

**\*\*\*Pending\*\*\***

**AMENDMENT No. 1 PROPOSED TO**

**House Bill NO. 617**

**By Senator(s) Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

10 SECTION 1. Section 69-2-13, Mississippi Code of 1972, is  
11 amended as follows:

12 69-2-13. (1) There is hereby established in the State  
13 Treasury a fund to be known as the "Emerging Crops Fund," which  
14 shall be used to pay the interest on loans made to farmers for  
15 nonland capital costs of establishing production of emerging crops  
16 on land in Mississippi, and to make loans and grants which are  
17 authorized under this section to be made from the fund. The fund  
18 shall be administered by the Mississippi Department of Economic  
19 and Community Development. A board comprised of the directors of  
20 the department, the Mississippi Cooperative Extension Service, the  
21 Mississippi Small Farm Development Center and the Mississippi  
22 Agricultural and Forestry Experiment Station, or their designees,  
23 shall develop definitions, guidelines and procedures for the  
24 implementation of this chapter. Funds for the Emerging Crops Fund  
25 shall be provided from the issuance of bonds or notes under  
26 Sections 69-2-19 through 69-2-37 and from repayment of interest  
27 loans made from the fund.

28 (2) (a) The Mississippi Business Finance Corporation shall  
29 develop a program which gives fair consideration to making loans  
30 for the processing and manufacturing of goods and services by

31 agribusiness and small business concerns. It is the policy of the  
32 State of Mississippi that such corporation shall give due  
33 recognition to and shall aid, counsel, assist and protect, insofar  
34 as is possible, the interests of agribusiness and small business  
35 concerns. To ensure that the purposes of this subsection are  
36 carried out, the corporation shall loan not more than One Million  
37 Dollars (\$1,000,000.00) to finance any single agribusiness or  
38 small business concern. Loans made pursuant to this subsection  
39 shall be made in accordance with the criteria established in  
40 Section 57-71-11.

41 (b) The Mississippi Business Finance Corporation may,  
42 out of the total amount of bonds authorized to be issued under  
43 this chapter, make available funds to any planning and development  
44 district in accordance with the criteria established in Section  
45 57-71-11. Planning and development districts which receive monies  
46 pursuant to this provision shall use such monies to make loans to  
47 private companies for purposes consistent with this subsection.

48 (c) The Mississippi Business Finance Corporation is  
49 hereby authorized to engage legal services, financial advisors,  
50 appraisers and consultants if needed to review and close loans  
51 made hereunder and to establish and assess reasonable fees  
52 including, but not limited to, liquidation expenses.

53 (3) The department shall, in addition to the other programs  
54 described in this section, provide for a program of loans to be  
55 made to agribusiness enterprises for the purpose of encouraging  
56 thereby the extension of conventional financing and the issuance  
57 of letters of credit to such agribusiness enterprises by private  
58 institutions. Monies to make such loans by the department shall  
59 be drawn from the Emerging Crops Fund. The amount of a loan to  
60 any single agribusiness enterprise shall not exceed twenty percent  
61 (20%) of the total cost of the project for which financing is  
62 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is  
63 less. No interest shall be charged on such loans, and only the

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64 amount actually loaned shall be required to be repaid. Repayments  
65 shall be deposited into the Emerging Crops Fund.

66 (4) Through June 30, 1999, the Mississippi Business Finance  
67 Corporation may loan or grant to qualified planning and  
68 development districts, and to small business investment  
69 corporations, bank-based community development corporations, the  
70 Recruitment and Training Program, Inc., the City of Jackson  
71 Business Development Loan Fund, the Lorman Southwest Mississippi  
72 Development Corporation, the West Jackson Community Development  
73 Corporation, the East Mississippi Development Corporation, and  
74 other entities meeting the criteria established by the Mississippi  
75 Business Corporation (all referred to hereinafter as "qualified  
76 entities"), funds for the purpose of establishing loan revolving  
77 funds to assist in providing financing for minority economic  
78 development. The monies loaned or granted by the Mississippi  
79 Business Finance Corporation shall be drawn from the Emerging  
80 Crops Fund and shall not exceed Sixteen Million Dollars  
81 (\$16,000,000.00) in the aggregate. Planning and development  
82 districts or qualified entities which receive monies pursuant to  
83 this provision shall use such monies to make loans to minority  
84 business enterprises consistent with criteria established by the  
85 Mississippi Business Finance Corporation. Such criteria shall  
86 include, at a minimum, the following:

87 (a) The business enterprise must be a private,  
88 for-profit enterprise.

89 (b) If the business enterprise is a proprietorship, the  
90 borrower must be a resident citizen of the State of Mississippi;  
91 if the business enterprise is a corporation or partnership, at  
92 least fifty percent (50%) of the owners must be resident citizens  
93 of the State of Mississippi.

94 (c) The borrower must have at least five percent (5%)  
95 equity interest in the business enterprise.

96 (d) The borrower must demonstrate ability to repay the

97 loan.

98 (e) The borrower must not be in default of any previous  
99 loan from the state or federal government.

100 (f) Loan proceeds may be used for financing all project  
101 costs associated with development or expansion of a new small  
102 business, including fixed assets, working capital, start-up costs,  
103 rental payments, interest expense during construction and  
104 professional fees related to the project.

105 (g) Loan proceeds shall not be used to pay off existing  
106 debt for loan consolidation purposes; to finance the acquisition,  
107 construction, improvement or operation of real property which is  
108 to be held primarily for sale or investment; to provide for, or  
109 free funds, for speculation in any kind of property; or as a loan  
110 to owners, partners or stockholders of the applicant which do not  
111 change ownership interest by the applicant. However, this does  
112 not apply to ordinary compensation for services rendered in the  
113 course of business.

114 (h) The maximum amount that may be loaned to any one  
115 (1) borrower shall be Two Hundred Fifty Thousand Dollars  
116 (\$250,000.00).

117 (i) The Mississippi Business Finance Corporation shall  
118 review each loan before it is made, and no loan shall be made to  
119 any borrower until the loan has been reviewed and approved by the  
120 Mississippi Business Finance Corporation.

121 For the purpose of this subsection, the term "minority  
122 business enterprise" means a socially and economically  
123 disadvantaged small business concern, organized for profit,  
124 performing a commercially useful function which is owned and  
125 controlled by one or more minorities or minority business  
126 enterprises certified by the Mississippi Business Finance  
127 Corporation, at least fifty percent (50%) of whom are resident  
128 citizens of the State of Mississippi. For purposes of this  
129 subsection, the term "socially and economically disadvantaged

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130 small business concern" shall have the meaning ascribed to such  
131 term under the Small Business Act (15 USCS, Section 637(a)), or  
132 women, and the term "owned and controlled" means a business in  
133 which one or more minorities or minority business enterprises  
134 certified by the Mississippi Business Finance Corporation own  
135 sixty percent (60%) or, in the case of a corporation, sixty  
136 percent (60%) of the voting stock, and control sixty percent (60%)  
137 of the management and daily business operations of the business.

138 From and after July 1, 1999, monies not loaned or granted by  
139 the Business Finance Corporation to planning and development  
140 districts or qualified entities under this subsection, and monies  
141 not loaned by planning and development districts or qualified  
142 entities, shall be deposited to the credit of the sinking fund  
143 created and maintained in the State Treasury for the retirement of  
144 bonds issued under Section 69-2-19.

145 (5) The Mississippi Business Finance Corporation shall  
146 develop a program which will assist minority business enterprises  
147 by guaranteeing bid, performance and payment bonds which such  
148 minority businesses are required to obtain in order to contract  
149 with state agencies or political subdivisions. Monies for such  
150 program shall be drawn from the monies allocated under subsection  
151 (4) of this section to assist the financing of minority economic  
152 development and shall not exceed Two Million Dollars

153 (\$2,000,000.00) in the aggregate. The Mississippi Business  
154 Finance Corporation may promulgate rules and regulations for the  
155 operation of the program established pursuant to this subsection.

156 For the purpose of this subsection (5) the term "minority  
157 business enterprise" has the meaning assigned such term in  
158 subsection (4) of this section.

159 (6) The Mississippi Business Finance Corporation may loan or  
160 grant to public entities and to nonprofit corporations funds to  
161 defray the expense of financing (or to match any funds available  
162 from other public or private sources for the expense of financing)

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163 projects in this state which are devoted to the study, teaching  
164 and/or promotion of regional crafts and which are deemed by the  
165 corporation to be significant tourist attractions. The monies  
166 loaned or granted shall be drawn from the Emerging Crops Fund and  
167 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
168 in the aggregate.

169 (7) Through June 30, 1998, the Mississippi Business Finance  
170 Corporation shall make available to the Mississippi Department of  
171 Agriculture and Commerce funds for the purpose of establishing  
172 loan revolving funds and other methods of financing for  
173 agribusiness programs administered under the Mississippi  
174 Agribusiness Council Act of 1993. The monies made available by  
175 the Mississippi Business Finance Corporation shall be drawn from  
176 the Emerging Crops Fund and shall not exceed Seven Hundred  
177 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi  
178 Department of Agriculture and Commerce shall establish control and  
179 auditing procedures for use of these funds. These funds will be  
180 used primarily for quick payment to farmers for vegetable and  
181 fruit crops processed and sold through vegetable processing plants  
182 associated with the Department of Agriculture and Commerce and the  
183 Mississippi State Extension Service.

184 (8) From and after July 1, 1996, the Mississippi Business  
185 Finance Corporation shall make available to the Mississippi Small  
186 Farm Development Center One Million Dollars (\$1,000,000.00) to be  
187 used by the center to assist small entrepreneurs as provided in  
188 Section 37-101-25, Mississippi Code of 1972. The monies made  
189 available by the Mississippi Business Finance Corporation shall be  
190 drawn from the Emerging Crops Fund.

191 (9) The Mississippi Business Finance Corporation shall make  
192 available to the Mississippi Department of Agriculture and  
193 Commerce for disbursement, upon warrant or warrants issued by the  
194 State Fiscal Officer upon requisitions made by the Commissioner of  
195 Agriculture and Commerce, or his designee, to the Certified Cotton

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196 Growers Organization, as defined in Section 69-37-5, funds on a  
197 one-time basis in a lump sum, an amount not to exceed Two Million  
198 Dollars (\$2,000,000.00) for the purpose of assisting in carrying  
199 out the purposes of the Mississippi Boll Weevil Management Act.  
200 The monies made available by the Mississippi Business Finance  
201 Corporation shall be drawn from the Emerging Crops Fund. This  
202 subsection (9) shall be repealed from and after June 30, 1999.

203 (10) Upon request by resolution of the Board of Directors of  
204 the Institute for Technology Development and the Mississippi  
205 Agribusiness Council, the Mississippi Business Finance Corporation  
206 shall make available to the Institute for Technology Development  
207 on a one-time basis, an amount not to exceed Two Hundred Fifty  
208 Thousand Dollars (\$250,000.00) from the cash balance of the  
209 Emerging Crops Fund to support the development of a cooperative  
210 program for agribusiness development with the Alternative  
211 Agriculture Research and Commercialization Program (AARC) of the  
212 United States Department of Agriculture.

213 (11) The Mississippi Business Finance Corporation shall make  
214 available to the Mississippi Forestry Commission on a lump sum  
215 amount not to exceed Five Hundred Thousand Dollars (\$500,000.00)  
216 to be drawn from the Emerging Crops Fund and used for the  
217 commission's Reforestation Cost-Share Program. This subsection  
218 (11) shall be repealed from and after June 30, 1999.

219 (12) The Mississippi Business Finance Corporation shall make  
220 available to the Mississippi Forestry Commission for Fiscal Year  
221 1999 a lump sum amount not to exceed Three Million Dollars  
222 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used  
223 for the purpose of replacing fire fighting units/equipment. This  
224 subsection (12) shall be repealed from and after June 30, 1999.

225 (13) In addition to the amount provided in subsection (11)  
226 of this section, the Mississippi Business Finance Corporation  
227 shall make available to the Mississippi Forestry Commission for  
228 Fiscal Year 1999 a lump sum amount not to exceed Five Hundred

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229 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops  
230 Fund and used for the commission's Reforestation Cost-Share  
231 Program. This subsection (13) shall be repealed from and after  
232 June 30, 1999.

233 (14) The Mississippi Business Finance Corporation shall make  
234 available to the Small Farm Development Center at Alcorn State  
235 University for Fiscal Year 1999 funds in the amount of Fifty  
236 Thousand Dollars (\$50,000.00) and for Fiscal Year 2000 funds in  
237 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from  
238 the Emerging Crops Fund to support a cooperative program for  
239 agribusiness development in Mississippi. This subsection (14)  
240 shall be repealed from and after June 30, 2000.

241 (15) The Mississippi Business Finance Corporation shall make  
242 available to the Small Farm Development Center at Alcorn State  
243 University for Fiscal Year 2001 funds in the amount of Fifty  
244 Thousand Dollars (\$50,000.00) to be drawn from the Emerging Crops  
245 Fund to support a cooperative program for agribusiness development  
246 in Mississippi. This subsection (15) shall be repealed from and  
247 after June 30, 2001.

248 (16) The Mississippi Business Finance Corporation shall make  
249 available to the Mississippi Forestry Commission for fiscal year  
250 2000 a lump sum amount not to exceed One Million Dollars  
251 (\$1,000,000.00) to be drawn from the Emerging Crop Fund and used  
252 for the commission's Reforestation Cost-Share Program. This  
253 subsection (16) shall be repealed from and after June 30, 2000.

254 SECTION 2. This act shall take effect and be in force from  
255 and after July 1, 1999.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE MISSISSIPPI BUSINESS FINANCE CORPORATION TO MAKE  
3 CERTAIN FUNDS AVAILABLE FROM THE EMERGING CROPS FUND TO THE SMALL  
4 FARM DEVELOPMENT CENTER AT ALCORN STATE UNIVERSITY TO SUPPORT A  
5 COOPERATIVE PROGRAM FOR AGRIBUSINESS DEVELOPMENT IN MISSISSIPPI;  
6 TO AUTHORIZE THE MISSISSIPPI BUSINESS FINANCE CORPORATION TO MAKE  
7 CERTAIN FUNDS AVAILABLE FROM THE EMERGING CROPS FUND FOR PURPOSES

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8 OF THE REFORESTATION COST-SHARE PROGRAM; AND FOR RELATED PURPOSES.