

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2579

1 AN ACT TO AMEND SECTION 57-61-9, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE MATCHING FUNDS REQUIREMENT UNDER THE MISSISSIPPI  
3 BUSINESS INVESTMENT ACT TO REQUIRE MATCHING FUNDS OF AT LEAST TWO  
4 PRIVATE DOLLARS FOR EVERY DOLLAR OF STATE ASSISTANCE FOR COMPANIES  
5 THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY DETERMINES TO BE HIGH  
6 TECHNOLOGY ENTERPRISES; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-61-9, Mississippi Code of 1972, is  
9 amended as follows:

10 57-61-9. (1) Any private company desiring assistance from a  
11 municipality shall submit to the municipality a letter of intent  
12 to locate, expand or build a facility entirely or partially within  
13 the municipality or on land the municipality is authorized to own  
14 or otherwise acquire. The letter of intent shall include:

15 (a) Except for strategic investments, a commitment that  
16 the proposed project will create and maintain a minimum of ten  
17 (10) net new full-time equivalent jobs, will create and maintain  
18 at least a five percent (5%) increase in full-time equivalent jobs  
19 in the case of expansion of an enterprise already located at the  
20 site or at least a twenty-five percent (25%) increase in full-time  
21 equivalent jobs pursuant to subsection (9) of Section 57-61-15 and  
22 will create and maintain at least one (1) net new full-time  
23 equivalent job for every Fifteen Thousand Dollars (\$15,000.00)  
24 either loaned or granted for the project. The commitment required  
25 by this paragraph (a) shall include any jobs created prior to the  
26 effective date of this chapter resulting from contracts entered  
27 into contingent upon assistance being made available under this  
28 chapter. All jobs required to be maintained by this paragraph (a)



29 shall be maintained until such time as any loan made under this  
30 chapter for the benefit of a private company is repaid.

31 (b) A statement that the specific improvements are  
32 necessary for the efficient and cost-effective operation of the  
33 private company, together with supporting financial and  
34 engineering documentation.

35 (c) Any commitment to pay rental on, or to make loan  
36 repayments related to, the improvements to be made with funds  
37 loaned to a municipality under this chapter.

38 (d) If required by the Mississippi Development  
39 Authority, a notarized statement of willingness to grant a lien on  
40 the facility for which the improvement is being provided, in an  
41 amount and a manner to be determined by the Mississippi  
42 Development Authority, which lien may be foreclosed in the event  
43 that the private company fails to operate in the facility  
44 according to the terms of the agreement and/or to collateralize  
45 the loan made for the benefit of the private company for which the  
46 improvement is being provided in an amount and manner to be  
47 determined by the Mississippi Development Authority. In the event  
48 the contractual agreement is to be entered into with a department  
49 or subsidiary of the United States government, the Mississippi  
50 Development Authority shall determine that the governmental unit  
51 will operate the proposed project for a sufficient number of years  
52 to retire the loan based on increased revenue estimates by the  
53 University Research Center and any agreement entered into shall  
54 reflect that the interest paid on any loan for such purpose shall  
55 be included in Mississippi's contributory value in the project.  
56 In the event the private company requesting the assistance is a  
57 subsidiary of another corporation, if required by the Mississippi  
58 Development Authority, any contractual agreement entered into  
59 shall also require the parent company to unconditionally warrant  
60 the performance of the subsidiary in carrying out the terms of the  
61 agreement or it shall require the subsidiary and/or the parent



62 company to pledge assets in an amount and a manner to be  
63 determined by the Mississippi Development Authority and/or to  
64 collateralize the loan in an amount and a manner to be determined  
65 by the Mississippi Development Authority to ensure the performance  
66 of the terms of the contract.

67 (2) Upon receipt of the letter of intent from a private  
68 company, the municipality may apply to the Mississippi Development  
69 Authority for a loan or grant. The application from the  
70 municipality shall include, but not be limited to:

71 (a) A statement of the purpose of the proposed loan or  
72 grant, including a list of eligible items and the cost of each.

73 (b) A statement showing the sources of funding for the  
74 entire project, including the private company's or governmental  
75 unit's investment in the project and any public and other private  
76 sources of funding.

77 (c) A certified copy of the signed letter of intent  
78 from a private company or governmental unit, as specified in this  
79 section.

80 (d) Evidence that there will be a private match of at  
81 least Three Dollars (\$3.00) for every One Dollar (\$1.00) of state  
82 assistance, except;

83 (i) In the case of ports \* \* \* the private match  
84 will be at least Two Dollars (\$2.00) for every One Dollar (\$1.00)  
85 of state assistance, and

86 (ii) In the case where the Mississippi Development  
87 Authority determines that a private company is a high technology  
88 enterprise the private match will be at least Two Dollars (\$2.00)  
89 for every One Dollar (\$1.00) of state assistance.

90 The Mississippi Development Authority shall establish  
91 criteria for determining whether a private company is a high  
92 technology enterprise.



93 (e) Demonstration that the private company is  
94 financially sound and is likely to fulfill the commitments made in  
95 its letter of intent.

96 (f) A proposed timetable for the provision of the  
97 improvements.

98 (g) Evidence that the project will be expeditiously  
99 carried out and completed as planned.

100 (h) A demonstration that insufficient local capital  
101 improvement funds at reasonable rates and terms are available  
102 within the necessary time to provide the needed improvement on  
103 public property. This includes local funds available through  
104 issuance of bonds or other means, state funds available through  
105 existing programs, and available federal program funds such as  
106 community development block grant funds, urban development action  
107 grant funds, and economic development administration funds.

108 (i) A demonstration that insufficient private funds are  
109 available at reasonable rates and terms within the necessary time  
110 to fund improvement on property owned by the private company.

111 (3) The Mississippi Development Authority shall consider  
112 grant and loan applications based on the following criteria:

113 (a) The number of net new full-time equivalent jobs  
114 that will be provided and the amount of additional state and local  
115 tax revenue estimated by the University Research Center to be  
116 directly generated by the private company's new investment, and  
117 additionally, as to loan applications by state agencies, the  
118 extent to which shipping through the port will be increased by the  
119 proposed port development projects, the degree to which jobs will  
120 be increased in the port area and the impact on port revenues.

121 (b) The ability to repay the principal and interest, in  
122 the case of a loan, based on increased revenue estimates and any  
123 revenue-producing provision of a contractual agreement.

124 (c) The increase in the employment base of the state.



125           The Mississippi Development Authority and the University  
126 Research Center may use the resources and capabilities of the  
127 planning and development districts in carrying out the provisions  
128 of this chapter.

129           (4) No loan shall be made in excess of the amounts which can  
130 be repaid with the increased revenues estimated by the University  
131 Research Center, provided that this subsection (4) shall not apply  
132 to loans in connection with a United States Navy home port.

133           (5) (a) Notwithstanding anything contained in this chapter,  
134 an agency of the State of Mississippi operating a state-owned  
135 port, and hereinabove identified as a "municipality" and  
136 "governmental unit" for purposes of this chapter, may make  
137 application for a loan or grant under the terms and provisions of  
138 this chapter. In addition, a public agency operating a port  
139 bordering on the Gulf of Mexico, which shall be considered to be a  
140 "municipality" or a "governmental unit" for the purposes of this  
141 chapter, may make application for a loan or grant under the terms  
142 and provisions of this chapter from funds other than those funds  
143 authorized for a state-owned port under paragraph (e)(iii) of  
144 Section 57-61-11. The application shall be initiated by  
145 submission of a letter of intent to engage in a project or  
146 projects for the purpose of effecting enlargement and improvement  
147 in all facilities used and useful in attracting international and  
148 foreign commerce through the port. Projects eligible for  
149 inclusion in the letter of intent may include, but not be  
150 restricted to:

151                   (i) Dredging and deepening the access channel and  
152 harbor basin of the port;

153                   (ii) Effecting the enlargement of the land area of  
154 the port by reclamation;

155                   (iii) Construction and installation of piling,  
156 bulkheads, docks, wharves, warehouses and appurtenances; and



157 (iv) Acquisition of facilities and equipment for  
158 handling bulk and containerized cargo.

159 (b) With respect to a state-owned port bordering on the  
160 Gulf of Mexico, the letter of intent shall include the following  
161 information and any other information required by the Mississippi  
162 Development Authority:

163 (i) Present and future annual tonnages expected as  
164 a result of the improvements.

165 (ii) Reasons why present facilities are inadequate  
166 to enable the port to compete, including limitations imposed by  
167 insufficient depth of channel and basin.

168 (iii) Increased channel and basin depths necessary  
169 to accommodate modern shipping.

170 (iv) Comparison of the percentage of the world's  
171 cargo shipping that can now be accommodated with what could be  
172 accommodated with project improvements.

173 (v) Economic contribution to the region and state  
174 resulting from increased shipping activity.

175 (vi) Statement of degree to which port revenues  
176 are expected to be increased as a result of projects.

177 (vii) Financial data of port activities, including  
178 cost of project, degree of federal funding available and required  
179 local participation.

180 On or before January 1, 1989, a state-owned port described in  
181 this paragraph (b) shall submit to the Senate Finance Committee  
182 and the House Ways and Means Committee of the Mississippi  
183 Legislature a comprehensive, written report updating for each  
184 committee the information listed in items (i) through (vii) of  
185 this paragraph (b) with particular emphasis on the economic  
186 contribution to the region and state by shipping activity at the  
187 port; on financial data with respect to the degree of federal  
188 funding available and local participation in funding port



189 activities; and on progress made in dredging and completing other  
190 improvements necessary to accommodate modern shipping.

191 (c) The Mississippi Development Authority shall  
192 consider grant and loan applications based on the following:

193 (i) The extent to which shipping through the port  
194 will be increased by the proposed projects.

195 (ii) The degree to which jobs will be increased in  
196 the port area.

197 (iii) Impact on port revenues.

198 (iv) The ability of the port to repay interest and  
199 principal in the case of a loan.

200 (6) A municipality may apply to the Mississippi Development  
201 Authority for a grant under the terms and provisions of this  
202 chapter, and the Mississippi Development Authority may award  
203 grants to a municipality subject to limitations contained in this  
204 chapter. The application shall be initiated by submission of a  
205 letter of intent to engage in a project or projects for the  
206 purpose of providing improvements necessary to accommodate a  
207 United States Navy home port.

208 (7) The Legislature hereby finds and determines that  
209 financing facilities necessary to accommodate a Navy home port  
210 serves a valid public purpose in that a Navy home port will  
211 significantly contribute to the employment base of the state which  
212 is in great need of assistance; provided, that in the event such  
213 facilities are no longer required for use by the Navy as a home  
214 port, such facilities shall revert as provided in Section 59-9-21.

215 (8) Notwithstanding any provision or requirement of this  
216 chapter to the contrary, a municipality may make application for a  
217 loan under this chapter, in an amount not to exceed Five Million  
218 Dollars (\$5,000,000.00), for the purpose of acquiring and  
219 developing land to be used as a technology/industrial park for  
220 which there is a binding commitment by one or more private  
221 companies to create and maintain not less than an aggregate of



222 three hundred (300) jobs meeting minimum criteria established by  
223 the Mississippi Development Authority. Such a commitment by a  
224 private company shall not disqualify the private company from  
225 obtaining assistance under this section. The match requirements  
226 of this section shall not apply to any loan made pursuant to this  
227 subsection (8).

228 (9) (a) A municipality is authorized to negotiate a  
229 contract for the acquisition, construction and erection of a  
230 project or any portion of a project hereunder where a municipality  
231 finds that, because of the particular nature of a project or any  
232 portion thereof, it would be in the best public interest of the  
233 municipality to negotiate.

234 (b) Contracts by a private company for the acquisition,  
235 construction or erection of a project which receives assistance  
236 under this chapter shall be effected in the manner prescribed by  
237 law for public contracts, unless the Mississippi Development  
238 Authority makes a written finding that, because of special  
239 circumstances with respect to the projects or any portion thereof,  
240 it would better serve the public interest or more effectively  
241 achieve the purposes of this chapter to enter into such contracts  
242 based on negotiation.

243 (10) A municipality is authorized upon such terms and  
244 conditions as the municipality may deem advisable, provided such  
245 terms and conditions shall not be in conflict with the provisions  
246 of this chapter, to (a) acquire, whether by construction,  
247 purchase, gift or lease, all of or any portion of a project  
248 hereunder; (b) to lease or sell to others all of or any portion of  
249 a project hereunder; and (c) to lend to the private company the  
250 proceeds of the loan from the board to such municipality.

251 (11) All agreements between a municipality and a private  
252 company related directly or indirectly to a project or a portion  
253 of a project to be funded in whole or in part under this chapter  
254 are subject to approval by the Mississippi Development Authority.





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

