

By: Representatives Morris, Smith (39th),  
McCoy

To: Ways and Means

## HOUSE BILL NO. 1735

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE FROM \$254,750,000.00 TO \$270,000,000.00, THE AGGREGATE  
3 AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS  
4 INVESTMENT ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF  
5 1972, TO INCREASE FROM \$5,000,000.00 TO \$7,000,000.00, THE AMOUNT  
6 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY  
7 MAKE AVAILABLE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT AS  
8 INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF BUSINESS  
9 INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING  
10 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO AMEND SECTION 57-61-36,  
11 MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$6,500,000.00 TO  
12 \$8,000,000.00, THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI  
13 DEVELOPMENT AUTHORITY MAY USE UNDER THE MISSISSIPPI BUSINESS  
14 INVESTMENT ACT FOR THE PURPOSE OF MAKING GRANTS AND LOANS TO  
15 COUNTIES AND MUNICIPALITIES TO AID IN INFRASTRUCTURE RELATED  
16 IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND THE PURCHASE,  
17 CONSTRUCTION, REPAIR AND RENOVATION OF PUBLIC FACILITIES; TO  
18 EXTEND THE DATE OF REPEAL ON THE PROVISION OF LAW THAT AUTHORIZES  
19 THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE BOND  
20 PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE  
21 INTEREST BEARING LOANS TO CERTAIN ENTITIES THROUGH A HOUSING  
22 DEVELOPMENT REVOLVING LOAN FUND FOR LOW TO MODERATE INCOME HOUSING  
23 PURPOSES; TO AMEND SECTION 69-2-19, MISSISSIPPI CODE OF 1972, TO  
24 INCREASE FROM \$102,000,000.00 TO \$123,000,000.00, THE AGGREGATE  
25 AMOUNT OF BONDS THAT MAY BE ISSUED FOR THE EMERGING CROPS FUND; TO  
26 EXTEND THE TIME WITHIN WHICH BONDS MAY BE ISSUED FOR THE EMERGING  
27 CROPS FUND; AND FOR RELATED PURPOSES.

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

29 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is  
30 amended as follows:

31 57-61-25. (1) The seller is authorized to borrow, on the  
32 credit of the state upon receipt of a resolution from the  
33 Mississippi Development Authority requesting the same, money not  
34 exceeding the aggregate sum of Two Hundred Seventy Million Dollars  
35 (\$270,000,000.00), not including money borrowed to refund  
36 outstanding bonds, notes or replacement notes, as may be necessary  
37 to carry out the purposes of this chapter. The aggregate amount  
38 of bonds issued prior to June 30, 1987, shall not exceed Fifty  
39 Million Dollars (\$50,000,000.00); provided, however, this Fifty



40 Million Dollar (\$50,000,000.00) limitation shall not be construed  
41 to limit the aggregate amount of grants which may be awarded prior  
42 to June 30, 1987, to less than the full amount authorized under  
43 Section 57-61-15(1), Mississippi Code of 1972. The rate of  
44 interest on any such bonds or notes which are not subject to  
45 taxation shall not exceed the rates set forth in Section  
46 75-17-101, Mississippi Code of 1972, for general obligation bonds.

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

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

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

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

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



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

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

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

90 **SECTION 2.** Section 57-61-34, Mississippi Code of 1972, is  
91 amended as follows:

92 57-61-34. Notwithstanding any provision of this chapter to  
93 the contrary, the Mississippi Development Authority shall utilize  
94 not more than Seven Million Dollars (\$7,000,000.00) out of the  
95 proceeds of bonds authorized to be issued in this chapter to be  
96 made available as interest-bearing loans to municipalities or  
97 private companies to aid in the establishment of business  
98 incubation centers and the creation of new and expanding  
99 technology-based business and industry.

100 In exercising the power given it under this section, the  
101 Mississippi Development Authority shall work in conjunction with  
102 the University Research Center and may contract with the center to  
103 provide space and assistance to business incubation centers as the  
104 center is authorized to do pursuant to Section 57-13-13.



105           The requirements of Section 57-61-9 shall not apply to any  
106 loan made under this section. The Mississippi Development  
107 Authority shall establish criteria and guidelines to govern loans  
108 made pursuant to this section.

109           **SECTION 3.** Section 57-61-36, Mississippi Code of 1972, is  
110 amended as follows:

111           57-61-36. (1) Notwithstanding any provision of this chapter  
112 to the contrary, the Mississippi Development Authority shall  
113 utilize not more than Ten Million Five Hundred Thousand Dollars  
114 (\$10,500,000.00) out of the proceeds of bonds authorized to be  
115 issued in this chapter for the purpose of making grants to  
116 municipalities through a development infrastructure grant fund to  
117 complete infrastructure related to new or expanded industry.

118           (2) Notwithstanding any provision of this chapter to the  
119 contrary, the Mississippi Development Authority may utilize not  
120 more than Seven Million Dollars (\$7,000,000.00) out of the  
121 proceeds of bonds authorized to be issued in this chapter for the  
122 purpose of making interest-bearing loans to any agency,  
123 department, institution, instrumentality or political subdivision  
124 of the state; or any agency, department, institution or  
125 instrumentality of any political subdivision of the state; or any  
126 business, organization, corporation, association or other legal  
127 entity meeting criteria established by the department, through a  
128 housing development revolving loan fund, to construct or repair  
129 housing for low or moderate income earners; provided, however,  
130 that the department may not utilize any bond proceeds authorized  
131 under this chapter for the purpose of making any loans to the  
132 Mississippi Home Corporation for any purpose whatsoever. No more  
133 than forty percent (40%) of the additional bonds authorized by  
134 this section in House Bill No. 1694, 1998 Regular Session [Laws,  
135 1998, Chapter 559], may be used for multiple family housing  
136 activities. Funds authorized under this subsection may be  
137 deposited in the Mississippi Affordable Housing Development Fund



138 authorized in Section 43-33-759 and used for purposes authorized  
139 by that section. This subsection (2) shall be repealed from and  
140 after July 1, 2004.

141 (3) Notwithstanding any provision of this chapter to the  
142 contrary, the Mississippi Development Authority shall utilize not  
143 more than Eight Million Dollars (\$8,000,000.00) out of the  
144 proceeds of bonds authorized to be issued in this chapter for the  
145 purpose of making grants or loans to municipalities through an  
146 equipment and public facilities grant and loan fund to aid in  
147 infrastructure-related improvements as determined by the  
148 Mississippi Development Authority, the purchase of equipment and  
149 in the purchase, construction or repair and renovation of public  
150 facilities. Any bonds previously issued for the Development  
151 Infrastructure Revolving Loan Program which have not been loaned  
152 or applied for are eligible to be administered as grants or loans.

153 The requirements of Section 57-61-9 shall not apply to any  
154 grant made under this subsection. The Mississippi Development  
155 Authority may establish criteria and guidelines to govern grants  
156 made pursuant to this subsection.

157 (4) Notwithstanding any provision of this chapter to the  
158 contrary, the Mississippi Development Authority may utilize not  
159 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out  
160 of the proceeds of bonds authorized to be issued in this chapter  
161 in order to match federal funds available from the United States  
162 Department of Agriculture for the purpose of establishing an  
163 intermediary relending program to be administered by the  
164 Mississippi Development Authority. The Mississippi Development  
165 Authority may establish criteria and guidelines to govern loans  
166 made under such program.

167 (5) The Mississippi Development Authority may establish a  
168 capital access program and may contract with any financial  
169 institution to participate in the program upon such terms and  
170 conditions as the authority shall consider necessary and proper.



171 The Mississippi Development Authority may establish loss reserve  
172 accounts at financial institutions that participate in the program  
173 and require payments by the financial institution and the borrower  
174 to such loss reserve accounts. All money in such loss reserve  
175 accounts is the property of the Mississippi Development Authority.

176 Under the capital access program a participating financial  
177 institution may make a loan to any borrower the Mississippi  
178 Development Authority determines to be qualified under rules and  
179 regulations adopted by the authority and be protected against  
180 losses from such loans as provided in the program. Under such  
181 rules and regulations as may be adopted by the Mississippi  
182 Development Authority, a participating financial institution may  
183 submit claims for the reimbursement for losses incurred as a  
184 result of default on loans by qualified borrowers.

185 Notwithstanding any provision of this chapter to the  
186 contrary, the Mississippi Development Authority may utilize not  
187 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out  
188 of the proceeds of bonds authorized to be issued in this chapter  
189 for the purpose of making payments to loan loss reserve accounts  
190 established at financial institutions that participate in the  
191 capital access program established by the Mississippi Development  
192 Authority.

193 (6) Notwithstanding any provision of this chapter to the  
194 contrary, the Mississippi Development Authority shall utilize not  
195 more than Two Hundred Thousand Dollars (\$200,000.00) out of the  
196 proceeds of bonds authorized to be issued in this chapter for the  
197 purpose of assisting Warren County, Mississippi, in the  
198 continuation and completion of the study for the proposed Kings  
199 Point levee.

200 **SECTION 4.** Section 69-2-19, Mississippi Code of 1972, is  
201 amended as follows:

202 69-2-19. The Mississippi Development Authority is  
203 authorized, at one (1) time or from time to time, to declare by



204 resolution the necessity for issuance of negotiable general  
205 obligation bonds of the State of Mississippi to provide funds for  
206 the Emerging Crops Fund established in Section 69-2-13. Upon the  
207 adoption of a resolution by the board, declaring the necessity for  
208 the issuance of any part or all of the general obligation bonds  
209 authorized by Sections 69-2-19 through 69-2-39, the authority  
210 shall deliver a certified copy of its resolution or resolutions to  
211 the State Bond Commission. Upon receipt of same, the State Bond  
212 Commission, in its discretion, shall act as the issuing agent,  
213 prescribe the form of the bonds, advertise for and accept bids,  
214 issue and sell the bonds so authorized to be sold, and do any and  
215 all other things necessary and advisable in connection with the  
216 issuance and sale of such bonds. The amount of bonds issued under  
217 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred  
218 Twenty-three Million Dollars (\$123,000,000.00) in the aggregate.  
219 No bonds may be issued under Sections 69-2-19 through 69-2-39  
220 after October 1, 2004.

221       **SECTION 5.** This act shall take effect and be in force from  
222 and after its passage.

