

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

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1493

1 AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
2 EXTEND THE PROGRAM THAT AUTHORIZES THE MISSISSIPPI DEVELOPMENT  
3 AUTHORITY TO LOAN OR GRANT FUNDS FROM THE EMERGING CROPS FUND TO  
4 CERTAIN ENTITIES FOR LOAN REVOLVING FUNDS TO ASSIST IN PROVIDING  
5 FINANCING FOR MINORITY ECONOMIC DEVELOPMENT AND TO INCREASE THE  
6 AMOUNT THAT MAY BE DRAWN FOR SUCH PURPOSE FROM THE EMERGING CROPS  
7 FUND FROM \$23,000,000.00 TO \$25,000,000.00; TO EXTEND THE REPEALER  
8 ON MONIES MADE AVAILABLE TO THE AGRIBUSINESS AND NATURAL RESOURCE  
9 DEVELOPMENT CENTER AT ALCORN STATE UNIVERSITY FROM THE EMERGING  
10 CROPS FUND; TO REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO  
11 PROVIDE FUNDS FROM THE EMERGING CROPS FUND TO THE MISSISSIPPI  
12 DEPARTMENT OF AGRICULTURE AND COMMERCE TO BE USED FOR  
13 REHABILITATION, MAINTENANCE AND ADVERTISING OF THE MISSISSIPPI  
14 FARMERS CENTRAL MARKET; TO AMEND SECTION 69-2-19, MISSISSIPPI CODE  
15 OF 1972, TO INCREASE THE AGGREGATE AMOUNT OF BONDS THAT MAY BE  
16 ISSUED FOR THE EMERGING CROPS FUND; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** Section 69-2-13, Mississippi Code of 1972, is  
19 amended as follows:

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



35           (2)   (a)   The Mississippi Development Authority shall develop  
36 a program which gives fair consideration to making loans for the  
37 processing and manufacturing of goods and services by  
38 agribusiness, greenhouse production horticulture, and small  
39 business concerns. It is the policy of the State of Mississippi  
40 that the Mississippi Development Authority shall give due  
41 recognition to and shall aid, counsel, assist and protect, insofar  
42 as is possible, the interests of agribusiness, greenhouse  
43 production horticulture, and small business concerns. To ensure  
44 that the purposes of this subsection are carried out, the  
45 Mississippi Development Authority shall loan not more than One  
46 Million Dollars (\$1,000,000.00) to finance any single  
47 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)   (a)   The Mississippi Development Authority shall, in  
64 addition to the other programs described in this section, provide  
65 for a 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 Mississippi Development Authority shall be drawn  
71 from the Emerging Crops Fund. The amount of a loan to any single  
72 agribusiness or greenhouse production horticulture enterprise  
73 under this paragraph (a) shall not exceed twenty percent (20%) of  
74 the total cost of the project for which financing is sought or Two  
75 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
76 interest shall be charged on such loans, and only the amount  
77 actually loaned shall be required to be repaid. Repayments shall  
78 be deposited into the Emerging Crops Fund.

79 (b) The Mississippi Development Authority shall, in  
80 addition to the other programs described in this section, provide  
81 for a program of loans or loan guaranties, or both, to be made to  
82 or on behalf of any agribusiness enterprise engaged in beef  
83 processing for the purpose of encouraging thereby the extension of  
84 conventional financing and the issuance of letters of credit to  
85 such agribusiness enterprises by private institutions. Monies to  
86 make such loans or loan guaranties, or both, by the Mississippi  
87 Development Authority shall be drawn from the Emerging Crops Fund  
88 and shall not exceed Twenty-one Million Dollars (\$21,000,000.00)  
89 in the aggregate. The amount of a loan to any single agribusiness  
90 enterprise or loan guaranty on behalf of such agribusiness  
91 enterprise, or both, under this paragraph (b) shall not exceed the  
92 total cost of the project for which financing is sought or  
93 Twenty-one Million Dollars (\$21,000,000.00), whichever is less.  
94 The interest charged on a loan made under this paragraph (b) shall  
95 be at a rate determined by the Mississippi Development Authority.  
96 All repayments of any loan made under this paragraph (b) shall be  
97 deposited into the Emerging Crops Fund. Assistance received by an  
98 agribusiness enterprise under this paragraph (b) shall not  
99 disqualify the agribusiness enterprise from obtaining any other  
100 assistance under this chapter.



101           (4)   (a)   Through June 30, 2004, the Mississippi Development  
102 Authority may loan or grant to qualified planning and development  
103 districts, and to small business investment corporations,  
104 bank-based community development corporations, the Recruitment and  
105 Training Program, Inc., the City of Jackson Business Development  
106 Loan Fund, the Lorman Southwest Mississippi Development  
107 Corporation, the West Jackson Community Development Corporation,  
108 the East Mississippi Development Corporation, and other entities  
109 meeting the criteria established by the Mississippi Development  
110 Authority (all referred to hereinafter as "qualified entities"),  
111 funds for the purpose of establishing loan revolving funds to  
112 assist in providing financing for minority economic development.  
113 The monies loaned or granted by the Mississippi Development  
114 Authority shall be drawn from the Emerging Crops Fund and shall  
115 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the  
116 aggregate. Planning and development districts or qualified  
117 entities which receive monies pursuant to this provision shall use  
118 such monies to make loans to minority business enterprises  
119 consistent with criteria established by the Mississippi  
120 Development Authority. Such criteria shall include, at a minimum,  
121 the following:

122                           (i)   The business enterprise must be a private,  
123 for-profit enterprise.

124                           (ii)   If the business enterprise is a  
125 proprietorship, the borrower must be a resident citizen of the  
126 State of Mississippi; if the business enterprise is a corporation  
127 or partnership, at least fifty percent (50%) of the owners must be  
128 resident citizens of the State of Mississippi.

129                           (iii)   The borrower must have at least five percent  
130 (5%) equity interest in the business enterprise.

131                           (iv)   The borrower must demonstrate ability to  
132 repay the loan.



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

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

140 (vii) Loan proceeds shall not be used to pay off  
141 existing debt for loan consolidation purposes; to finance the  
142 acquisition, construction, improvement or operation of real  
143 property which is to be held primarily for sale or investment; to  
144 provide for, or free funds, for speculation in any kind of  
145 property; or as a loan to owners, partners or stockholders of the  
146 applicant which do not change ownership interest by the applicant.  
147 However, this does not apply to ordinary compensation for services  
148 rendered in the course of business.

149 (viii) The maximum amount that may be loaned to  
150 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars  
151 (\$250,000.00).

152 (ix) The Mississippi Development Authority shall  
153 review each loan before it is made, and no loan shall be made to  
154 any borrower until the loan has been reviewed and approved by the  
155 Mississippi Development Authority.

156 (b) For the purpose of this subsection, the term  
157 "minority business enterprise" means a socially and economically  
158 disadvantaged small business concern, organized for profit,  
159 performing a commercially useful function which is owned and  
160 controlled by one or more minorities or minority business  
161 enterprises certified by the Mississippi Development Authority, at  
162 least fifty percent (50%) of whom are resident citizens of the  
163 State of Mississippi. For purposes of this subsection, the term  
164 "socially and economically disadvantaged small business concern"  
165 shall have the meaning ascribed to such term under the Small



166 Business Act (15 USCS, Section 637(a)), or women, and the term  
167 "owned and controlled" means a business in which one or more  
168 minorities or minority business enterprises certified by the  
169 Mississippi Development Authority own sixty percent (60%) or, in  
170 the case of a corporation, sixty percent (60%) of the voting  
171 stock, and control sixty percent (60%) of the management and daily  
172 business operations of the business.

173 From and after July 1, 2004, monies not loaned or granted by  
174 the Mississippi Development Authority to planning and development  
175 districts or qualified entities under this subsection, and monies  
176 not loaned by planning and development districts or qualified  
177 entities, shall be deposited to the credit of the sinking fund  
178 created and maintained in the State Treasury for the retirement of  
179 bonds issued under Section 69-2-19.

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



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

209 (d) If the Mississippi Development Authority determines  
210 that a planning and development district or qualified entity has  
211 provided loans to minority businesses in a manner inconsistent  
212 with the provisions of this subsection, then the amount of such  
213 loans so provided shall be withheld by the Mississippi Development  
214 Authority from any additional grant funds to which the planning  
215 and development district or qualified entity becomes entitled  
216 under this subsection. If the Mississippi Development Authority  
217 determines, after notifying such planning and development district  
218 or qualified entity twice in writing and providing such planning  
219 and development district or qualified entity a reasonable  
220 opportunity to comply, that a planning and development district or  
221 qualified entity has consistently failed to comply with this  
222 subsection, the Mississippi Development Authority may declare such  
223 planning and development district or qualified entity in default  
224 under this subsection and, upon receipt of notice thereof from the  
225 Mississippi Development Authority, such planning and development  
226 district or qualified entity shall immediately cease providing  
227 loans under this subsection, shall refund to the Mississippi  
228 Development Authority for distribution to other planning and  
229 development districts or qualified entities all funds held in its  
230 revolving loan fund and, if required by the Mississippi  
231 Development Authority, shall convey to the Mississippi Development



232 Authority, all administrative and management control of loans  
233 provided by it under this subsection.

234 (e) If the Mississippi Development Authority  
235 determines, after notifying a planning and development district or  
236 qualified entity twice in writing and providing copies of such  
237 notification to each member of the Legislature in whose district  
238 or in a part of whose district such planning and development  
239 district or qualified entity is located and providing such  
240 planning and development district or qualified entity a reasonable  
241 opportunity to take corrective action, that a planning and  
242 development district or qualified entity administering a revolving  
243 loan fund under the provisions of this subsection is not actively  
244 engaged in lending as defined by the rules and regulations of the  
245 Mississippi Development Authority, the Mississippi Development  
246 Authority may declare such planning and development district or  
247 qualified entity in default under this subsection and, upon  
248 receipt of notice thereof from the Mississippi Development  
249 Authority, such planning and development district or qualified  
250 entity shall immediately cease providing loans under this  
251 subsection, shall refund to the Mississippi Development Authority  
252 for distribution to other planning and development districts or  
253 qualified entities all funds held in its revolving loan fund and,  
254 if required by the Mississippi Development Authority, shall convey  
255 to the Mississippi Development Authority all administrative and  
256 management control of loans provided by it under this subsection.

257 (5) The Mississippi Development Authority shall develop a  
258 program which will assist minority business enterprises by  
259 guaranteeing bid, performance and payment bonds which such  
260 minority businesses are required to obtain in order to contract  
261 with federal agencies, state agencies or political subdivisions of  
262 the state. Monies for such program shall be drawn from the monies  
263 allocated under subsection (4) of this section to assist the  
264 financing of minority economic development and shall not exceed





265 Three Million Dollars (\$3,000,000.00) in the aggregate. The  
266 Mississippi Development Authority may promulgate rules and  
267 regulations for the operation of the program established pursuant  
268 to this subsection. For the purpose of this subsection (5) the  
269 term "minority business enterprise" has the meaning assigned such  
270 term in subsection (4) of this section.

271 (6) The Mississippi Development Authority may loan or grant  
272 to public entities and to nonprofit corporations funds to defray  
273 the expense of financing (or to match any funds available from  
274 other public or private sources for the expense of financing)  
275 projects in this state which are devoted to the study, teaching  
276 and/or promotion of regional crafts and which are deemed by the  
277 authority to be significant tourist attractions. The monies  
278 loaned or granted shall be drawn from the Emerging Crops Fund and  
279 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
280 in the aggregate.

281 (7) Through June 30, 1998, the Mississippi Development  
282 Authority shall make available to the Mississippi Department of  
283 Agriculture and Commerce funds for the purpose of establishing  
284 loan revolving funds and other methods of financing for  
285 agribusiness programs administered under the Mississippi  
286 Agribusiness Council Act of 1993. The monies made available by  
287 the Mississippi Development Authority shall be drawn from the  
288 Emerging Crops Fund and shall not exceed Seven Hundred Thousand  
289 Dollars (\$700,000.00) in the aggregate. The Mississippi  
290 Department of Agriculture and Commerce shall establish control and  
291 auditing procedures for use of these funds. These funds will be  
292 used primarily for quick payment to farmers for vegetable and  
293 fruit crops processed and sold through vegetable processing plants  
294 associated with the Department of Agriculture and Commerce and the  
295 Mississippi State Extension Service.

296 (8) From and after July 1, 1996, the Mississippi Development  
297 Authority shall make available to the Mississippi Small Farm



298 Development Center One Million Dollars (\$1,000,000.00) to be used  
299 by the center to assist small entrepreneurs as provided in Section  
300 37-101-25, Mississippi Code of 1972. The monies made available by  
301 the Mississippi Development Authority shall be drawn from the  
302 Emerging Crops Fund.

303 (9) The Mississippi Development Authority shall make  
304 available to the Agribusiness and Natural Resource Development  
305 Center through Alcorn State University an amount not to exceed Two  
306 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
307 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal  
308 year 2002 from the cash balance of the Emerging Crops Fund to  
309 support the development of a cooperative program for agribusiness  
310 development, marketing and natural resources development. This  
311 subsection (9) shall stand repealed on June 30, 2004.

312 (10) The Mississippi Development Authority shall make  
313 available to the Small Farm Development Center at Alcorn State  
314 University funds in an aggregate amount not to exceed Three  
315 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
316 balance of the Emerging Crops Fund. The Small Farm Development  
317 Center at Alcorn State University shall use such funds to make  
318 loans to producers of sweet potatoes and cooperatives anywhere in  
319 the State of Mississippi owned by sweet potato producers to assist  
320 in the planting of sweet potatoes and the purchase of sweet potato  
321 production and harvesting equipment. A report of the loans made  
322 under this subsection shall be furnished by January 15 of each  
323 year to the Chairman of the Senate Agriculture Committee and the  
324 Chairman of the House Agriculture Committee.

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



330       (12) The Mississippi Development Authority shall make  
331 available to the Mississippi Department of Agriculture and  
332 Commerce an amount not to exceed One Hundred Fifty Thousand  
333 Dollars (\$150,000.00) to be drawn from the cash balance of the  
334 Emerging Crops Fund to be used for the rehabilitation and  
335 maintenance of the Mississippi Farmers Central Market in Jackson,  
336 Mississippi.

337       (13) The Mississippi Development Authority shall make  
338 available to the Mississippi Department of Agriculture and  
339 Commerce an amount not to exceed Twenty-five Thousand Dollars  
340 (\$25,000.00) to be drawn from the cash balance of the Emerging  
341 Crops Fund to be used for advertising purposes related to the  
342 Mississippi Farmers Central Market in Jackson, Mississippi.

343       **SECTION 2.** Section 69-2-19, Mississippi Code of 1972, is  
344 amended as follows:

345       69-2-19. The Mississippi Development Authority is  
346 authorized, at one (1) time or from time to time, to declare by  
347 resolution the necessity for issuance of negotiable general  
348 obligation bonds of the State of Mississippi to provide funds for  
349 the Emerging Crops Fund established in Section 69-2-13. Upon the  
350 adoption of a resolution by the board, declaring the necessity for  
351 the issuance of any part or all of the general obligation bonds  
352 authorized by Sections 69-2-19 through 69-2-39, the authority  
353 shall deliver a certified copy of its resolution or resolutions to  
354 the State Bond Commission. Upon receipt of same, the State Bond  
355 Commission, in its discretion, shall act as the issuing agent,  
356 prescribe the form of the bonds, advertise for and accept bids,  
357 issue and sell the bonds so authorized to be sold, and do any and  
358 all other things necessary and advisable in connection with the  
359 issuance and sale of such bonds. The amount of bonds issued under  
360 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Four  
361 Million Dollars (\$104,000,000.00) in the aggregate; however, an  
362 additional amount of bonds may be issued under Sections 69-2-19



363 through 69-2-39 in an amount not to exceed Twenty-one Million  
364 Dollars (\$21,000,000.00), and the proceeds of any such additional  
365 bonds shall be used solely for the purposes described in Section  
366 69-2-13(3)(b). No bonds may be issued under Sections 69-2-19  
367 through 69-2-39 after October 1, 2019.

368         **SECTION 3.** This act shall take effect and be in force from  
369 and after its passage.

