

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

Committee Sub. for HB NO. 1493

By Senator(s) Minor

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

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
148 services 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 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 July 1, 2003, and shall stand repealed from and after
370 June 30, 2003.

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

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.