approved business enterprise and determine whether to provide the assistance requested in the form of a grant or a loan.

(d) The MDA shall have sole discretion in providing grants or loans under this section. The terms of a grant or loan provided under this section and the manner of repayment of any loan shall be within the discretion of the MDA. Repayments of loans made under this section shall be deposited to the credit of the Mississippi Industry Incentive Financing Revolving Fund.

(5) (a) Contracts, by local governments, including, but not limited to, design and construction contracts, for the acquisition, purchase, construction or installation of a project shall be exempt from the provisions of Section 31-7-13 if:

(i) The MDA finds and records such finding on its minutes, that because of availability or the particular nature of a project, it would not be in the public interest or would less effectively achieve the purposes of this section to enter into such contracts on the basis of Section 31-7-13; and

(ii) The approved business enterprise that is involved in the project concurs in such finding.

(b) When the requirements of paragraph (a) of this subsection are met:

(i) The requirements of Section 31-7-13 shall not apply to such contracts; and

(ii) The contracts may be entered into on the basis of negotiation.

(6) It is the policy of the MDA and the MDA is authorized to accommodate and support any enterprise that receives a loan under this section for a project defined in Section 2 of this act that wishes to have a program of diversity in contracting, and/or that wishes to do business with or cause its prime contractor to do business with Mississippi companies, including those companies that are small business concerns owned and controlled by socially and economically disadvantaged individuals. The term "socially and economically disadvantaged individuals" shall have the meaning ascribed to such term under Section 8(d) of the Small Business Act (15 USCS 637(d)) and relevant subcontracting regulations promulgated pursuant thereto; except that women shall be presumed to be socially and economically disadvantaged individuals for the purposes of this subsection.

(7) The MDA shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, for the implementation of this section.

SECTION 4. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
January 4, 2011

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
January 4, 2011

PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

GOVERNOR

10:06 am 1/10/11