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To: Ways and Means

HOUSE BILL NO. 1681

1 AN ACT TO AMEND SECTION 65-4-25, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE AMOUNT OF STATE GENERAL OBLIGATION BONDS THAT MAY BE
3 ISSUED UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT; TO AMEND
4 SECTION 57-1-307, MISSISSIPPI CODE OF 1972, TO INCREASE FROM
5 \$95,000,000.00 TO \$103,500,000.00, THE AMOUNT OF BONDS THAT MAY BE
6 ISSUED UNDER THE LOCAL GOVERNMENTS CAPITAL IMPROVEMENTS REVOLVING
7 LOAN PROGRAM; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972,
8 TO INCREASE FROM \$9,000,000.00 TO \$10,500,000.00, THE AMOUNT OF
9 BONDS PROCEEDS THAT THE DEPARTMENT OF ECONOMIC AND COMMUNITY
10 DEVELOPMENT MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT
11 ACT FOR THE PURPOSE OF MAKING GRANTS TO COUNTIES AND
12 MUNICIPALITIES UNDER THE DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM;
13 TO REQUIRE THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO
14 UTILIZE NOT MORE THAN \$750,000.00 OF THE BOND PROCEEDS UNDER THE
15 MISSISSIPPI BUSINESS INVESTMENT ACT TO MATCH FEDERAL FUNDS
16 AVAILABLE FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR THE
17 PURPOSE OF ESTABLISHING AN INTERMEDIARY RELENDING PROGRAM TO BE
18 ADMINISTERED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY
19 DEVELOPMENT; TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972,
20 TO INCREASE FROM \$16,000,000.00 TO \$18,000,000.00, THE AMOUNT OF
21 MONEY THAT MAY BE DRAWN FROM THE EMERGING CROPS FUND BY THE
22 MISSISSIPPI BUSINESS FINANCE CORPORATION TO ASSIST IN PROVIDING
23 FINANCING FOR MINORITY ECONOMIC DEVELOPMENT; TO AUTHORIZE THE
24 MISSISSIPPI BUSINESS FINANCE CORPORATION TO PROVIDE SUCH
25 ASSISTANCE; TO INCLUDE CONTRACTS WITH FEDERAL DEPARTMENTS AND
26 AGENCIES IN THE TYPES OF CONTRACTS FOR WHICH THE MISSISSIPPI
27 BUSINESS FINANCE CORPORATION WILL GUARANTEE BID, PERFORMANCE AND
28 PAYMENT BONDS WHICH MINORITY BUSINESSES ARE REQUIRED TO OBTAIN FOR
29 SUCH CONTRACTS; TO AMEND SECTION 69-2-19, MISSISSIPPI CODE OF
30 1972, TO INCREASE FROM \$95,000,000.00 TO \$97,000,000.00, THE
31 AMOUNT OF BONDS THAT MAY BE ISSUED TO PROVIDE FUNDS FOR THE
32 EMERGING CROPS FUND; AND FOR RELATED PURPOSES.

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

34 SECTION 1. Section 65-4-25, Mississippi Code of 1972, is
35 amended as follows:

36 65-4-25. The Mississippi Department of Economic and
37 Community Development, acting through its executive director, is
38 authorized, at one time or from time to time, to declare by
39 resolution the necessity for issuance of negotiable general
40 obligation bonds of the State of Mississippi to provide funds for
41 the Economic Development Highway Fund established in Section

42 65-4-15, Mississippi Code of 1972. Upon the adoption of a
43 resolution by the Executive Director of the Mississippi Department
44 of Economic and Community Development, declaring the necessity for
45 the issuance of any part or all of the general obligation bonds
46 authorized by Sections 65-4-25 through 65-4-45, Mississippi Code
47 of 1972, the executive director shall deliver a certified copy of
48 his resolution or resolutions to the State Bond Commission. Upon
49 receipt of same, the State Bond Commission, in its discretion,
50 shall act as the issuing agent, prescribe the form of the bonds,
51 advertise for and accept bids, issue and sell the bonds so
52 authorized to be sold, and do any and all other things necessary
53 and advisable in connection with the issuance and sale of such
54 bonds. The principal amount of bonds issued under Sections
55 65-4-25 through 65-4-45, Mississippi Code of 1972, shall not
56 exceed One Hundred Fifty Million Dollars (\$150,000,000.00) in the
57 aggregate. However, an additional amount of bonds may be issued
58 under Sections 65-4-25 through 65-4-45, Mississippi Code of 1972,
59 in an amount not to exceed Seven Million Dollars (\$7,000,000.00),
60 and the proceeds of any such additional bonds issued shall be used
61 to provide funding for a high economic benefit project as defined
62 in Section 65-4-5(1)(c)(vi), Mississippi Code of 1972.

63 SECTION 2. Section 57-1-307, Mississippi Code of 1972, is
64 amended as follows:

65 57-1-307. (1) The State Bond Commission, at one time, or
66 from time to time, may declare by resolution the necessity for
67 issuance of general obligation bonds of the State of Mississippi
68 to provide funds for all costs incurred or to be incurred for the
69 purposes described in Section 57-1-303. Upon the adoption of a
70 resolution by the Department of Economic and Community
71 Development, declaring the necessity for the issuance of any part
72 or all of the general obligation bonds authorized by this section,
73 the Department of Economic and Community Development shall deliver
74 a certified copy of its resolution or resolutions to the State
75 Bond Commission. Upon receipt of such resolution, the State Bond
76 Commission, in its discretion, may act as the issuing agent,
77 prescribe the form of the bonds, advertise for and accept bids,
78 issue and sell the bonds so authorized to be sold and do any and

79 all other things necessary and advisable in connection with the
80 issuance and sale of such bonds. The total amount of bonds issued
81 under Sections 57-1-307 through 57-1-335 shall not exceed One
82 Hundred Three Million Five Hundred Thousand Dollars
83 (\$103,500,000.00); provided, however, that an additional amount of
84 bonds may be issued under Sections 57-1-307 and 57-1-335 in an
85 amount not to exceed Five Million Dollars (\$5,000,000.00), and the
86 proceeds of any such additional amount of bonds so issued shall be
87 utilized solely to provide loans for capital improvements that
88 would qualify for the issuance of bonds whose interest is exempt
89 from income taxation under the provisions of the Internal Revenue
90 Code.

91 (2) Proceeds from the sale of bonds shall be deposited in
92 the special fund created in Section 57-1-303. Any investment
93 earnings on amounts deposited into the special fund created in
94 Section 57-1-303 shall be used to pay debt service on bonds issued
95 under Sections 57-1-307 through 57-1-335, in accordance with the
96 proceedings authorizing issuance of such bonds.

97 SECTION 3. Section 57-61-36, Mississippi Code of 1972, is
98 amended as follows:

99 57-61-36. (1) Notwithstanding any provision of this chapter
100 to the contrary, the Department of Economic and Community
101 Development shall utilize not more than Ten Million Five Hundred
102 Thousand Dollars (\$10,500,000.00) out of the proceeds of bonds
103 authorized to be issued in this chapter for the purpose of making
104 grants to municipalities through a development infrastructure
105 grant fund to complete infrastructure related to new or expanded
106 industry.

107 (2) Notwithstanding any provision of this chapter to the
108 contrary, the Department of Economic and Community Development may
109 utilize not more than Seven Million Dollars (\$7,000,000.00) out of
110 the proceeds of bonds authorized to be issued in this chapter for
111 the purpose of making interest-bearing loans to any agency,

112 department, institution, instrumentality or political subdivision
113 of the state; or any agency, department, institution or
114 instrumentality of any political subdivision of the state; or any
115 business, organization, corporation, association or other legal
116 entity meeting criteria established by the department, through a
117 housing development revolving loan fund, to construct or repair
118 housing for low or moderate income earners; provided, however,
119 that the department may not utilize any bond proceeds authorized
120 under this chapter for the purpose of making any loans to the
121 Mississippi Home Corporation for any purpose whatsoever. No more
122 than forty percent (40%) of the additional bonds authorized by
123 this section in House Bill No. 1694, 1998 Regular Session [Laws,
124 1998, Chapter 559], may be used for multiple family housing
125 activities. Funds authorized under this subsection may be
126 deposited in the Mississippi Affordable Housing Development Fund
127 authorized in Section 43-33-759 and used for purposes authorized
128 by that section. This subsection (2) shall be repealed from and
129 after July 1, 2001.

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

143 The requirements of Section 57-61-9 shall not apply to any
144 grant made under this subsection. The Department of Economic and

145 Community Development may establish criteria and guidelines to
146 govern grants made pursuant to this subsection.

147 (4) Notwithstanding any provision of this chapter to the
148 contrary, the Department of Economic and Community Development
149 shall utilize not more than Seven Hundred Fifty Thousand Dollars
150 (\$750,000.00) out of the proceeds of bonds authorized to be issued
151 in this chapter in order to match federal funds available from the
152 United States Department of Agriculture for the purpose of
153 establishing an intermediary relending program to be administered
154 by the Department of Economic and Community Development. The
155 Department of Economic and Community Development may establish
156 criteria and guidelines to govern loans made under such program.

157 SECTION 4. Section 69-2-13, Mississippi Code of 1972, is
158 amended as follows:

159 69-2-13. (1) There is hereby established in the State
160 Treasury a fund to be known as the "Emerging Crops Fund," which
161 shall be used to pay the interest on loans made to farmers for
162 nonland capital costs of establishing production of emerging crops
163 on land in Mississippi, and to make loans and grants which are
164 authorized under this section to be made from the fund. The fund
165 shall be administered by the Mississippi Department of Economic
166 and Community Development. A board comprised of the directors of
167 the department, the Mississippi Cooperative Extension Service, the
168 Mississippi Small Farm Development Center and the Mississippi
169 Agricultural and Forestry Experiment Station, or their designees,
170 shall develop definitions, guidelines and procedures for the
171 implementation of this chapter. Funds for the Emerging Crops Fund
172 shall be provided from the issuance of bonds or notes under
173 Sections 69-2-19 through 69-2-37 and from repayment of interest
174 loans made from the fund.

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

178 agribusiness and small business concerns. It is the policy of the
179 State of Mississippi that such corporation shall give due
180 recognition to and shall aid, counsel, assist and protect, insofar
181 as is possible, the interests of agribusiness and small business
182 concerns. To ensure that the purposes of this subsection are
183 carried out, the corporation shall loan not more than One Million
184 Dollars (\$1,000,000.00) to finance any single agribusiness or
185 small business concern. Loans made pursuant to this subsection
186 shall be made in accordance with the criteria established in
187 Section 57-71-11.

188 (b) The Mississippi Business Finance Corporation may,
189 out of the total amount of bonds authorized to be issued under
190 this chapter, make available funds to any planning and development
191 district in accordance with the criteria established in Section
192 57-71-11. Planning and development districts which receive monies
193 pursuant to this provision shall use such monies to make loans to
194 private companies for purposes consistent with this subsection.

195 (c) The Mississippi Business Finance Corporation is
196 hereby authorized to engage legal services, financial advisors,
197 appraisers and consultants if needed to review and close loans
198 made hereunder and to establish and assess reasonable fees
199 including, but not limited to, liquidation expenses.

200 (3) The department shall, in addition to the other programs
201 described in this section, provide for a program of loans to be
202 made to agribusiness enterprises for the purpose of encouraging
203 thereby the extension of conventional financing and the issuance
204 of letters of credit to such agribusiness enterprises by private
205 institutions. Monies to make such loans by the department shall
206 be drawn from the Emerging Crops Fund. The amount of a loan to
207 any single agribusiness enterprise shall not exceed twenty percent
208 (20%) of the total cost of the project for which financing is
209 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is
210 less. No interest shall be charged on such loans, and only the

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

213 (4) Through June 30, 2001, the Mississippi Business Finance
214 Corporation may loan or grant to qualified planning and
215 development districts, and to small business investment
216 corporations, bank-based community development corporations, the
217 Recruitment and Training Program, Inc., the City of Jackson
218 Business Development Loan Fund, the Lorman Southwest Mississippi
219 Development Corporation, the West Jackson Community Development
220 Corporation, the East Mississippi Development Corporation, and
221 other entities meeting the criteria established by the Mississippi
222 Business Corporation (all referred to hereinafter as "qualified
223 entities"), funds for the purpose of establishing loan revolving
224 funds to assist in providing financing for minority economic
225 development. The monies loaned or granted by the Mississippi
226 Business Finance Corporation shall be drawn from the Emerging
227 Crops Fund and shall not exceed Eighteen Million Dollars
228 (\$18,000,000.00) in the aggregate. Planning and development
229 districts or qualified entities which receive monies pursuant to
230 this provision shall use such monies to make loans to minority
231 business enterprises consistent with criteria established by the
232 Mississippi Business Finance Corporation. Such criteria shall
233 include, at a minimum, the following:

234 (a) The business enterprise must be a private,
235 for-profit enterprise.

236 (b) If the business enterprise is a proprietorship, the
237 borrower must be a resident citizen of the State of Mississippi;
238 if the business enterprise is a corporation or partnership, at
239 least fifty percent (50%) of the owners must be resident citizens
240 of the State of Mississippi.

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

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

244 loan.

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

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

252 (g) Loan proceeds shall not be used to pay off existing
253 debt for loan consolidation purposes; to finance the acquisition,
254 construction, improvement or operation of real property which is
255 to be held primarily for sale or investment; to provide for, or
256 free funds, for speculation in any kind of property; or as a loan
257 to owners, partners or stockholders of the applicant which do not
258 change ownership interest by the applicant. However, this does
259 not apply to ordinary compensation for services rendered in the
260 course of business.

261 (h) The maximum amount that may be loaned to any one
262 (1) borrower shall be Two Hundred Fifty Thousand Dollars
263 (\$250,000.00).

264 (i) The Mississippi Business Finance Corporation shall
265 review each loan before it is made, and no loan shall be made to
266 any borrower until the loan has been reviewed and approved by the
267 Mississippi Business Finance Corporation.

268 For the purpose of this subsection, the term "minority
269 business enterprise" means a socially and economically
270 disadvantaged small business concern, organized for profit,
271 performing a commercially useful function which is owned and
272 controlled by one or more minorities or minority business
273 enterprises certified by the Mississippi Business Finance
274 Corporation, at least fifty percent (50%) of whom are resident
275 citizens of the State of Mississippi. For purposes of this
276 subsection, the term "socially and economically disadvantaged

277 small business concern" shall have the meaning ascribed to such
278 term under the Small Business Act (15 USCS, Section 637(a)), or
279 women, and the term "owned and controlled" means a business in
280 which one or more minorities or minority business enterprises
281 certified by the Mississippi Business Finance Corporation own
282 sixty percent (60%) or, in the case of a corporation, sixty
283 percent (60%) of the voting stock, and control sixty percent (60%)
284 of the management and daily business operations of the business.

285 From and after July 1, 1999, monies not loaned or granted by
286 the Business Finance Corporation to planning and development
287 districts or qualified entities under this subsection, and monies
288 not loaned by planning and development districts or qualified
289 entities, shall be deposited to the credit of the sinking fund
290 created and maintained in the State Treasury for the retirement of
291 bonds issued under Section 69-2-19.

292 (5) The Mississippi Business Finance Corporation shall
293 develop a program which will assist minority business enterprises
294 by guaranteeing bid, performance and payment bonds which such
295 minority businesses are required to obtain in order to contract
296 with state agencies, political subdivisions, federal agencies or
297 federal departments. Monies for such program shall be drawn from
298 the monies allocated under subsection (4) of this section to
299 assist the financing of minority economic development and shall
300 not exceed Two Million Dollars (\$2,000,000.00) in the aggregate.
301 The Mississippi Business Finance Corporation may promulgate rules
302 and regulations for the operation of the program established
303 pursuant to this subsection. For the purpose of this subsection
304 (5) the term "minority business enterprise" has the meaning
305 assigned such term in subsection (4) of this section.

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

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

316 (7) Through June 30, 1998, the Mississippi Business Finance
317 Corporation shall make available to the Mississippi Department of
318 Agriculture and Commerce funds for the purpose of establishing
319 loan revolving funds and other methods of financing for
320 agribusiness programs administered under the Mississippi
321 Agribusiness Council Act of 1993. The monies made available by
322 the Mississippi Business Finance Corporation shall be drawn from
323 the Emerging Crops Fund and shall not exceed Seven Hundred
324 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi
325 Department of Agriculture and Commerce shall establish control and
326 auditing procedures for use of these funds. These funds will be
327 used primarily for quick payment to farmers for vegetable and
328 fruit crops processed and sold through vegetable processing plants
329 associated with the Department of Agriculture and Commerce and the
330 Mississippi State Extension Service.

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

338 (9) The Mississippi Business Finance Corporation shall make
339 available to the Mississippi Department of Agriculture and
340 Commerce for disbursement, upon warrant or warrants issued by the
341 State Fiscal Officer upon requisitions made by the Commissioner of
342 Agriculture and Commerce, or his designee, to the Certified Cotton

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

350 (10) Upon request by resolution of the Board of Directors of
351 the Institute for Technology Development and the Mississippi
352 Agribusiness Council, the Mississippi Business Finance Corporation
353 shall make available to the Institute for Technology Development
354 on a one-time basis, an amount not to exceed Two Hundred Fifty
355 Thousand Dollars (\$250,000.00) from the cash balance of the
356 Emerging Crops Fund to support the development of a cooperative
357 program for agribusiness development with the Alternative
358 Agriculture Research and Commercialization Program (AARC) of the
359 United States Department of Agriculture.

360 (11) The Mississippi Business Finance Corporation shall make
361 available to the Mississippi Forestry Commission on a lump sum
362 amount not to exceed Five Hundred Thousand Dollars (\$500,000.00)
363 to be drawn from the Emerging Crop Fund and used for the
364 commission's Reforestation Cost-Share Program. This subsection
365 (11) shall be repealed from and after June 30, 1999.

366 (12) The Mississippi Business Finance Corporation shall make
367 available to the Mississippi Forestry Commission for fiscal year
368 1999 a lump sum amount not to exceed Three Million Dollars
369 (\$3,000,000.00) to be drawn from the Emerging Crop Fund and used
370 for the purpose of replacing fire fighting units/equipment. This
371 subsection (12) shall be repealed from and after June 30, 1999.

372 (13) In addition to the amount provided in subsection (11)
373 of this section, the Mississippi Business Finance Corporation
374 shall make available to the Mississippi Forestry Commission for
375 fiscal year 1999 a lump sum amount not to exceed Five Hundred

376 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crop
377 Fund and used for the commission's Reforestation Cost-Share
378 Program. This subsection (13) shall be repealed from and after
379 June 30, 1999.

380 (14) The Mississippi Business Finance Corporation shall make
381 available to the Small Farm Development Center at Alcorn State
382 University for fiscal year 1999 funds in the amount of Fifty
383 Thousand Dollars (\$50,000.00) and for fiscal year 2000 funds in
384 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from
385 the Emerging Crops Fund to support a cooperative program for
386 agribusiness development in Mississippi. This subsection (14)
387 shall be repealed from and after June 30, 2000.

388 SECTION 5. Section 69-2-19, Mississippi Code of 1972, is
389 amended as follows:

390 69-2-19. The State Department of Economic and Community
391 Development is authorized, at one (1) time or from time to time,
392 to declare by resolution the necessity for issuance of negotiable
393 general obligation bonds of the State of Mississippi to provide
394 funds for the Emerging Crops Fund established in Section 69-2-13.
395 Upon the adoption of a resolution by the board, declaring the
396 necessity for the issuance of any part or all of the general
397 obligation bonds authorized by Sections 69-2-19 through 69-2-39,
398 the department shall deliver a certified copy of its resolution or
399 resolutions to the State Bond Commission. Upon receipt of same,
400 the State Bond Commission, in its discretion, shall act as the
401 issuing agent, prescribe the form of the bonds, advertise for and
402 accept bids, issue and sell the bonds so authorized to be sold,
403 and do any and all other things necessary and advisable in
404 connection with the issuance and sale of such bonds. The amount
405 of bonds issued under Sections 69-2-19 through 69-2-39 shall not
406 exceed Ninety-seven Million Dollars (\$97,000,000.00) in the
407 aggregate. No bonds may be issued under Sections 69-2-19 through
408 69-2-39 after October 1, 2003.

409 SECTION 6. This act shall take effect and be in force from
410 and after July 1, 2000.