

By: Horhn

To: Finance

SENATE BILL NO. 3210

1 AN ACT TO AMEND SECTION 57-10-511, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE THE AMOUNT OF GRANT FUNDS THAT MAY BE MADE AVAILABLE
 3 TO PLANNING AND DEVELOPMENT DISTRICTS AND QUALIFIED ENTITIES UNDER
 4 THE MISSISSIPPI SMALL BUSINESS ASSISTANCE ACT; TO EXTEND UNTIL
 5 JULY 1, 2002, THE REPEAL DATE ON THIS SECTION; TO AMEND SECTION
 6 57-10-525, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE ISSUANCE OF
 7 ADDITIONAL BONDS IN THE AMOUNT OF \$10,000,000.00 TO PROVIDE FUNDS
 8 FOR SUCH GRANTS; AND FOR RELATED PURPOSES.

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

10 SECTION 1. Section 57-10-511, Mississippi Code of 1972, is
 11 amended as follows:[WAN1]

12 57-10-511. (1) DECD shall grant funds under this article to
 13 a planning and development district or qualified entity in
 14 accordance with the following terms and conditions:

15 (a) Grant funds received by a planning and development
 16 district or qualified entity in accordance with this article shall
 17 be used by the planning and development district or qualified
 18 entity to establish a revolving assistance fund for the purpose of
 19 providing assistance to small businesses in accordance with this
 20 article. Except as otherwise allowed in this article, all
 21 principal and interest payments by small businesses in repayment
 22 of such assistance shall be eligible for and used by the planning
 23 and development district or qualified entity for additional
 24 assistance to small businesses in accordance with this article.

25 (b) Each planning and development district meeting the
 26 criteria set forth in this article shall receive an initial grant
 27 of not to exceed One Million Dollars (\$1,000,000.00) for the
 28 purpose of establishing the program within its area in accordance
 29 with this article. Each qualified entity meeting the criteria set

30 forth in this article shall be eligible to receive an initial
31 grant of Five Hundred Thousand Dollars (\$500,000.00) for the
32 purpose of establishing the program within the area it serves in
33 accordance with this article. The total amount of initial grants
34 to planning and development districts shall not exceed Ten Million
35 Dollars (\$10,000,000.00) and the total amount of initial grants
36 for qualified entities shall not exceed Two Million Dollars
37 (\$2,000,000.00). Each planning and development district or
38 qualified entity receiving an initial grant shall have twelve (12)
39 months in which to make binding commitments to provide assistance
40 to small businesses in the principal amount of the initial grant
41 in accordance with this article. Grant funds not committed to
42 provide assistance to small businesses at the end of twelve (12)
43 months after receipt thereof by the planning and development
44 district or qualified entity shall be returned to DECD for
45 placement in a pool to be redistributed by DECD to planning and
46 development districts or qualified entities which have binding
47 commitments to distribute as assistance all their initial grant
48 funds and have pending applications for additional assistance in
49 accordance with this article. Any planning and development
50 district or qualified entity returning any such grant funds to
51 DECD shall be required at the time such initial grant funds are
52 returned to deliver to the State Treasury, for deposit in the
53 General Fund, interest on the amount of such returned funds at the
54 same rate as any bonds or notes of the State of Mississippi issued
55 pursuant to this article to provide such grant funds.

56 (c) After all of the initial grant funds have been
57 provided as assistance to small businesses in accordance with this
58 article, DECD shall distribute additional grant funds to each
59 planning and development district or qualified entity qualified
60 under this article to receive and requesting such funds in
61 whatever amounts DECD deems appropriate and when needed by such
62 planning and development districts or qualified entities to
63 provide additional assistance to small businesses in accordance
64 with this article. The schedule for distributing such funds shall
65 be determined by DECD. Funds distributed to planning and
66 development districts and qualified entities pursuant to this

67 paragraph shall be in addition to funds distributed to planning
68 and development districts and qualified entities pursuant to
69 paragraph (b) of this section. The total amount of grants issued
70 pursuant to this paragraph shall not exceed Seventeen Million
71 Dollars (\$17,000,000.00) for planning and development districts or
72 qualified entities. Grant funds not committed to provide
73 assistance to small businesses at the end of twelve (12) months
74 after receipt thereof by the planning and development district or
75 qualified entity shall be returned to DECD for placement in a pool
76 to be redistributed by DECD to planning and development districts
77 or qualified entities which have binding commitments to distribute
78 as assistance all their initial grant funds and have pending
79 applications for additional assistance in accordance with this
80 article. Any planning and development district or qualified
81 entity returning any such grant funds to DECD shall be required at
82 the time such grant funds are returned to deliver to the State
83 Treasury, for deposit in the General Fund, interest on the amount
84 of such returned funds at the same rate as any bonds or notes of
85 the State of Mississippi issued pursuant to this article to
86 provide such grant funds.

87 (d) DECD shall distribute additional grant funds to
88 each planning and development district or qualified entity
89 qualified under this article to receive and requesting such funds
90 in whatever amounts DECD deems appropriate and when needed by such
91 planning and development districts or qualified entities to
92 provide additional assistance to small businesses in accordance
93 with this article. The schedule for distributing such funds shall
94 be determined by DECD. Funds distributed to planning and
95 development districts and qualified entities pursuant to this
96 paragraph shall be in addition to funds distributed to planning
97 and development districts and qualified entities pursuant to
98 paragraphs (b) and (c) of this section. The total amount of
99 grants issued pursuant to this paragraph shall not exceed Ten

100 Million Dollars (\$10,000,000.00) for planning and development
101 districts and Two Million Dollars (\$2,000,000.00) for qualified
102 entities. Grant funds not committed to provide assistance to
103 small businesses at the end of twelve (12) months after receipt
104 thereof by the planning and development district or qualified
105 entity shall be returned to DECD for placement in a pool to be
106 redistributed by DECD to planning and development districts or
107 qualified entities which have binding commitments to distribute as
108 assistance all their grant funds and have pending applications for
109 additional assistance in accordance with this article. Any
110 planning and development district or qualified entity returning
111 any such grant funds to DECD shall be required at the time such
112 grant funds are returned to deliver to the State Treasury, for
113 deposit in the General Fund, interest on the amount of such
114 returned funds at the same rate as any bonds or notes of the State
115 of Mississippi issued pursuant to this article to provide such
116 grant funds.

117 (e) A planning and development district or qualified
118 entity participating in the program may utilize not more than
119 fifty percent (50%) of interest earned on assistance provided to
120 small businesses in accordance with this article for
121 administration and management of the program, unless specifically
122 authorized to utilize more by DECD; provided, however, any
123 interest earned on grant funds held by a planning and development
124 district or qualified entity prior to the utilization of such
125 grant funds to provide assistance to small business shall be
126 placed in the revolving assistance fund of the planning and
127 development district or qualified entity and shall not be expended
128 for administration or management costs. Planning and development
129 districts and qualified entities may retain fifty percent (50%) of
130 the interest earned on repayment funds that are being held on
131 deposit in anticipation of relending to aid in the administration
132 and management of the program. Each planning and development

133 district and qualified entity shall file annually with the
134 Secretary of the Senate and the Clerk of the House of
135 Representatives not later than the first day of each regular
136 legislative session a report which details any interest retained
137 or utilized by the planning and development district or qualified
138 entity pursuant to this paragraph (e).

139 (f) If a planning and development district or qualified
140 entity participating in the program experiences losses from
141 assistance provided pursuant to the program in excess of fifty
142 percent (50%) of the amount of grant funds received by the
143 planning and development district or qualified entity, the
144 planning and development district or qualified entity shall repay
145 the State of Mississippi the amount of such losses in excess of
146 fifty percent (50%) by delivering that amount to the State
147 Treasury for deposit in the General Fund.

148 (g) DECD shall assist each planning and development
149 district or qualified entity participating in the program in
150 connection with such planning and development district's or
151 qualified entity's compliance with this article.

152 (h) Each planning and development district or qualified
153 entity participating in the program shall submit the following
154 reports to the House Ways and Means Committee and the Senate
155 Economic Development, Tourism and Parks Committee:

156 (i) An annual audit of grant funds received in
157 connection with the program; and

158 (ii) A semiannual report on July 15 and January 15
159 of each year, describing all assistance provided to small
160 businesses pursuant to the program, such reports to include
161 without limitation the following: a description of each small
162 business receiving assistance; the project to be assisted and
163 purpose of assistance; a description of each loan and equity
164 investment, including the terms and conditions thereof and use of
165 the funds assistance by the small business; history of the

166 assistance pool, including principal amount loaned, interest
167 earned, interest expended for administration and management,
168 principal amount of equity investments, assistance funds
169 available, and losses; and a statement of jobs created or retained
170 as a result of the assistance program.

171 (i) If DECD determines that a district or entity has
172 provided assistance to small businesses in a manner inconsistent
173 with the provisions of this article, then the amount of such
174 assistance so provided shall be withheld by DECD from any
175 additional grant funds to which the district or entity becomes
176 entitled under this article. If DECD determines, after notifying
177 such district or entity twice in writing and providing such
178 district or entity a reasonable opportunity to comply, that a
179 planning and development district or qualified entity has
180 consistently failed to comply with this article in connection with
181 the program, DECD may declare such planning and development
182 district or qualified entity in default under the program and,
183 upon receipt of notice thereof from DECD, such planning and
184 development district or qualified entity shall immediately cease
185 providing assistance under the program, shall refund to DECD for
186 distribution to other planning and development districts or
187 qualified entities all funds held in its revolving assistance fund
188 and, if required by DECD, shall convey to DECD all administrative
189 and management control of assistance provided by it under the
190 program.

191 (2) This section shall stand repealed on July 1, 2002.

192 SECTION 2. Section 57-10-525, Mississippi Code of 1972, is
193 amended as follows:[WAN2]

194 57-10-525. (1) The seller is authorized to borrow, on the
195 credit of the state, money not exceeding the aggregate sum of
196 Thirty-nine Million Dollars (\$39,000,000.00), not including money
197 borrowed to refund outstanding bonds, notes or replacement notes,
198 as may be necessary to carry out the purposes of this article.

199 The rate of interest on any such bonds or notes which are not
200 subject to taxation shall not exceed the rates set forth in
201 Section 75-17-101, Mississippi Code of 1972, for general
202 obligation bonds.

203 (2) As evidence of indebtedness authorized in this article,
204 general or limited obligation bonds of the state shall be issued
205 from time to time to provide monies necessary to carry out the
206 purposes of this article for such total amount, in such form, in
207 such denominations, payable in such currencies (either domestic or
208 foreign or both), and subject to such terms and conditions of
209 issue, redemption and maturity, rate of interest and time of
210 payment of interest as the seller directs, except that such bonds
211 shall mature or otherwise be retired in annual installments
212 beginning not more than five (5) years from date thereof and
213 extending not more than twenty (20) years from the date thereof.

214 (3) All bonds and notes issued under authority of this
215 article shall be signed by the chairman of the seller, or by his
216 facsimile signature, and the official seal of the seller shall be
217 affixed thereto, attested by the secretary of the seller.

218 (4) All bonds and notes issued under authority of this
219 article may be general or limited obligations of the state, and
220 the full faith and credit of the State of Mississippi as to
221 general obligation bonds, or the revenue derived from projects
222 assisted as to limited obligation bonds, are hereby pledged for
223 the payment of the principal of and interest on such bonds and
224 notes.

225 (5) Such bonds and notes and the income therefrom shall be
226 exempt from all taxation in the State of Mississippi.

227 (6) The bonds may be issued as coupon bonds or registered as
228 to both principal and interest as the seller may determine. If
229 interest coupons are attached, they shall contain the facsimile
230 signature of the chairman and the secretary of the seller.

231 (7) As to bonds issued hereunder and designated as taxable

232 bonds by the seller, any immunity of the state to taxation by the
233 United States government of interest on bonds or notes issued by
234 the state is hereby waived.

235 SECTION 3. This act shall take effect and be in force from
236 and after July 1, 2000.