

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 841

1 AN ACT TO AMEND SECTION 57-10-511, MISSISSIPPI CODE OF 1972,  
2 TO DELETE THE REQUIREMENT THAT CERTAIN REPORTS BE FILED WITH THE  
3 WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE  
4 ECONOMIC DEVELOPMENT, TOURISM AND PARKS COMMITTEE OF THE SENATE,  
5 BY PLANNING AND DEVELOPMENT DISTRICTS UNDER THE MISSISSIPPI SMALL  
6 BUSINESS ASSISTANCE ACT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-10-511, Mississippi Code of 1972, is  
9 amended as follows:

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

13 (a) Grant funds received by a planning and development  
14 district or qualified entity in accordance with this article shall  
15 be used by the planning and development district or qualified  
16 entity to establish a revolving assistance fund for the purpose of  
17 providing assistance to small businesses in accordance with this  
18 article. Except as otherwise allowed in this article, all  
19 principal and interest payments by small businesses in repayment  
20 of such assistance shall be eligible for and used by the planning  
21 and development district or qualified entity for additional  
22 assistance to small businesses in accordance with this article.

23 (b) Each planning and development district meeting the  
24 criteria set forth in this article shall receive an initial grant  
25 of not to exceed One Million Dollars (\$1,000,000.00) for the  
26 purpose of establishing the program within its area in accordance  
27 with this article. Each qualified entity meeting the criteria set  
28 forth in this article shall be eligible to receive an initial  
29 grant of Five Hundred Thousand Dollars (\$500,000.00) for the



30 purpose of establishing the program within the area it serves in  
31 accordance with this article. The total amount of initial grants  
32 to planning and development districts shall not exceed Ten Million  
33 Dollars (\$10,000,000.00) and the total amount of initial grants  
34 for qualified entities shall not exceed Two Million Dollars  
35 (\$2,000,000.00). Each planning and development district or  
36 qualified entity receiving an initial grant shall have twelve (12)  
37 months in which to make binding commitments to provide assistance  
38 to small businesses in the principal amount of the initial grant  
39 in accordance with this article. Grant funds not committed to  
40 provide assistance to small businesses at the end of twelve (12)  
41 months after receipt thereof by the planning and development  
42 district or qualified entity shall be returned to MDA for  
43 placement in a pool to be redistributed by MDA to planning and  
44 development districts or qualified entities which have binding  
45 commitments to distribute as assistance all their initial grant  
46 funds and have pending applications for additional assistance in  
47 accordance with this article. Any planning and development  
48 district or qualified entity returning any such grant funds to MDA  
49 shall be required at the time such initial grant funds are  
50 returned to deliver to the State Treasury, for deposit in the  
51 General Fund, interest on the amount of such returned funds at the  
52 same rate as any bonds or notes of the State of Mississippi issued  
53 pursuant to this article to provide such grant funds.

54 (c) After all of the initial grant funds have been  
55 provided as assistance to small businesses in accordance with this  
56 article, MDA shall distribute additional grant funds to each  
57 planning and development district or qualified entity qualified  
58 under this article to receive and requesting such funds in  
59 whatever amounts MDA deems appropriate and when needed by such  
60 planning and development districts or qualified entities to  
61 provide additional assistance to small businesses in accordance  
62 with this article. The schedule for distributing such funds shall



63 be determined by MDA. Funds distributed to planning and  
64 development districts and qualified entities pursuant to this  
65 paragraph shall be in addition to funds distributed to planning  
66 and development districts and qualified entities pursuant to  
67 paragraph (b) of this section. The total amount of grants issued  
68 pursuant to this paragraph shall not exceed Twenty Million Dollars  
69 (\$20,000,000.00) for planning and development districts or  
70 qualified entities. Grant funds not committed to provide  
71 assistance to small businesses at the end of twelve (12) months  
72 after receipt thereof by the planning and development district or  
73 qualified entity shall be returned to MDA for placement in a pool  
74 to be redistributed by MDA to planning and development districts  
75 or qualified entities which have binding commitments to distribute  
76 as assistance all their initial grant funds and have pending  
77 applications for additional assistance in accordance with this  
78 article. Any planning and development district or qualified  
79 entity returning any such grant funds to MDA shall be required at  
80 the time such grant funds are returned to deliver to the State  
81 Treasury, for deposit in the General Fund, interest on the amount  
82 of such returned funds at the same rate as any bonds or notes of  
83 the State of Mississippi issued pursuant to this article to  
84 provide such grant funds.

85 (d) A planning and development district or qualified  
86 entity participating in the program may utilize not more than  
87 fifty percent (50%) of interest earned on assistance provided to  
88 small businesses in accordance with this article for  
89 administration and management of the program, unless specifically  
90 authorized to utilize more by MDA; provided, however, any interest  
91 earned on grant funds held by a planning and development district  
92 or qualified entity prior to the utilization of such grant funds  
93 to provide assistance to small businesses shall be placed in the  
94 revolving assistance fund of the planning and development district  
95 or qualified entity and shall not be expended for administration



96 or management costs. Planning and development districts and  
97 qualified entities may retain fifty percent (50%) of the interest  
98 earned on repayment funds that are being held on deposit in  
99 anticipation of relending to aid in the administration and  
100 management of the program. Each planning and development district  
101 and qualified entity shall file annually with the Secretary of the  
102 Senate and the Clerk of the House of Representatives not later  
103 than the first day of each regular legislative session a report  
104 which details any interest retained or utilized by the planning  
105 and development district or qualified entity pursuant to this  
106 paragraph (d).

107 (e) If a planning and development district or qualified  
108 entity participating in the program experiences losses from  
109 assistance provided pursuant to the program in excess of sixty  
110 percent (60%) of the amount of grant funds received by the  
111 planning and development district or qualified entity, the  
112 planning and development district or qualified entity shall repay  
113 the State of Mississippi the amount of such losses in excess of  
114 sixty percent (60%) by delivering that amount to the State  
115 Treasury for deposit in the General Fund.

116 (f) MDA shall assist each planning and development  
117 district or qualified entity participating in the program in  
118 connection with such planning and development district's or  
119 qualified entity's compliance with this article.

120 (g) Each planning and development district or qualified  
121 entity participating in the program shall submit the following  
122 reports to the \* \* \* MDA:

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

125 (ii) A semiannual report on July 30 and January 30  
126 of each year, describing all assistance provided to small  
127 businesses pursuant to the program, such reports to include  
128 without limitation the following: a description of each small



129 business receiving assistance; the project to be assisted and  
130 purpose of assistance; a description of each loan and equity  
131 investment, including the terms and conditions thereof and use of  
132 the funds assistance by the small business; history of the  
133 assistance pool, including principal amount loaned, interest  
134 earned, interest expended for administration and management,  
135 principal amount of equity investments, assistance funds  
136 available, and losses; and a statement of jobs created or retained  
137 as a result of the assistance program.

138 (h) If MDA determines that a district or entity has  
139 provided assistance to small businesses in a manner inconsistent  
140 with the provisions of this article, then the amount of such  
141 assistance so provided shall be withheld by MDA from any  
142 additional grant funds to which the district or entity becomes  
143 entitled under this article. If MDA determines, after notifying  
144 such district or entity twice in writing and providing such  
145 district or entity a reasonable opportunity to comply, that a  
146 planning and development district or qualified entity has  
147 consistently failed to comply with this article in connection with  
148 the program, MDA may declare such planning and development  
149 district or qualified entity in default under the program and,  
150 upon receipt of notice thereof from MDA, such planning and  
151 development district or qualified entity shall immediately cease  
152 providing assistance under the program, shall refund to MDA for  
153 distribution to other planning and development districts or  
154 qualified entities all funds held in its revolving assistance fund  
155 and, if required by MDA, shall convey to MDA all administrative  
156 and management control of assistance provided by it under the  
157 program.

158 (i) If MDA determines, after notifying a planning and  
159 development district or qualified entity twice in writing and  
160 providing copies of such notification to each member of the  
161 Legislature in whose district or in a part of whose district such



162 planning and development district or qualified entity is located  
163 and providing such district or entity a reasonable opportunity to  
164 take corrective action, that a planning and development district  
165 or a qualified entity administering a revolving assistance fund  
166 under the provisions of this article is not actively engaged in  
167 lending as defined by the rules and regulations of MDA, MDA may  
168 declare such planning and development district or qualified entity  
169 in default under the program and, upon receipt of notice thereof  
170 from MDA, such planning and development district or qualified  
171 entity shall immediately cease providing assistance under the  
172 program, shall refund to MDA for distribution to other planning  
173 and development districts or qualified entities all funds held in  
174 its revolving assistance fund and, if required by MDA, shall  
175 convey to MDA all administrative and management control of  
176 assistance provided by it under the program.

177 (j) Notwithstanding any other provision of this article  
178 to the contrary, if federal funds are not available for  
179 commitments made by a planning and development district to provide  
180 assistance under any federal loan program administered by the  
181 planning and development district in coordination with the  
182 Appalachian Regional Commission or Economic Development  
183 Administration, or both, a planning and development district may  
184 use funds in its revolving assistance fund, which have not been  
185 committed otherwise to provide assistance, for the purpose of  
186 providing temporary funding for such commitments. If a planning  
187 and development district uses uncommitted funds in its revolving  
188 assistance fund to provide such temporary funding, the district  
189 shall use funds repaid to the district under the temporarily  
190 funded federal loan program to replenish the funds used to provide  
191 the temporary funding. Funds used by a planning and development  
192 district to provide temporary funding under this paragraph (j)  
193 must be repaid to the district's revolving assistance fund no  
194 later than twelve (12) months after the date the district provides



195 the temporary funding. A planning and development district may  
196 not use uncommitted funds in its revolving assistance fund to  
197 provide temporary funding under this paragraph (j) on more than  
198 two (2) occasions during a calendar year. A planning and  
199 development district may provide temporary funding for multiple  
200 commitments on each such occasion. The maximum aggregate amount  
201 of uncommitted funds in a revolving assistance fund that may be  
202 used for such purposes during a calendar year shall not exceed  
203 seventy percent (70%) of the uncommitted funds in the revolving  
204 assistance fund on the date the district first provides temporary  
205 funding during the calendar year.

206       **SECTION 2.** This act shall take effect and be in force from  
207 and after its passage.

