

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1352

By Senator(s) Committee

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

19 SECTION 1. Section 69-2-13, Mississippi Code of 1972, is
20 amended as follows:
21 69-2-13. (1) There is hereby established in the State
22 Treasury a fund to be known as the "Emerging Crops Fund," which
23 shall be used to pay the interest on loans made to farmers for
24 nonland capital costs of establishing production of emerging crops
25 on land in Mississippi, and to make loans and grants which are
26 authorized under this section to be made from the fund. The fund
27 shall be administered by the Mississippi Development Authority. A
28 board comprised of the directors of the authority, the Mississippi
29 Cooperative Extension Service, the Mississippi Small Farm
30 Development Center and the Mississippi Agricultural and Forestry
31 Experiment Station, or their designees, shall develop definitions,
32 guidelines and procedures for the implementation of this chapter.
33 Funds for the Emerging Crops Fund shall be provided from the
34 issuance of bonds or notes under Sections 69-2-19 through 69-2-37
35 and from repayment of interest loans made from the fund.

36 (2) (a) The Mississippi Development Authority shall develop
37 a program which gives fair consideration to making loans for the
38 processing and manufacturing of goods and services by
39 agribusiness, greenhouse production horticulture, and small
40 business concerns. It is the policy of the State of Mississippi
41 that such authority shall give due recognition to and shall aid,
42 counsel, assist and protect, insofar as is possible, the interests
43 of agribusiness, greenhouse production horticulture, and small
44 business concerns. To ensure that the purposes of this subsection
45 are carried out, the Mississippi Development Authority shall loan
46 not more than One Million Dollars (\$1,000,000.00) to finance any
47 single agribusiness, greenhouse production horticulture, or small
48 business concern. Loans made pursuant to this subsection shall be
49 made in accordance with the criteria established in Section
50 57-71-11.

51 (b) The Mississippi Development Authority may, out of
52 the total amount of bonds authorized to be issued under this
53 chapter, make available funds to any planning and development
54 district in accordance with the criteria established in Section
55 57-71-11. Planning and development districts which receive monies
56 pursuant to this provision shall use such monies to make loans to
57 private companies for purposes consistent with this subsection.

58 (c) The Mississippi Development Authority is hereby
59 authorized to engage legal services, financial advisors,
60 appraisers and consultants, if needed, to review and close loans
61 made hereunder and to establish and assess reasonable fees,
62 including, but not limited to, liquidation expenses.

63 (3) The Mississippi Development Authority shall, in addition
64 to the other programs described in this section, provide for a
65 program of loans to be made to agribusiness or greenhouse

66 production horticulture enterprises for the purpose of encouraging
67 thereby the extension of conventional financing and the issuance
68 of letters of credit to such agribusiness or greenhouse production
69 horticulture enterprises by private institutions. Monies to make
70 such loans by the authority shall be drawn from the Emerging Crops
71 Fund. The amount of a loan to any single agribusiness or
72 greenhouse production horticulture enterprise shall not exceed
73 twenty percent (20%) of the total cost of the project for which
74 financing is sought or Two Hundred Thousand Dollars (\$200,000.00),
75 whichever is less. No interest shall be charged on such loans,
76 and only the amount actually loaned shall be required to be
77 repaid. Repayments shall be deposited into the Emerging Crops
78 Fund.

79 (4) (a) Through June 30, 2004, the Mississippi Development
80 Authority may loan or grant to qualified planning and development
81 districts, and to small business investment corporations,
82 bank-based community development corporations, the Recruitment and
83 Training Program, Inc., the City of Jackson Business Development
84 Loan Fund, the Lorman Southwest Mississippi Development
85 Corporation, the West Jackson Community Development Corporation,
86 the East Mississippi Development Corporation, and other entities
87 meeting the criteria established by the Mississippi Development
88 Authority (all referred to hereinafter as "qualified entities"),
89 funds for the purpose of establishing loan revolving funds to
90 assist in providing financing for minority economic development.
91 The monies loaned or granted by the Mississippi Development
92 Authority shall be drawn from the Emerging Crops Fund and shall
93 not exceed Twenty-three Million Dollars (\$23,000,000.00) in the
94 aggregate. Planning and development districts or qualified
95 entities which receive monies pursuant to this provision shall use

96 such monies to make loans to minority business enterprises
97 consistent with criteria established by the Mississippi
98 Development Authority. Such criteria shall include, at a minimum,
99 the following:

100 (i) The business enterprise must be a private,
101 for-profit enterprise.

102 (ii) If the business enterprise is a
103 proprietorship, the borrower must be a resident citizen of the
104 State of Mississippi; if the business enterprise is a corporation
105 or partnership, at least fifty percent (50%) of the owners must be
106 resident citizens of the State of Mississippi.

107 (iii) The borrower must have at least five percent
108 (5%) equity interest in the business enterprise.

109 (iv) The borrower must demonstrate ability to
110 repay the loan.

111 (v) The borrower must not be in default of any
112 previous loan from the state or federal government.

113 (vi) Loan proceeds may be used for financing all
114 project costs associated with development or expansion of a new
115 small business, including fixed assets, working capital, start-up
116 costs, rental payments, interest expense during construction and
117 professional fees related to the project.

118 (vii) Loan proceeds shall not be used to pay off
119 existing debt for loan consolidation purposes; to finance the
120 acquisition, construction, improvement or operation of real
121 property which is to be held primarily for sale or investment; to
122 provide for, or free funds, for speculation in any kind of
123 property; or as a loan to owners, partners or stockholders of the
124 applicant which do not change ownership interest by the applicant.

125 However, this does not apply to ordinary compensation for

126 services rendered in the course of business.

127 (viii) The maximum amount that may be loaned to
128 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
129 (\$250,000.00).

130 (ix) The Mississippi Development Authority shall
131 review each loan before it is made, and no loan shall be made to
132 any borrower until the loan has been reviewed and approved by the
133 Mississippi Development Authority.

134 (b) For the purpose of this subsection, the term
135 "minority business enterprise" means a socially and economically
136 disadvantaged small business concern, organized for profit,
137 performing a commercially useful function which is owned and
138 controlled by one or more minorities or minority business
139 enterprises certified by the Mississippi Development Authority, at
140 least fifty percent (50%) of whom are resident citizens of the
141 State of Mississippi. For purposes of this subsection, the term
142 "socially and economically disadvantaged small business concern"
143 shall have the meaning ascribed to such term under the Small
144 Business Act (15 USCS, Section 637(a)), or women, and the term
145 "owned and controlled" means a business in which one or more
146 minorities or minority business enterprises certified by the
147 Mississippi Development Authority own fifty-one percent (51%) or,
148 in the case of a corporation, fifty-one percent (51%) of the
149 voting stock, and control fifty-one percent (51%) of the
150 management and daily business operations of the business.

151 From and after July 1, 2004, monies not loaned or granted by
152 the Mississippi Development Authority to planning and development
153 districts or qualified entities under this subsection, and monies
154 not loaned by planning and development districts or qualified
155 entities, shall be deposited to the credit of the sinking fund

156 created and maintained in the State Treasury for the retirement of
157 bonds issued under Section 69-2-19.

158 (c) If the Mississippi Development Authority determines
159 that a qualified entity has provided loans to minority businesses
160 in a manner inconsistent with the provisions of this subsection,
161 then the amount of such loans so provided shall be withheld by the
162 Mississippi Development Authority from any additional funds under
163 this subsection. If the Mississippi Development Authority
164 determines, after notifying such qualified entity twice in writing
165 and providing such qualified entity a reasonable opportunity to
166 comply, that a qualified entity has consistently failed to comply
167 with this subsection, the Mississippi Development Authority may
168 declare such qualified entity in default under this subsection
169 and, upon receipt of notice thereof from the Mississippi
170 Development Authority, such qualified entity shall immediately
171 cease providing loans under this subsection, shall refund to the
172 Mississippi Development Authority for distribution to other
173 qualified entities all funds held in its revolving loan fund and,
174 if required by the Mississippi Development Authority, shall convey
175 to the Mississippi Development Authority all administrative and
176 management control of loans provided by it under this subsection.

177 (d) If the Mississippi Development Authority
178 determines, after notifying a qualified entity twice in writing
179 and providing such district or entity a reasonable opportunity to
180 take corrective action, that a qualified entity administering a
181 revolving loan fund under the provisions of this subsection is not
182 actively engaged in lending as defined by the rules and
183 regulations of the Mississippi Development Authority, the
184 Mississippi Development Authority may declare such qualified
185 entity in default under this section and, upon receipt of notice

186 thereof from the Mississippi Development Authority, such qualified
187 entity shall immediately cease providing loans under this
188 subsection, shall refund to the Mississippi Development Authority
189 for distribution to other qualified entities all funds held in its
190 revolving loan fund and, if required by the Mississippi
191 Development Authority, shall convey to the Mississippi Development
192 Authority all administrative and management control of loans
193 provided by it under this subsection.

194 (5) The Mississippi Development Authority shall develop a
195 program which will assist minority business enterprises by
196 guaranteeing bid, performance and payment bonds which such
197 minority businesses are required to obtain in order to contract
198 with federal agencies, state agencies or political subdivisions of
199 the state. Monies for such program shall be drawn from the monies
200 allocated under subsection (4) of this section to assist the
201 financing of minority economic development and shall not exceed
202 Three Million Dollars (\$3,000,000.00) in the aggregate. The
203 Mississippi Development Authority may promulgate rules and
204 regulations for the operation of the program established pursuant
205 to this subsection. For the purpose of this subsection (5) the
206 term "minority business enterprise" has the meaning assigned such
207 term in subsection (4) of this section.

208 (6) The Mississippi Development Authority may loan or grant
209 to public entities and to nonprofit corporations funds to defray
210 the expense of financing (or to match any funds available from
211 other public or private sources for the expense of financing)
212 projects in this state which are devoted to the study, teaching
213 and/or promotion of regional crafts and which are deemed by the
214 authority to be significant tourist attractions. The monies
215 loaned or granted shall be drawn from the Emerging Crops Fund and

216 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
217 in the aggregate.

218 (7) Through June 30, 1998, the Mississippi Development
219 Authority shall make available to the Mississippi Department of
220 Agriculture and Commerce funds for the purpose of establishing
221 loan revolving funds and other methods of financing for
222 agribusiness programs administered under the Mississippi
223 Agribusiness Council Act of 1993. The monies made available by
224 the Mississippi Development Authority shall be drawn from the
225 Emerging Crops Fund and shall not exceed Seven Hundred Thousand
226 Dollars (\$700,000.00) in the aggregate. The Mississippi
227 Department of Agriculture and Commerce shall establish control and
228 auditing procedures for use of these funds. These funds will be
229 used primarily for quick payment to farmers for vegetable and
230 fruit crops processed and sold through vegetable processing plants
231 associated with the Department of Agriculture and Commerce and the
232 Mississippi State Extension Service.

233 (8) From and after July 1, 1996, the Mississippi Development
234 Authority shall make available to the Mississippi Small Farm
235 Development Center One Million Dollars (\$1,000,000.00) to be used
236 by the center to assist small entrepreneurs as provided in Section
237 37-101-25, Mississippi Code of 1972. The monies made available by
238 the Mississippi Development Authority shall be drawn from the
239 Emerging Crops Fund.

240 (9) The Mississippi Development Authority shall make
241 available to the Agribusiness and Natural Resource Development
242 Center through Alcorn State University an amount not to exceed Two
243 Hundred Fifty Thousand Dollars (\$250,000.00) in Fiscal Year 2001
244 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in Fiscal
245 Year 2002 from the cash balance of the Emerging Crops Fund to

246 support the development of a cooperative program for agribusiness
247 development, marketing and natural resources development. This
248 subsection (9) shall stand repealed on June 30, 2002.

249 (10) The Mississippi Development Authority shall make
250 available to the Small Farm Development Center at Alcorn State
251 University funds in an aggregate amount not to exceed Three
252 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
253 balance of the Emerging Crops Fund. The Small Farm Development
254 Center at Alcorn State University shall use such funds to make
255 loans to producers of sweet potatoes and cooperatives anywhere in
256 the State of Mississippi owned by sweet potato producers to assist
257 in the planting of sweet potatoes and the purchase of sweet potato
258 production and harvesting equipment. A report of the loans made
259 under this subsection shall be furnished by January 15 of each
260 year to the Chairman of the Senate Agriculture Committee and the
261 Chairman of the House Agriculture Committee.

262 (11) The Mississippi Development Authority shall make
263 available to the Mississippi Department of Agriculture and
264 Commerce "Make Mississippi Mine" program an amount not to exceed
265 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
266 the cash balance of the Emerging Crops Fund.

267 SECTION 2. Section 69-2-19, Mississippi Code of 1972, is
268 amended as follows:

269 69-2-19. The Mississippi Development Authority is
270 authorized, at one time, or from time to time, to declare by
271 resolution the necessity for issuance of negotiable general
272 obligation bonds of the State of Mississippi to provide funds for
273 the Emerging Crops Fund established in Section 69-2-13. Upon the
274 adoption of a resolution by the board, declaring the necessity for
275 the issuance of any part or all of the general obligation bonds

276 authorized by Sections 69-2-19 through 69-2-39, the authority
277 shall deliver a certified copy of its resolution or resolutions to
278 the State Bond Commission. Upon receipt of same, the State Bond
279 Commission, in its discretion, shall act as the issuing agent,
280 prescribe the form of the bonds, advertise for and accept bids,
281 issue and sell the bonds so authorized to be sold, and do any and
282 all other things necessary and advisable in connection with the
283 issuance and sale of such bonds. The amount of bonds issued under
284 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Two
285 Million Dollars (\$102,000,000.00) in the aggregate. No bonds may
286 be issued under Sections 69-2-19 through 69-2-39 after October 1,
287 2003.

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

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

1 AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO
2 PLACE THE ADMINISTRATION OF ALL PROGRAMS IN THE EMERGING CROPS
3 FUND UNDER THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO AUTHORIZE THE
4 MISSISSIPPI DEVELOPMENT AUTHORITY TO DRAW AN ADDITIONAL
5 \$5,000,000.00 FROM THE EMERGING CROPS FUND FOR THE MINORITY LOAN
6 PROGRAM ESTABLISHED IN THE EMERGING CROPS FUND; TO REVISE THE
7 DEFINITION OF MINORITY BUSINESS UNDER THE MINORITY LOAN PROGRAM
8 WITHIN THE EMERGING CROPS FUND; TO AUTHORIZE THE MISSISSIPPI
9 DEVELOPMENT AUTHORITY TO DECLARE QUALIFIED ENTITIES ADMINISTERING
10 SUCH LOAN PROGRAM IN DEFAULT UNDER CERTAIN CIRCUMSTANCES AND TO
11 TAKE CERTAIN ACTIONS IN THE EVENT OF A DEFAULT; TO AUTHORIZE THE
12 MISSISSIPPI DEVELOPMENT AUTHORITY TO UTILIZE AN ADDITIONAL
13 \$1,000,000.00 FROM THE MINORITY LOAN PROGRAM FOR ITS MINORITY
14 BUSINESS ENTERPRISE SURETY BOND GUARANTEE PROGRAM; TO AMEND
15 SECTION 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE
16 AGGREGATE AMOUNT OF BONDS THAT MAY BE ISSUED FOR THE EMERGING
17 CROPS FUND; AND FOR RELATED PURPOSES.