

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Senate Bill NO. 2088

By Representative(s) Committee

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

12

13 SECTION 1. Section 57-10-511, Mississippi Code of 1972, as
14 amended by Senate Bill No. 3047, 2000 Regular Session, is amended
15 as follows:

16 57-10-511. (1) DECD shall grant funds under this article to
17 a planning and development district or qualified entity in
18 accordance with the following terms and conditions:

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

29 (b) Each planning and development district meeting the
30 criteria set forth in this article shall receive an initial grant
31 of not to exceed One Million Dollars (\$1,000,000.00) for the
32 purpose of establishing the program within its area in accordance

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

60 (c) After all of the initial grant funds have been
61 provided as assistance to small businesses in accordance with this
62 article, DECD shall distribute additional grant funds to each
63 planning and development district or qualified entity qualified
64 under this article to receive and requesting such funds in
65 whatever amounts DECD deems appropriate and when needed by such
66 planning and development districts or qualified entities to
67 provide additional assistance to small businesses in accordance

68 with this article. The schedule for distributing such funds shall
69 be determined by DECD. Funds distributed to planning and
70 development districts and qualified entities pursuant to this
71 paragraph shall be in addition to funds distributed to planning
72 and development districts and qualified entities pursuant to
73 paragraph (b) of this section. The total amount of grants issued
74 pursuant to this paragraph shall not exceed Eighteen Million
75 Dollars (\$18,000,000.00) for planning and development districts or
76 qualified entities. Grant funds not committed to provide
77 assistance to small businesses at the end of twelve (12) months
78 after receipt thereof by the planning and development district or
79 qualified entity shall be returned to DECD for placement in a pool
80 to be redistributed by DECD to planning and development districts
81 or qualified entities which have binding commitments to distribute
82 as assistance all their initial grant funds and have pending
83 applications for additional assistance in accordance with this
84 article. Any planning and development district or qualified
85 entity returning any such grant funds to DECD shall be required at
86 the time such grant funds are returned to deliver to the State
87 Treasury, for deposit in the General Fund, interest on the amount
88 of such returned funds at the same rate as any bonds or notes of
89 the State of Mississippi issued pursuant to this article to
90 provide such grant funds.

91 (d) A planning and development district or qualified
92 entity participating in the program may utilize not more than
93 fifty percent (50%) of interest earned on assistance provided to
94 small businesses in accordance with this article for
95 administration and management of the program, unless specifically
96 authorized to utilize more by DECD; provided, however, any
97 interest earned on grant funds held by a planning and development
98 district or qualified entity prior to the utilization of such
99 grant funds to provide assistance to small business shall be
100 placed in the revolving assistance fund of the planning and
101 development district or qualified entity and shall not be expended
102 for administration or management costs. Planning and development

103 districts and qualified entities may retain fifty percent (50%) of
104 the interest earned on repayment funds that are being held on
105 deposit in anticipation of relending to aid in the administration
106 and management of the program. Each planning and development
107 district and qualified entity shall file annually with the
108 Secretary of the Senate and the Clerk of the House of
109 Representatives not later than the first day of each regular
110 legislative session a report which details any interest retained
111 or utilized by the planning and development district or qualified
112 entity pursuant to this paragraph (d).

113 (e) If a planning and development district or qualified
114 entity participating in the program experiences losses from
115 assistance provided pursuant to the program in excess of fifty
116 percent (50%) of the amount of grant funds received by the
117 planning and development district or qualified entity, the
118 planning and development district or qualified entity shall repay
119 the State of Mississippi the amount of such losses in excess of
120 fifty percent (50%) by delivering that amount to the State
121 Treasury for deposit in the General Fund.

122 (f) DECD shall assist each planning and development
123 district or qualified entity participating in the program in
124 connection with such planning and development district's or
125 qualified entity's compliance with this article.

126 (g) Each planning and development district or qualified
127 entity participating in the program shall submit the following
128 reports to the House Ways and Means Committee, the Senate Economic
129 Development, Tourism and Parks Committee and DECD:

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

132 (ii) A semiannual report on July 30 and January 30
133 of each year, describing all assistance provided to small
134 businesses pursuant to the program, such reports to include
135 without limitation the following: a description of each small
136 business receiving assistance; the project to be assisted and
137 purpose of assistance; a description of each loan and equity

138 investment, including the terms and conditions thereof and use of
139 the funds assistance by the small business; history of the
140 assistance pool, including principal amount loaned, interest
141 earned, interest expended for administration and management,
142 principal amount of equity investments, assistance funds
143 available, and losses; and a statement of jobs created or retained
144 as a result of the assistance program.

145 (h) If DECD determines that a district or entity has
146 provided assistance to small businesses in a manner inconsistent
147 with the provisions of this article, then the amount of such
148 assistance so provided shall be withheld by DECD from any
149 additional grant funds to which the district or entity becomes
150 entitled under this article. If DECD determines, after notifying
151 such district or entity twice in writing and providing such
152 district or entity a reasonable opportunity to comply, that a
153 planning and development district or qualified entity has
154 consistently failed to comply with this article in connection with
155 the program, DECD may declare such planning and development
156 district or qualified entity in default under the program and,
157 upon receipt of notice thereof from DECD, such planning and
158 development district or qualified entity shall immediately cease
159 providing assistance under the program, shall refund to DECD for
160 distribution to other planning and development districts or
161 qualified entities all funds held in its revolving assistance fund
162 and, if required by DECD, shall convey to DECD all administrative
163 and management control of assistance provided by it under the
164 program.

165 (2) This section shall stand repealed on July 1, 2003.

166 SECTION 2. Section 57-10-525, Mississippi Code of 1972, is
167 amended as follows:

168 57-10-525. (1) The seller is authorized to borrow, on the
169 credit of the state, money not exceeding the aggregate sum of
170 Thirty Million Dollars (\$30,000,000.00), not including money
171 borrowed to refund outstanding bonds, notes or replacement notes,
172 as may be necessary to carry out the purposes of this article.

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

177 (2) As evidence of indebtedness authorized in this article,
178 general or limited obligation bonds of the state shall be issued
179 from time to time to provide monies necessary to carry out the
180 purposes of this article for such total amount, in such form, in
181 such denominations, payable in such currencies (either domestic or
182 foreign or both), and subject to such terms and conditions of
183 issue, redemption and maturity, rate of interest and time of
184 payment of interest as the seller directs, except that such bonds
185 shall mature or otherwise be retired in annual installments
186 beginning not more than five (5) years from the date thereof and
187 extending not more than twenty (20) years from the date thereof.

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

192 (4) All bonds and notes issued under authority of this
193 article may be general or limited obligations of the state, and
194 the full faith and credit of the State of Mississippi as to
195 general obligation bonds, or the revenue derived from projects
196 assisted as to limited obligation bonds, are hereby pledged for
197 the payment of the principal of and interest on such bonds and
198 notes.

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

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

205 (7) As to bonds issued hereunder and designated as taxable
206 bonds by the seller, any immunity of the state to taxation by the
207 United States government of interest on bonds or notes issued by

208 the state is hereby waived.

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

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

1 AN ACT TO AMEND SECTIONS 57-10-511 AND 57-10-525, MISSISSIPPI
2 CODE OF 1972, TO INCREASE THE AMOUNT OF GRANTS THAT MAY BE GIVEN
3 TO PLANNING AND DEVELOPMENT DISTRICTS AND QUALIFIED ENTITIES FOR
4 LOANS TO SMALL BUSINESSES UNDER THE MISSISSIPPI SMALL BUSINESS
5 ASSISTANCE ACT BY \$1,000,000.00; TO EXTEND THE REPEAL DATE ON
6 CERTAIN PORTIONS OF THE MISSISSIPPI SMALL BUSINESS ASSISTANCE ACT;
7 TO INCREASE THE AMOUNT OF BONDS THAT MAY BE ISSUED UNDER SUCH ACT
8 FROM \$29,000,000.00 TO \$30,000,000.00; AND FOR RELATED PURPOSES.