

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Senate Bill NO. 2890

By Representative(s) Committee

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

34 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is
35 amended as follows:
36 57-61-25. (1) The seller is authorized to borrow, on the
37 credit of the state upon receipt of a resolution from the
38 Mississippi Development Authority requesting the same, money not
39 exceeding the aggregate sum of Two Hundred Ninety Million Dollars
40 (\$290,000,000.00), not including money borrowed to refund
41 outstanding bonds, notes or replacement notes, as may be necessary
42 to carry out the purposes of this chapter. The aggregate amount
43 of bonds issued prior to June 30, 1987, shall not exceed Fifty
44 Million Dollars (\$50,000,000.00); provided, however, this Fifty
45 Million Dollars (\$50,000,000.00) limitation shall not be construed
46 to limit the aggregate amount of grants which may be awarded prior
47 to June 30, 1987, to less than the full amount authorized under
48 Section 57-61-15(1), Mississippi Code of 1972. The rate of
49 interest on any such bonds or notes which are not subject to
50 taxation shall not exceed the rates set forth in Section
51 75-17-101, Mississippi Code of 1972, for general obligation bonds.
52 (2) As evidence of indebtedness authorized in this chapter,
53 general or limited obligation bonds of the state shall be issued

54 from time to time, to provide monies necessary to carry out the
55 purposes of this chapter for such total amounts, in such form, in
56 such denominations payable in such currencies (either domestic or
57 foreign or both) and subject to such terms and conditions of
58 issue, redemption and maturity, rate of interest and time of
59 payment of interest as the seller directs, except that such bonds
60 shall mature or otherwise be retired in annual installments
61 beginning not more than five (5) years from date thereof and
62 extending not more than thirty (30) years from date thereof.

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

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

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

76 (6) The bonds may be issued as coupon bonds or registered as
77 to both principal and interest, as the seller may determine. If
78 interest coupons are attached, they shall contain the facsimile
79 signature of the chairman and secretary of the seller.

80 (7) The seller is authorized to provide, by resolution, for
81 the issuance of refunding bonds for the purpose of refunding any
82 debt issued under the provision of this chapter and then
83 outstanding, either by voluntary exchange with the holders of the
84 outstanding debt or to provide funds to redeem and the costs of
85 issuance and retirement of the debt, at maturity or at any call
86 date. The issuance of the refunding bonds, the maturities and
87 other details thereof, the rights of the holders thereof and the
88 duties of the issuing officials in respect to the same shall be

89 governed by the provisions of this section, insofar as they may be
90 applicable.

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

95 (9) The proceeds of bonds issued under this chapter after
96 April 9, 2002, may be used to reimburse reasonable, actual and
97 necessary costs incurred by the Mississippi Development Authority
98 in administering a program or providing assistance related to a
99 project, or both, for which funding is provided from the use of
100 proceeds of such bonds. An accounting of actual costs incurred
101 for which reimbursement is sought shall be maintained for each
102 project by the Mississippi Development Authority. Reimbursement
103 of reasonable, actual and necessary costs for a program or project
104 shall not exceed three percent (3%) of the proceeds of bonds
105 issued for such program or project. Monies authorized for a
106 particular program or project may not be used to reimburse
107 administrative costs for unrelated programs or projects.
108 Reimbursements under this subsection shall satisfy any applicable
109 federal tax law requirements.

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

112 57-61-34. Notwithstanding any provision of this chapter to
113 the contrary, the Mississippi Development Authority shall utilize
114 not more than Nine Million Dollars (\$9,000,000.00) out of the
115 proceeds of bonds authorized to be issued in this chapter to be
116 made available as interest-bearing loans to municipalities or
117 private companies to aid in the establishment of business
118 incubation centers and the creation of new and expanding
119 technology-based business and industry.

120 In exercising the power given it under this section, the
121 Mississippi Development Authority shall work in conjunction with
122 the University Research Center and may contract with the center to
123 provide space and assistance to business incubation centers as the

124 center is authorized to do pursuant to Section 57-13-13.

125 The requirements of Section 57-61-9 shall not apply to any
126 loan made under this section. The Mississippi Development
127 Authority shall establish criteria and guidelines to govern loans
128 made pursuant to this section.

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

131 57-61-36. (1) Notwithstanding any provision of this chapter
132 to the contrary, the Mississippi Development Authority shall
133 utilize not more than Twelve Million Five Hundred Thousand Dollars
134 (\$12,500,000.00) out of the proceeds of bonds authorized to be
135 issued in this chapter for the purpose of making grants to
136 municipalities through a development infrastructure grant fund to
137 complete infrastructure related to new or expanded industry.

138 (2) Notwithstanding any provision of this chapter to the
139 contrary, the Mississippi Development Authority may utilize not
140 more than Seven Million Dollars (\$7,000,000.00) out of the
141 proceeds of bonds authorized to be issued in this chapter for the
142 purpose of making interest-bearing loans to any agency,
143 department, institution, instrumentality or political subdivision
144 of the state; or any agency, department, institution or
145 instrumentality of any political subdivision of the state; or any
146 business, organization, corporation, association or other legal
147 entity meeting criteria established by the department, through a
148 housing development revolving loan fund, to construct or repair
149 housing for low or moderate income earners; provided, however,
150 that the department may not utilize any bond proceeds authorized
151 under this chapter for the purpose of making any loans to the
152 Mississippi Home Corporation for any purpose whatsoever. No more
153 than forty percent (40%) of the additional bonds authorized by
154 this section in House Bill No. 1694, 1998 Regular Session [Laws,
155 1998, Chapter 559], may be used for multiple family housing
156 activities. Funds authorized under this subsection may be
157 deposited in the Mississippi Affordable Housing Development Fund
158 authorized in Section 43-33-759 and used for purposes authorized

159 by that section. This subsection (2) shall be repealed from and
160 after July 1, 2004.

161 (3) Notwithstanding any provision of this chapter to the
162 contrary, the Mississippi Development Authority shall utilize not
163 more than Eight Million Five Hundred Thousand Dollars
164 (\$8,500,000.00) out of the proceeds of bonds authorized to be
165 issued in this chapter for the purpose of making grants or loans
166 to municipalities through an equipment and public facilities grant
167 and loan fund to aid in infrastructure-related improvements as
168 determined by the Mississippi Development Authority, the purchase
169 of equipment and in the purchase, construction or repair and
170 renovation of public facilities. Any bonds previously issued for
171 the Development Infrastructure Revolving Loan Program which have
172 not been loaned or applied for are eligible to be administered as
173 grants or loans.

174 The requirements of Section 57-61-9 shall not apply to any
175 grant made under this subsection. The Mississippi Development
176 Authority may establish criteria and guidelines to govern grants
177 made pursuant to this subsection.

178 (4) Notwithstanding any provision of this chapter to the
179 contrary, the Mississippi Development Authority may utilize not
180 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
181 of the proceeds of bonds authorized to be issued in this chapter
182 in order to match federal funds available from the United States
183 Department of Agriculture for the purpose of establishing an
184 intermediary relending program to be administered by the
185 Mississippi Development Authority. The Mississippi Development
186 Authority may establish criteria and guidelines to govern loans
187 made under such program. This subsection (4) shall be repealed
188 from and after April 9, 2002.

189 (5) The Mississippi Development Authority may establish a
190 capital access program and may contract with any financial
191 institution to participate in the program upon such terms and
192 conditions as the authority shall consider necessary and proper.
193 The Mississippi Development Authority may establish loss reserve

194 accounts at financial institutions that participate in the program
195 and require payments by the financial institution and the borrower
196 to such loss reserve accounts. All money in such loss reserve
197 accounts is the property of the Mississippi Development Authority.

198 Under the capital access program a participating financial
199 institution may make a loan to any borrower the Mississippi
200 Development Authority determines to be qualified under rules and
201 regulations adopted by the authority and be protected against
202 losses from such loans as provided in the program. Under such
203 rules and regulations as may be adopted by the Mississippi
204 Development Authority, a participating financial institution may
205 submit claims for the reimbursement for losses incurred as a
206 result of default on loans by qualified borrowers.

207 Notwithstanding any provision of this chapter to the
208 contrary, the Mississippi Development Authority may utilize not
209 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
210 of the proceeds of bonds authorized to be issued in this chapter
211 for the purpose of making payments to loan loss reserve accounts
212 established at financial institutions that participate in the
213 capital access program established by the Mississippi Development
214 Authority.

215 (6) Notwithstanding any provision of this chapter to the
216 contrary, the Mississippi Development Authority shall utilize not
217 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
218 proceeds of bonds authorized to be issued in this chapter for the
219 purpose of assisting Warren County, Mississippi, in the
220 continuation and completion of the study for the proposed Kings
221 Point levee.

222 (7) Notwithstanding any provision of this chapter to the
223 contrary, the Mississippi Development Authority shall utilize not
224 more than One Hundred Thousand Dollars (\$100,000.00) out of the
225 proceeds of bonds authorized to be issued in this chapter for the
226 purpose of developing a long-range plan for coordinating the
227 resources of the state institutions of higher learning, the
228 Mississippi Development Authority and other state agencies in

229 order to promote economic development in the state.

230 **SECTION 4.** Section 57-61-41, Mississippi Code of 1972, is
231 amended as follows:

232 57-61-41. Notwithstanding any provision of this chapter to
233 the contrary, the Mississippi Development Authority shall utilize
234 not more than Twelve Million Dollars (\$12,000,000.00) out of the
235 proceeds of bonds authorized to be issued in this chapter to be
236 made available to state, county or municipal port and airport
237 authorities through a Port Revitalization Revolving Loan Fund for
238 the purpose of making loans to port authorities for the
239 improvement of port and airport facilities to promote commerce and
240 economic growth. Proceeds shall not be made available to provide
241 any facilities for utilization by a gaming vessel.

242 In exercising its authority, the Mississippi Development
243 Authority shall work in conjunction with the Water Resources
244 Council to establish criteria and guidelines to govern loans made
245 pursuant to this section.

246 **SECTION 5.** Section 57-61-15, Mississippi Code of 1972, is
247 amended as follows:

248 **[From and after April 9, 2002, through June 30, 2004, this**
249 **section shall read as follows:]**

250 57-61-15. (1) Except for grants authorized for state-owned
251 ports and for grants authorized under Section 57-61-32, Section
252 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more
253 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
254 of the proceeds of bonds authorized to be issued under this
255 chapter shall be made available for grants to municipalities;
256 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
257 of such amount shall be made available for grants to small
258 communities.

259 (2) In no case shall any municipality receive more than one
260 (1) grant in any single fiscal year. This subsection shall not
261 apply to grants authorized under Section 57-61-36, Mississippi
262 Code of 1972.

263 (3) A minimum of fifteen percent (15%) of the aggregate

264 funds made available under this chapter shall be allocated to
265 small communities. For the purpose of determining the aggregate
266 funds available to make the allocation established in this
267 subsection, there shall be excluded from inclusion therein any
268 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)
269 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
270 57-61-41 and 57-75-27, Mississippi Code of 1972.

271 (4) No loan or grant shall be made without substantiation of
272 the provisions of Section 57-61-9, Mississippi Code of 1972.

273 (5) Except in the case of an application pursuant to Section
274 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be
275 secured by a lien and/or collateralized consistent with Section
276 57-61-9(1)(d), Mississippi Code of 1972, if required by the
277 Mississippi Development Authority.

278 (6) Except in the case of an application pursuant to Section
279 57-61-9(5)(a), Mississippi Code of 1972, private companies which
280 fail to create and maintain the number of jobs specified in an
281 approved application shall be liable for, in the discretion of the
282 Mississippi Development Authority, (a) a penalty equal to two
283 percent (2%) greater than the current prime interest rate for the
284 remainder of the loan made for their benefit, or (b) prepayment of
285 the outstanding loan amount incurred by the municipality for their
286 benefit, unless the penalty or a portion thereof is waived by the
287 Mississippi Development Authority because the failure is due to
288 circumstances outside the control of the private company. The
289 penalty shall be payable in installments which the Mississippi
290 Development Authority deems appropriate. Immediate notice of
291 penalties and waivers of penalties, including the penalties in
292 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons
293 thereof, shall be submitted by the Mississippi Development
294 Authority to the Governor and the Legislature along with the
295 Mississippi Development Authority's decision on the imposition of
296 penalties and the reasons for this decision.

297 (7) Except in the case of an application pursuant to Section
298 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving

299 loans which fail to meet their repayment obligations shall forfeit
300 the right to receive their sales tax allocation and/or homestead
301 exemption reimbursement in an amount sufficient to repay
302 obligations due until such time as their indebtedness has been
303 discharged or arrangements to discharge such indebtedness
304 satisfactory to the Mississippi Development Authority have been
305 made. Sales tax allocations and/or homestead exemption
306 reimbursements forfeited hereby shall, upon demand by the
307 Mississippi Development Authority made in writing upon the State
308 Tax Commission, be paid to the Mississippi Development Authority
309 and applied to the discharge of the obligation. The Mississippi
310 Development Authority may prescribe such other penalties it deems
311 necessary.

312 (8) Any municipality which has forfeited its sales tax
313 allocation and/or homestead exemption reimbursement for twelve
314 (12) months may levy an ad valorem tax on the taxable property
315 therein for the purpose of meeting its repayment obligation. The
316 revenue produced from the tax levy shall not be included within
317 the ten percent (10%) growth limitation on ad valorem tax receipts
318 for its general budget.

319 (9) This chapter is expressly not intended to encourage the
320 relocation of a company from one jurisdiction within the state to
321 another. Any request by a local sponsor for assistance to be
322 provided a firm which currently operates a similar business in the
323 state must be accompanied by a demonstration that the total net
324 increase in and maintenance of full-time equivalent jobs, using
325 the current number of jobs in all similar businesses operated by
326 the private company in the state as a base, shall be at least
327 twenty-five percent (25%). This requirement shall not apply to
328 private companies relocating from small business incubators.

329 **[From and after July 1, 2004, this section shall read as**
330 **follows:]**

331 57-61-15. (1) Except for grants authorized for state-owned
332 ports and for grants authorized under Section 57-61-32, Section
333 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more

334 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
335 of the proceeds of bonds authorized to be issued under this
336 chapter shall be made available for grants to municipalities;
337 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
338 of such amount shall be made available for grants to small
339 communities.

340 (2) In no case shall any municipality receive more than one
341 (1) grant in any single fiscal year. This subsection shall not
342 apply to grants authorized under Section 57-61-36, Mississippi
343 Code of 1972.

344 (3) A minimum of twenty-five percent (25%) of the aggregate
345 funds made available under this chapter shall be allocated to
346 small communities. For the purpose of determining the aggregate
347 funds available to make the allocation established in this
348 subsection, there shall be excluded from inclusion therein any
349 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)
350 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
351 57-61-41 and 57-75-27, Mississippi Code of 1972.

352 (4) No loan or grant shall be made without substantiation of
353 the provisions of Section 57-61-9, Mississippi Code of 1972.

354 (5) Except in the case of an application pursuant to Section
355 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be
356 secured by a lien and/or collateralized consistent with Section
357 57-61-9(1)(d), Mississippi Code of 1972, if required by the
358 Mississippi Development Authority.

359 (6) Except in the case of an application pursuant to Section
360 57-61-9(5)(a), Mississippi Code of 1972, private companies which
361 fail to create and maintain the number of jobs specified in an
362 approved application shall be liable for, in the discretion of the
363 Mississippi Development Authority, (a) a penalty equal to two
364 percent (2%) greater than the current prime interest rate for the
365 remainder of the loan made for their benefit, or (b) prepayment of
366 the outstanding loan amount incurred by the municipality for their
367 benefit, unless the penalty or a portion thereof is waived by the
368 Mississippi Development Authority because the failure is due to

369 circumstances outside the control of the private company. The
370 penalty shall be payable in installments which the Mississippi
371 Development Authority deems appropriate. Immediate notice of
372 penalties and waivers of penalties, including the penalties in
373 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons
374 thereof, shall be submitted by the Mississippi Development
375 Authority to the Governor and the Legislature along with the
376 Mississippi Development Authority's decision on the imposition of
377 penalties and the reasons for this decision.

378 (7) Except in the case of an application pursuant to Section
379 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving
380 loans which fail to meet their repayment obligations shall forfeit
381 the right to receive their sales tax allocation and/or homestead
382 exemption reimbursement in an amount sufficient to repay
383 obligations due until such time as their indebtedness has been
384 discharged or arrangements to discharge such indebtedness
385 satisfactory to the Mississippi Development Authority have been
386 made. Sales tax allocations and/or homestead exemption
387 reimbursements forfeited hereby shall, upon demand by the
388 Mississippi Development Authority made in writing upon the State
389 Tax Commission, be paid to the Mississippi Development Authority
390 and applied to the discharge of the obligation. The Mississippi
391 Development Authority may prescribe such other penalties it deems
392 necessary.

393 (8) Any municipality which has forfeited its sales tax
394 allocation and/or homestead exemption reimbursement for twelve
395 (12) months may levy an ad valorem tax on the taxable property
396 therein for the purpose of meeting its repayment obligation. The
397 revenue produced from the tax levy shall not be included within
398 the ten percent (10%) growth limitation on ad valorem tax receipts
399 for its general budget.

400 (9) This chapter is expressly not intended to encourage the
401 relocation of a company from one jurisdiction within the state to
402 another. Any request by a local sponsor for assistance to be
403 provided a firm which currently operates a similar business in the

404 state must be accompanied by a demonstration that the total net
405 increase in and maintenance of full-time equivalent jobs, using
406 the current number of jobs in all similar businesses operated by
407 the private company in the state as a base, shall be at least
408 twenty-five percent (25%). This requirement shall not apply to
409 private companies relocating from small business incubators.

410 **SECTION 6.** This act shall take effect and be in force from
411 and after its passage.

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

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$280,000,000.00 TO \$290,000,000.00 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 \$7,000,000.00 TO \$9,000,000.00 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 \$10,500,000.00 TO
12 \$12,500,000.00 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 TO COUNTIES AND
15 MUNICIPALITIES UNDER THE DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM;
16 TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT
17 MORE THAN \$100,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI
18 BUSINESS INVESTMENT ACT FOR THE PURPOSE OF DEVELOPING A LONG-RANGE
19 PLAN FOR COORDINATING THE RESOURCES OF THE STATE INSTITUTIONS OF
20 HIGHER LEARNING, THE MISSISSIPPI DEVELOPMENT AUTHORITY AND OTHER
21 STATE AGENCIES IN ORDER TO PROMOTE ECONOMIC DEVELOPMENT IN THE
22 STATE; TO AMEND SECTION 57-61-41, MISSISSIPPI CODE OF 1972, TO
23 INCREASE FROM \$8,000,000.00 TO \$12,000,000.00 THE AMOUNT OF BOND
24 PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY USE UNDER
25 THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR THE PURPOSE OF
26 PROVIDING LOANS TO STATE, COUNTY AND MUNICIPAL PORT AUTHORITIES
27 AND AIRPORT AUTHORITIES THROUGH THE PORT REVITALIZATION REVOLVING
28 LOAN FUND; TO AMEND SECTION 57-61-15, MISSISSIPPI CODE OF 1972, TO
29 EXTEND THE REVERTER ON THE PROVISION THAT REQUIRES THAT A MINIMUM
30 OF 15% OF CERTAIN BOND PROCEEDS UNDER THE MISSISSIPPI BUSINESS
31 INVESTMENT ACT BE ALLOCATED TO SMALL COMMUNITIES; AND FOR RELATED
32 PURPOSES.