

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Senate Bill NO. 2662

By Representative(s) Committee

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

32 SECTION 1. Section 57-10-511, Mississippi Code of 1972, is
33 amended as follows:

34 57-10-511. MDA shall grant funds under this article to a
35 planning and development district or qualified entity in
36 accordance with the following terms and conditions:

37 (a) Grant funds received by a planning and development
38 district or qualified entity in accordance with this article shall
39 be used by the planning and development district or qualified
40 entity to establish a revolving assistance fund for the purpose of
41 providing assistance to small businesses in accordance with this
42 article. Except as otherwise allowed in this article, all
43 principal and interest payments by small businesses in repayment
44 of such assistance shall be eligible for and used by the planning
45 and development district or qualified entity for additional
46 assistance to small businesses in accordance with this article.

47 (b) Each planning and development district meeting the
48 criteria set forth in this article shall receive an initial grant

49 of not to exceed One Million Dollars (\$1,000,000.00) for the
50 purpose of establishing the program within its area in accordance
51 with this article. Each qualified entity meeting the criteria set
52 forth in this article shall be eligible to receive an initial
53 grant of Five Hundred Thousand Dollars (\$500,000.00) for the
54 purpose of establishing the program within the area it serves in
55 accordance with this article. The total amount of initial grants
56 to planning and development districts shall not exceed Ten Million
57 Dollars (\$10,000,000.00) and the total amount of initial grants
58 for qualified entities shall not exceed Two Million Dollars
59 (\$2,000,000.00). Each planning and development district or
60 qualified entity receiving an initial grant shall have twelve (12)
61 months in which to make binding commitments to provide assistance
62 to small businesses in the principal amount of the initial grant
63 in accordance with this article. Grant funds not committed to
64 provide assistance to small businesses at the end of twelve (12)
65 months after receipt thereof by the planning and development
66 district or qualified entity shall be returned to MDA for
67 placement in a pool to be redistributed by MDA to planning and
68 development districts or qualified entities which have binding
69 commitments to distribute as assistance all their initial grant
70 funds and have pending applications for additional assistance in
71 accordance with this article. Any planning and development
72 district or qualified entity returning any such grant funds to MDA
73 shall be required at the time such initial grant funds are
74 returned to deliver to the State Treasury, for deposit in the
75 General Fund, interest on the amount of such returned funds at the
76 same rate as any bonds or notes of the State of Mississippi issued
77 pursuant to this article to provide such grant funds.

78 (c) After all of the initial grant funds have been

79 provided as assistance to small businesses in accordance with this
80 article, MDA shall distribute additional grant funds to each
81 planning and development district or qualified entity qualified
82 under this article to receive and requesting such funds in
83 whatever amounts MDA deems appropriate and when needed by such
84 planning and development districts or qualified entities to
85 provide additional assistance to small businesses in accordance
86 with this article. The schedule for distributing such funds shall
87 be determined by MDA. Funds distributed to planning and
88 development districts and qualified entities pursuant to this
89 paragraph shall be in addition to funds distributed to planning
90 and development districts and qualified entities pursuant to
91 paragraph (b) of this section. The total amount of grants issued
92 pursuant to this paragraph shall not exceed Twenty Million Dollars
93 (\$20,000,000.00) for planning and development districts or
94 qualified entities. Grant funds not committed to provide
95 assistance to small businesses at the end of twelve (12) months
96 after receipt thereof by the planning and development district or
97 qualified entity shall be returned to MDA for placement in a pool
98 to be redistributed by MDA to planning and development districts
99 or qualified entities which have binding commitments to distribute
100 as assistance all their initial grant funds and have pending
101 applications for additional assistance in accordance with this
102 article. Any planning and development district or qualified
103 entity returning any such grant funds to MDA shall be required at
104 the time such grant funds are returned to deliver to the State
105 Treasury, for deposit in the General Fund, interest on the amount
106 of such returned funds at the same rate as any bonds or notes of
107 the State of Mississippi issued pursuant to this article to
108 provide such grant funds.

109 (d) A planning and development district or qualified
110 entity participating in the program may utilize not more than
111 fifty percent (50%) of interest earned on assistance provided to
112 small businesses in accordance with this article for
113 administration and management of the program, unless specifically
114 authorized to utilize more by MDA; provided, however, any interest
115 earned on grant funds held by a planning and development district
116 or qualified entity prior to the utilization of such grant funds
117 to provide assistance to small businesses shall be placed in the
118 revolving assistance fund of the planning and development district
119 or qualified entity and shall not be expended for administration
120 or management costs. Planning and development districts and
121 qualified entities may retain fifty percent (50%) of the interest
122 earned on repayment funds that are being held on deposit in
123 anticipation of relending to aid in the administration and
124 management of the program. Each planning and development district
125 and qualified entity shall file annually with the Secretary of the
126 Senate and the Clerk of the House of Representatives not later
127 than the first day of each regular legislative session a report
128 which details any interest retained or utilized by the planning
129 and development district or qualified entity pursuant to this
130 paragraph (d).

131 (e) If a planning and development district or qualified
132 entity participating in the program experiences losses from
133 assistance provided pursuant to the program in excess of fifty
134 percent (50%) of the amount of grant funds received by the
135 planning and development district or qualified entity, the
136 planning and development district or qualified entity shall repay
137 the State of Mississippi the amount of such losses in excess of
138 fifty percent (50%) by delivering that amount to the State

139 Treasury for deposit in the General Fund.

140 (f) MDA shall assist each planning and development
141 district or qualified entity participating in the program in
142 connection with such planning and development district's or
143 qualified entity's compliance with this article.

144 (g) Each planning and development district or qualified
145 entity participating in the program shall submit the following
146 reports to the House Ways and Means Committee, the Senate Economic
147 Development, Tourism and Parks Committee and MDA:

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

150 (ii) A semiannual report on July 30 and January 30
151 of each year, describing all assistance provided to small
152 businesses pursuant to the program, such reports to include
153 without limitation the following: a description of each small
154 business receiving assistance; the project to be assisted and
155 purpose of assistance; a description of each loan and equity
156 investment, including the terms and conditions thereof and use of
157 the funds assistance by the small business; history of the
158 assistance pool, including principal amount loaned, interest
159 earned, interest expended for administration and management,
160 principal amount of equity investments, assistance funds
161 available, and losses; and a statement of jobs created or retained
162 as a result of the assistance program.

163 (h) If MDA determines that a district or entity has
164 provided assistance to small businesses in a manner inconsistent
165 with the provisions of this article, then the amount of such
166 assistance so provided shall be withheld by MDA from any
167 additional grant funds to which the district or entity becomes
168 entitled under this article. If MDA determines, after notifying

169 such district or entity twice in writing and providing such
170 district or entity a reasonable opportunity to comply, that a
171 planning and development district or qualified entity has
172 consistently failed to comply with this article in connection with
173 the program, MDA may declare such planning and development
174 district or qualified entity in default under the program and,
175 upon receipt of notice thereof from MDA, such planning and
176 development district or qualified entity shall immediately cease
177 providing assistance under the program, shall refund to MDA for
178 distribution to other planning and development districts or
179 qualified entities all funds held in its revolving assistance fund
180 and, if required by MDA, shall convey to MDA all administrative
181 and management control of assistance provided by it under the
182 program.

183 (i) If MDA determines, after notifying a planning and
184 development district or qualified entity twice in writing and
185 providing copies of such notification to each member of the
186 Legislature in whose district or in a part of whose district such
187 planning and development district or qualified entity is located
188 and providing such district or entity a reasonable opportunity to
189 take corrective action, that a planning and development district
190 or a qualified entity administering a revolving assistance fund
191 under the provisions of this article is not actively engaged in
192 lending as defined by the rules and regulations of MDA, MDA may
193 declare such planning and development district or qualified entity
194 in default under the program and, upon receipt of notice thereof
195 from MDA, such planning and development district or qualified
196 entity shall immediately cease providing assistance under the
197 program, shall refund to MDA for distribution to other planning
198 and development districts or qualified entities all funds held in

199 its revolving assistance fund and, if required by MDA, shall
200 convey to MDA all administrative and management control of
201 assistance provided by it under the program.

202 (j) Notwithstanding any other provision of this article
203 to the contrary, if federal funds are not available for
204 commitments made by a planning and development district to provide
205 assistance under any federal loan program administered by the
206 planning and development district in coordination with the
207 Appalachian Regional Commission or Economic Development
208 Administration, or both, a planning and development district may
209 use funds in its revolving assistance fund, which have not been
210 committed otherwise to provide assistance, for the purpose of
211 providing temporary funding for such commitments. If a planning
212 and development district uses uncommitted funds in its revolving
213 assistance fund to provide such temporary funding, the district
214 shall use funds repaid to the district under the temporarily
215 funded federal loan program to replenish the funds used to provide
216 the temporary funding. Funds used by a planning and development
217 district to provide temporary funding under this paragraph (j)
218 must be repaid to the district's revolving assistance fund no
219 later than twelve (12) months after the date the district provides
220 the temporary funding. A planning and development district may
221 not use uncommitted funds in its revolving assistance fund to
222 provide temporary funding under this paragraph (j) on more than
223 two (2) occasions during a calendar year. A planning and
224 development district may provide temporary funding for multiple
225 commitments on each such occasion. The maximum aggregate amount
226 of uncommitted funds in a revolving assistance fund that may be
227 used for such purposes during a calendar year shall not exceed
228 seventy percent (70%) of the uncommitted funds in the revolving

229 assistance fund on the date the district first provides temporary
230 funding during the calendar year.

231 SECTION 2. Section 57-10-505, Mississippi Code of 1972, is
232 amended as follows:

233 57-10-505. The following words and phrases when used in this
234 article shall have the meaning given to them in this section
235 unless the context clearly indicates otherwise:

236 (a) "Assistance" means a loan to a small business or an
237 equity investment in a small business by a planning and
238 development district in accordance with this article.

239 (b) "DECD" means the Mississippi Development Authority.

240 (c) "Equity investment" means an investment in the
241 ownership of a small business incorporated in Mississippi by a
242 planning and development district in accordance with this article.

243 (d) "General Fund" means the General Fund of the State
244 of Mississippi.

245 (e) "Loan" means a loan by a planning and development
246 district to a small business in accordance with this article.

247 (f) "MDA" means the Mississippi Development Authority.

248 (g) "Planning and development districts" means an
249 organized planning and development district in Mississippi.

250 (h) "Program" means the Mississippi Small Business
251 Assistance Program established in this article.

252 (i) "Qualified entities" means small business
253 investment corporations, community development corporations and
254 other similar entities approved by the Mississippi Business
255 Finance Corporation to participate in the program.

256 (j) "Seller" means the State Bond Commission.

257 (k) "Small business" means any commercial enterprise
258 with less than one hundred (100) full-time employees, less than

259 Two Million Dollars (\$2,000,000.00) in net worth or less than
260 Three Hundred Fifty Thousand Dollars (\$350,000.00) in net annual
261 profit after taxes.

262 SECTION 3. This act shall take effect and be in force from
263 and after January 1, 2001.

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

1 AN ACT TO AMEND SECTION 57-10-511, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT IF THE MISSISSIPPI DEVELOPMENT AUTHORITY (MDA)
3 FINDS THAT A PLANNING AND DEVELOPMENT DISTRICT OR A QUALIFIED
4 ENTITY ADMINISTERING A REVOLVING LOAN PROGRAM UNDER THE
5 MISSISSIPPI SMALL BUSINESS ASSISTANCE ACT IS NOT ACTIVELY ENGAGED
6 IN LENDING, SUCH DISTRICT OR ENTITY MAY BE FOUND TO BE IN DEFAULT
7 AND BE REQUIRED TO CEASE PROVIDING ASSISTANCE, REFUND ALL FUNDS
8 HELD IN ITS REVOLVING ASSISTANCE FUND AND, IF REQUIRED BY MDA,
9 CONVEY TO MDA ALL ADMINISTRATIVE AND MANAGEMENT CONTROL OF
10 ASSISTANCE UNDER THE PROGRAM; TO PROVIDE THAT IF FEDERAL FUNDS ARE
11 NOT AVAILABLE FOR COMMITMENTS MADE BY A PLANNING AND DEVELOPMENT
12 DISTRICT TO PROVIDE ASSISTANCE UNDER ANY FEDERAL LOAN PROGRAM
13 ADMINISTERED BY THE PLANNING AND DEVELOPMENT DISTRICT IN
14 COORDINATION WITH THE APPALACHIAN REGIONAL COMMISSION OR ECONOMIC
15 DEVELOPMENT ADMINISTRATION, OR BOTH, A PLANNING AND DEVELOPMENT
16 DISTRICT MAY USE UNCOMMITTED FUNDS IN ITS SMALL BUSINESS
17 ASSISTANCE REVOLVING ASSISTANCE FUND FOR THE PURPOSE OF PROVIDING
18 TEMPORARY FUNDING FOR SUCH COMMITMENTS; TO PROVIDE THAT IF A
19 PLANNING AND DEVELOPMENT DISTRICT USES UNCOMMITTED FUNDS IN ITS
20 REVOLVING ASSISTANCE FUND TO PROVIDE SUCH TEMPORARY FUNDING, THE
21 DISTRICT SHALL USE FUNDS REPAID TO THE DISTRICT UNDER THE
22 TEMPORARILY FUNDED FEDERAL LOAN PROGRAM TO REPLENISH THE FUNDS
23 USED TO PROVIDE THE TEMPORARY FUNDING; TO LIMIT THE NUMBER OF
24 TIMES A PLANNING AND DEVELOPMENT DISTRICT MAY USE UNCOMMITTED
25 FUNDS IN ITS REVOLVING ASSISTANCE FUND TO PROVIDE SUCH TEMPORARY
26 FUNDING AND THE AMOUNT OF SUCH FUNDS THAT MAY BE USED FOR SUCH
27 PURPOSES DURING A CALENDAR YEAR; TO AMEND SECTION 57-10-505,
28 MISSISSIPPI CODE OF 1972, TO REFLECT THE CHANGE OF THE NAME OF THE
29 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE
30 MISSISSIPPI DEVELOPMENT AUTHORITY; AND FOR RELATED PURPOSES.