

By: Representative Morris

To: Ways and Means

HOUSE BILL NO. 1647

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$254,750,000.00 TO \$257,200,000.00 THE AGGREGATE
3 AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS
4 INVESTMENT ACT; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF
5 1972, TO INCREASE FROM \$5,000,000.00 TO \$6,500,000.00 THE AMOUNT
6 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
7 USE FOR THE PURPOSE OF MAKING GRANTS AND LOANS TO COUNTIES AND
8 MUNICIPALITIES TO AID IN INFRASTRUCTURE RELATED IMPROVEMENTS, THE
9 PURCHASE OF EQUIPMENT AND THE PURCHASE, CONSTRUCTION, REPAIR AND
10 RENOVATION OF PUBLIC FACILITIES; TO EXTEND THE REPEAL DATE ON THE
11 PROVISION WHICH AUTHORIZES THE MISSISSIPPI DEVELOPMENT AUTHORITY
12 TO MAKE INTEREST-BEARING LOANS TO LEGAL ENTITIES MEETING CERTAIN
13 CRITERIA THROUGH A HOUSING DEVELOPMENT REVOLVING LOAN FUND; TO
14 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT MORE
15 THAN \$750,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI
16 BUSINESS INVESTMENT ACT FOR THE PURPOSE OF ESTABLISHING A CAPITAL
17 ACCESS PROGRAM UNDER WHICH PARTICIPATING FINANCIAL INSTITUTIONS
18 MAY MAKE LOANS TO QUALIFIED BORROWERS UNDER THE PROGRAM AND BE
19 PROTECTED AGAINST LOSSES FROM SUCH LOANS; TO AUTHORIZE THE
20 MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT MORE THAN \$200,000.00
21 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT
22 FOR THE PURPOSE OF ASSISTING WARREN COUNTY, MISSISSIPPI, IN THE
23 CONTINUATION AND COMPLETION OF A STUDY FOR THE PROPOSED KINGS
24 POINT LEVEE; AND FOR RELATED PURPOSES.

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

26 SECTION 1. Section 57-61-25, Mississippi Code of 1972, is
27 amended as follows:

28 57-61-25. (1) The seller is authorized to borrow, on the
29 credit of the state upon receipt of a resolution from the
30 department requesting the same, money not exceeding the aggregate
31 sum of Two Hundred Fifty-seven Million Two Hundred Thousand
32 Dollars (\$257,200,000.00), not including money borrowed to refund
33 outstanding bonds, notes or replacement notes, as may be necessary
34 to carry out the purposes of this chapter. The aggregate amount
35 of bonds issued prior to June 30, 1987, shall not exceed Fifty
36 Million Dollars (\$50,000,000.00); provided, however, this Fifty

37 Million Dollar (\$50,000,000.00) limitation shall not be construed
38 to limit the aggregate amount of grants which may be awarded prior
39 to June 30, 1987, to less than the full amount authorized under
40 Section 57-61-15(1), Mississippi Code of 1972. The rate of
41 interest on any such bonds or notes which are not subject to
42 taxation shall not exceed the rates set forth in Section
43 75-17-101, Mississippi Code of 1972, for general obligation bonds.

44 (2) As evidence of indebtedness authorized in this chapter,
45 general or limited obligation bonds of the state shall be issued
46 from time to time, to provide monies necessary to carry out the
47 purposes of this chapter for such total amounts, in such form, in
48 such denominations payable in such currencies (either domestic or
49 foreign or both) and subject to such terms and conditions of
50 issue, redemption and maturity, rate of interest and time of
51 payment of interest as the seller directs, except that such bonds
52 shall mature or otherwise be retired in annual installments
53 beginning not more than five (5) years from date thereof and
54 extending not more than thirty (30) years from date thereof.

55 (3) All bonds and notes issued under authority of this
56 chapter shall be signed by the chairman of the seller, or by his
57 facsimile signature, and the official seal of the seller shall be
58 affixed thereto, attested by the secretary of the seller.

59 (4) All bonds and notes issued under authority of this
60 chapter may be general or limited obligations of the state, and
61 the full faith and credit of the State of Mississippi as to
62 general obligation bonds, or the revenues derived from projects
63 assisted as to limited obligation bonds, are hereby pledged for
64 the payment of the principal of and interest on such bonds and
65 notes.

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

68 (6) The bonds may be issued as coupon bonds or registered as
69 to both principal and interest, as the seller may determine. If

70 interest coupons are attached, they shall contain the facsimile
71 signature of the chairman and secretary of the seller.

72 (7) The seller is authorized to provide, by resolution, for
73 the issuance of refunding bonds for the purpose of refunding any
74 debt issued under the provision of this chapter and then
75 outstanding, either by voluntary exchange with the holders of the
76 outstanding debt or to provide funds to redeem and the costs of
77 issuance and retirement of the debt, at maturity or at any call
78 date. The issuance of the refunding bonds, the maturities and
79 other details thereof, the rights of the holders thereof and the
80 duties of the issuing officials in respect to the same shall be
81 governed by the provisions of this section, insofar as they may be
82 applicable.

83 (8) As to bonds issued hereunder and designated as taxable
84 bonds by the seller, any immunity of the state to taxation by the
85 United States government of interest on bonds or notes issued by
86 the state is hereby waived.

87 SECTION 2. Section 57-61-36, Mississippi Code of 1972, is
88 amended as follows:

89 57-61-36. (1) Notwithstanding any provision of this chapter
90 to the contrary, the Mississippi Development Authority shall
91 utilize not more than Ten Million Five Hundred Thousand Dollars
92 (\$10,500,000.00) out of the proceeds of bonds authorized to be
93 issued in this chapter for the purpose of making grants to
94 municipalities through a development infrastructure grant fund to
95 complete infrastructure related to new or expanded industry.

96 (2) Notwithstanding any provision of this chapter to the
97 contrary, the Mississippi Development Authority may utilize not
98 more than Seven Million Dollars (\$7,000,000.00) out of the
99 proceeds of bonds authorized to be issued in this chapter for the
100 purpose of making interest-bearing loans to any agency,
101 department, institution, instrumentality or political subdivision
102 of the state; or any agency, department, institution or

103 instrumentality of any political subdivision of the state; or any
104 business, organization, corporation, association or other legal
105 entity meeting criteria established by the department, through a
106 housing development revolving loan fund, to construct or repair
107 housing for low or moderate income earners; provided, however,
108 that the department may not utilize any bond proceeds authorized
109 under this chapter for the purpose of making any loans to the
110 Mississippi Home Corporation for any purpose whatsoever. No more
111 than forty percent (40%) of the additional bonds authorized by
112 this section in House Bill No. 1694, 1998 Regular Session [Laws,
113 1998, Chapter 559], may be used for multiple family housing
114 activities. Funds authorized under this subsection may be
115 deposited in the Mississippi Affordable Housing Development Fund
116 authorized in Section 43-33-759 and used for purposes authorized
117 by that section. This subsection (2) shall be repealed from and
118 after July 1, 2002.

119 (3) Notwithstanding any provision of this chapter to the
120 contrary, the Mississippi Development Authority shall utilize not
121 more than Six Million Five Hundred Thousand Dollars
122 (\$6,500,000.00) out of the proceeds of bonds authorized to be
123 issued in this chapter for the purpose of making grants or loans
124 to municipalities through an equipment and public facilities grant
125 and loan fund to aid in infrastructure-related improvements as
126 determined by the Mississippi Development Authority, the purchase
127 of equipment and in the purchase, construction or repair and
128 renovation of public facilities. Any bonds previously issued for
129 the Development Infrastructure Revolving Loan Program which have
130 not been loaned or applied for are eligible to be administered as
131 grants or loans.

132 The requirements of Section 57-61-9 shall not apply to any
133 grant made under this subsection. The Mississippi Development
134 Authority may establish criteria and guidelines to govern grants
135 made pursuant to this subsection.

136 (4) Notwithstanding any provision of this chapter to the
137 contrary, the Mississippi Development Authority may utilize not
138 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
139 of the proceeds of bonds authorized to be issued in this chapter
140 in order to match federal funds available from the United States
141 Department of Agriculture for the purpose of establishing an
142 intermediary relending program to be administered by the
143 Mississippi Development Authority. The Mississippi Development
144 Authority may establish criteria and guidelines to govern loans
145 made under such program.

146 (5) The Mississippi Development Authority may establish a
147 capital access program and may contract with any financial
148 institution to participate in the program upon such terms and
149 conditions as the authority shall consider necessary and proper.
150 The Mississippi Development Authority may establish loss reserve
151 accounts at financial institutions that participate in the program
152 and require payments by the financial institution and the borrower
153 to such loss reserve accounts. All money in such loss reserve
154 accounts is the property of the Mississippi Development Authority.

155 Under the capital access program a participating financial
156 institution may make a loan to any borrower the Mississippi
157 Development Authority determines to be qualified under rules and
158 regulations adopted by the authority and be protected against
159 losses from such loans as provided in the program. Under such
160 rules and regulations as may be adopted by the Mississippi
161 Development Authority, a participating financial institution may
162 submit claims for the reimbursement for losses incurred as a
163 result of default on loans by qualified borrowers.

164 Notwithstanding any provision of this chapter to the
165 contrary, the Mississippi Development Authority may utilize not
166 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
167 of the proceeds of bonds authorized to be issued in this chapter
168 for the purpose of making payments to loss reserve accounts

169 established at financial institutions that participate in the
170 capital access program established by the authority.

171 (6) Notwithstanding any provision of this chapter to the
172 contrary, the Mississippi Development Authority shall utilize not
173 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
174 proceeds of bonds authorized to be issued in this chapter for the
175 purpose of assisting Warren County, Mississippi, in the
176 continuation and completion of a study for the proposed Kings
177 Point Levee.

178 SECTION 3. This act shall take effect and be in force from
179 and after July 1, 2001.