

**\*\*\*Adopted\*\*\***

**AMENDMENT No. 1 PROPOSED TO**

**House Bill NO. 340**

**By Senator(s) Committee**

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

11

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

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

30        (2) (a) The Mississippi Business Finance Corporation shall  
31 develop a program which gives fair consideration to making loans

32for the processing and manufacturing of goods and services by  
33agribusiness, greenhouse production horticulture, and small  
34business concerns. It is the policy of the State of Mississippi  
35that such corporation shall give due recognition to and shall aid,  
36counsel, assist and protect, insofar as is possible, the interests  
37of agribusiness, greenhouse production horticulture, and small  
38business concerns. To ensure that the purposes of this subsection  
39are carried out, the corporation shall loan not more than One  
40Million Dollars (\$1,000,000.00) to finance any single  
41agribusiness, greenhouse production horticulture, or small  
42business concern. Loans made pursuant to this subsection shall be  
43made in accordance with the criteria established in Section  
4457-71-11.

45           (b) The Mississippi Business Finance Corporation may,  
46out of the total amount of bonds authorized to be issued under  
47this chapter, make available funds to any planning and development  
48district in accordance with the criteria established in Section  
4957-71-11. Planning and development districts which receive monies  
50pursuant to this provision shall use such monies to make loans to  
51private companies for purposes consistent with this subsection.

52           (c) The Mississippi Business Finance Corporation is  
53hereby authorized to engage legal services, financial advisors,  
54appraisers and consultants if needed to review and close loans  
55made hereunder and to establish and assess reasonable fees  
56including, but not limited to, liquidation expenses.

57           (3) The department shall, in addition to the other programs  
58described in this section, provide for a program of loans to be  
59made to agribusiness or greenhouse production horticulture  
60enterprises for the purpose of encouraging thereby the extension  
61of conventional financing and the issuance of letters of credit to  
62such agribusiness or greenhouse production horticulture  
63enterprises by private institutions. Monies to make such loans by  
64the department shall be drawn from the Emerging Crops Fund. The  
65amount of a loan to any single agribusiness or greenhouse  
66production horticulture enterprise shall not exceed twenty percent

67(20%) of the total cost of the project for which financing is  
68sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is  
69less. No interest shall be charged on such loans, and only the  
70amount actually loaned shall be required to be repaid. Repayments  
71shall be deposited into the Emerging Crops Fund.

72 (4) Through June 30, 1999, the Mississippi Business Finance  
73Corporation may loan or grant to qualified planning and  
74development districts, and to small business investment  
75corporations, bank-based community development corporations, the  
76Recruitment and Training Program, Inc., the City of Jackson  
77Business Development Loan Fund, the Lorman Southwest Mississippi  
78Development Corporation, the West Jackson Community Development  
79Corporation, the East Mississippi Development Corporation, and  
80other entities meeting the criteria established by the Mississippi  
81Business Corporation (all referred to hereinafter as "qualified  
82entities"), funds for the purpose of establishing loan revolving  
83funds to assist in providing financing for minority economic  
84development. The monies loaned or granted by the Mississippi  
85Business Finance Corporation shall be drawn from the Emerging  
86Crops Fund and shall not exceed Sixteen Million Dollars  
87(\$16,000,000.00) in the aggregate. Planning and development  
88districts or qualified entities which receive monies pursuant to  
89this provision shall use such monies to make loans to minority  
90business enterprises consistent with criteria established by the  
91Mississippi Business Finance Corporation. Such criteria shall  
92include, at a minimum, the following:

93 (a) The business enterprise must be a private,  
94for-profit enterprise.

95 (b) If the business enterprise is a proprietorship, the  
96borrower must be a resident citizen of the State of Mississippi;  
97if the business enterprise is a corporation or partnership, at  
98least fifty percent (50%) of the owners must be resident citizens  
99of the State of Mississippi.

100 (c) The borrower must have at least five percent (5%)  
101equity interest in the business enterprise.

102 (d) The borrower must demonstrate ability to repay the  
103 loan.

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

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

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

120 (h) The maximum amount that may be loaned to any one  
121 (1) borrower shall be Two Hundred Fifty Thousand Dollars  
122 (\$250,000.00).

123 (i) The Mississippi Business Finance Corporation shall  
124 review each loan before it is made, and no loan shall be made to  
125 any borrower until the loan has been reviewed and approved by the  
126 Mississippi Business Finance Corporation.

127 For the purpose of this subsection, the term "minority  
128 business enterprise" means a socially and economically  
129 disadvantaged small business concern, organized for profit,  
130 performing a commercially useful function which is owned and  
131 controlled by one or more minorities or minority business  
132 enterprises certified by the Mississippi Business Finance  
133 Corporation, at least fifty percent (50%) of whom are resident  
134 citizens of the State of Mississippi. For purposes of this  
135 subsection, the term "socially and economically disadvantaged  
136 small business concern" shall have the meaning ascribed to such

137 term under the Small Business Act (15 USCS, Section 637(a)), or  
138 women, and the term "owned and controlled" means a business in  
139 which one or more minorities or minority business enterprises  
140 certified by the Mississippi Business Finance Corporation own  
141 sixty percent (60%) or, in the case of a corporation, sixty  
142 percent (60%) of the voting stock, and control sixty percent (60%)  
143 of the management and daily business operations of the business.

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

151 (5) The Mississippi Business Finance Corporation shall  
152 develop a program which will assist minority business enterprises  
153 by guaranteeing bid, performance and payment bonds which such  
154 minority businesses are required to obtain in order to contract  
155 with state agencies or political subdivisions. Monies for such  
156 program shall be drawn from the monies allocated under subsection  
157 (4) of this section to assist the financing of minority economic  
158 development and shall not exceed Two Million Dollars  
159 (\$2,000,000.00) in the aggregate. The Mississippi Business  
160 Finance Corporation may promulgate rules and regulations for the  
161 operation of the program established pursuant to this subsection.  
162 For the purpose of this subsection (5) the term "minority  
163 business enterprise" has the meaning assigned such term in  
164 subsection (4) of this section.

165 (6) The Mississippi Business Finance Corporation may loan or  
166 grant to public entities and to nonprofit corporations funds to  
167 defray the expense of financing (or to match any funds available  
168 from other public or private sources for the expense of financing)  
169 projects in this state which are devoted to the study, teaching  
170 and/or promotion of regional crafts and which are deemed by the  
171 corporation to be significant tourist attractions. The monies

172 loaned or granted shall be drawn from the Emerging Crops Fund and  
173 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
174 in the aggregate.

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

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

197 (9) The Mississippi Business Finance Corporation shall make  
198 available to the Mississippi Department of Agriculture and  
199 Commerce for disbursement, upon warrant or warrants issued by the  
200 State Fiscal Officer upon requisitions made by the Commissioner of  
201 Agriculture and Commerce, or his designee, to the Certified Cotton  
202 Growers Organization, as defined in Section 69-37-5, funds on a  
203 one-time basis in a lump sum, an amount not to exceed Two Million  
204 Dollars (\$2,000,000.00) for the purpose of assisting in carrying  
205 out the purposes of the Mississippi Boll Weevil Management Act.  
206 The monies made available by the Mississippi Business Finance

207 Corporation shall be drawn from the Emerging Crops Fund. This  
208 subsection (9) shall be repealed from and after June 30, 1999.

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

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

225 (12) The Mississippi Business Finance Corporation shall make  
226 available to the Mississippi Forestry Commission for fiscal year  
227 1999 a lump sum amount not to exceed Three Million Dollars  
228 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used  
229 for the purpose of replacing fire fighting units/equipment. This  
230 subsection (12) shall be repealed from and after June 30, 1999.

231 (13) In addition to the amount provided in subsection (11)  
232 of this section, the Mississippi Business Finance Corporation  
233 shall make available to the Mississippi Forestry Commission for  
234 fiscal year 1999 a lump sum amount not to exceed Five Hundred  
235 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops  
236 Fund and used for the commission's Reforestation Cost-Share  
237 Program. This subsection (13) shall be repealed from and after  
238 June 30, 1999.

239 (14) The Mississippi Business Finance Corporation shall make  
240 available to the Small Farm Development Center at Alcorn State  
241 University for fiscal year 1999 funds in the amount of Fifty

242 Thousand Dollars (\$50,000.00) and for fiscal year 2000 funds in  
243 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from  
244 the Emerging Crops Fund to support a cooperative program for  
245 agribusiness development in Mississippi. This subsection (14)  
246 shall be repealed from and after June 30, 2001.

247 SECTION 2. This act shall take effect and be in force from  
248 and after its passage.

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

1 AN ACT TO REENACT AND AMEND SECTION 69-2-13, MISSISSIPPI CODE  
2 OF 1972, WHICH ESTABLISHES THE EMERGING CROPS FUND AND PRESCRIBES  
3 ITS FUNCTION AND ADMINISTRATION, TO EXTEND THE DATE OF THE  
4 REPEALER CONCERNING THE SMALL FARM DEVELOPMENT CENTER AT ALCORN  
5 STATE UNIVERSITY; TO PROVIDE THAT GREENHOUSE PRODUCTION  
6 HORTICULTURE IS ELIGIBLE FOR LOANS UNDER THE EMERGING CROPS FUND;  
7 AND FOR RELATED PURPOSES.