

By: Representatives Scott, Bailey, Banks,
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To: Ways and Means

HOUSE BILL NO. 1640

1 AN ACT TO CREATE THE MISSISSIPPI SMALL BUSINESS OPPORTUNITIES
2 PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT
3 AUTHORITY FOR THE PURPOSE OF PROVIDING LOANS AND GRANTS TO
4 COUNTIES AND MUNICIPALITIES AND LOANS TO SMALL BUSINESS
5 ENTERPRISES AND OTHER ENTITIES TO ASSIST IN CREATING AND IMPROVING
6 OPPORTUNITIES FOR SMALL BUSINESS ENTERPRISES IN AREAS OF THE STATE
7 WITH POORLY RATED SCHOOL DISTRICTS, HIGH UNEMPLOYMENT RATES, HIGH
8 POVERTY RATES, HIGH CRIME RATES, LOW RATES OF HOME OWNERSHIP,
9 AND/OR LOW RATES OF NEW HOUSING DEVELOPMENT; TO CREATE THE
10 MISSISSIPPI SMALL BUSINESS OPPORTUNITIES FUND TO BE ADMINISTERED
11 BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO AUTHORIZE THE
12 ISSUANCE OF \$100,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO
13 PROVIDE FUNDS FOR THE MISSISSIPPI SMALL BUSINESS OPPORTUNITIES
14 FUND; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** (1) (a) There is established the Mississippi
17 Small Business Opportunities Program to be administered by the
18 Mississippi Development Authority ("MDA") for the purpose of
19 providing loans and grants to counties and municipalities and
20 loans to small business enterprises and other entities to assist
21 in creating and improving opportunities for small business
22 enterprises in areas of the state with poorly rated school
23 districts, high unemployment rates, high poverty rates, high crime
24 rates, low rates of home ownership, and/or low rates of new
25 housing development. The MDA shall establish criteria for
26 determining the areas of the state where assistance may be
27 provided under this section. For the purposes of this section,
28 "small business enterprise" means a commercial enterprise with
29 less than one hundred (100) full-time employees, less than Two
30 Million Dollars (\$2,000,000.00) in net worth or less than Three
31 Hundred Fifty Thousand Dollars (\$350,000.00) in net annual profit
32 after taxes.

33 (b) An entity desiring assistance under this section
34 must submit an application to the MDA. The application must
35 include a description of the purpose for which assistance is
36 requested, the amount of assistance requested and any other
37 information required the MDA.

38 (c) The MDA shall have all powers necessary to
39 implement and administer the program established under this
40 section, and the MDA shall promulgate rules and regulations, in
41 accordance with the Mississippi Administrative Procedures Law,
42 necessary for the implementation of this section.

43 (2) There is created in the State Treasury a special fund to
44 be designated as the "Mississippi Small Business Opportunities
45 Fund," which shall consist of funds appropriated or otherwise made
46 available by the Legislature in any manner and funds from any
47 other source designated for deposit into such fund. Unexpended
48 amounts remaining in the fund at the end of a fiscal year shall
49 not lapse into the State General Fund, and any investment earnings
50 or interest earned on amounts in the fund shall be deposited to
51 the credit of the fund. Monies in the fund shall be used by the
52 MDA for the purposes described in this section.

53 **SECTION 2.** As used in Sections 2 through 17 of this act, the
54 following words shall have the meanings ascribed herein unless the
55 context clearly requires otherwise:

56 (a) "Accreted value" of any bonds means, as of any date
57 of computation, an amount equal to the sum of (i) the stated
58 initial value of such bond, plus (ii) the interest accrued thereon
59 from the issue date to the date of computation at the rate,
60 compounded semiannually, that is necessary to produce the
61 approximate yield to maturity shown for bonds of the same
62 maturity.

63 (b) "State" means the State of Mississippi.

64 (c) "Commission" means the State Bond Commission.

65 **SECTION 3.** (1) The Mississippi Development Authority, at
66 one time, or from time to time, may declare by resolution the
67 necessity for issuance of general obligation bonds of the State of
68 Mississippi to provide funds for the program authorized in Section
69 1 of this act. Upon the adoption of a resolution by the
70 Mississippi Development Authority, declaring the necessity for the
71 issuance of any part or all of the general obligation bonds
72 authorized by this section, the Mississippi Development Authority
73 shall deliver a certified copy of its resolution or resolutions to
74 the commission. Upon receipt of such resolution, the commission,
75 in its discretion, may act as the issuing agent, prescribe the
76 form of the bonds, advertise for and accept bids, issue and sell
77 the bonds so authorized to be sold and do any and all other things
78 necessary and advisable in connection with the issuance and sale
79 of such bonds. The total amount of bonds issued under Sections 2
80 through 17 of this act shall not exceed One Hundred Million
81 Dollars (\$100,000,000.00).

82 (2) The proceeds of bonds issued pursuant to Sections 2
83 through 17 of this act shall be deposited into the Mississippi
84 Small Business Opportunities Fund created pursuant to Section 1 of
85 this act. Any investment earnings on bonds issued pursuant to
86 Sections 2 through 17 of this act shall be used to pay debt
87 service on bonds issued under Sections 2 through 17 of this act,
88 in accordance with the proceedings authorizing issuance of such
89 bonds.

90 **SECTION 4.** The principal of and interest on the bonds
91 authorized under Sections 2 through 17 of this act shall be
92 payable in the manner provided in this section. Such bonds shall
93 bear such date or dates, be in such denomination or denominations,
94 bear interest at such rate or rates (not to exceed the limits set
95 forth in Section 75-17-101, Mississippi Code of 1972), be payable
96 at such place or places within or without the State of
97 Mississippi, shall mature absolutely at such time or times not to

98 exceed twenty-five (25) years from date of issue, be redeemable
99 before maturity at such time or times and upon such terms, with or
100 without premium, shall bear such registration privileges, and
101 shall be substantially in such form, all as shall be determined by
102 resolution of the commission.

103 **SECTION 5.** The bonds authorized by Sections 2 through 17 of
104 this act shall be signed by the chairman of the commission, or by
105 his facsimile signature, and the official seal of the commission
106 shall be affixed thereto, attested by the secretary of the
107 commission. The interest coupons, if any, to be attached to such
108 bonds may be executed by the facsimile signatures of such
109 officers. Whenever any such bonds shall have been signed by the
110 officials designated to sign the bonds who were in office at the
111 time of such signing but who may have ceased to be such officers
112 before the sale and delivery of such bonds, or who may not have
113 been in office on the date such bonds may bear, the signatures of
114 such officers upon such bonds and coupons shall nevertheless be
115 valid and sufficient for all purposes and have the same effect as
116 if the person so officially signing such bonds had remained in
117 office until their delivery to the purchaser, or had been in
118 office on the date such bonds may bear. However, notwithstanding
119 anything herein to the contrary, such bonds may be issued as
120 provided in the Registered Bond Act of the State of Mississippi.

121 **SECTION 6.** All bonds and interest coupons issued under the
122 provisions of Sections 2 through 17 of this act have all the
123 qualities and incidents of negotiable instruments under the
124 provisions of the Uniform Commercial Code, and in exercising the
125 powers granted by Sections 2 through 17 of this act, the
126 commission shall not be required to and need not comply with the
127 provisions of the Uniform Commercial Code.

128 **SECTION 7.** The commission shall act as the issuing agent for
129 the bonds authorized under Sections 2 through 17 of this act,
130 prescribe the form of the bonds, advertise for and accept bids,

131 issue and sell the bonds so authorized to be sold, pay all fees
132 and costs incurred in such issuance and sale, and do any and all
133 other things necessary and advisable in connection with the
134 issuance and sale of such bonds. The commission is authorized and
135 empowered to pay the costs that are incident to the sale, issuance
136 and delivery of the bonds authorized under Sections 2 through 17
137 of this act from the proceeds derived from the sale of such bonds.
138 The commission shall sell such bonds on sealed bids at public
139 sale, and for such price as it may determine to be for the best
140 interest of the State of Mississippi, but no such sale shall be
141 made at a price less than par plus accrued interest to the date of
142 delivery of the bonds to the purchaser. All interest accruing on
143 such bonds so issued shall be payable semiannually or annually;
144 however, the first interest payment may be for any period of not
145 more than one (1) year.

146 Notice of the sale of any such bonds shall be published at
147 least one time, not less than ten (10) days before the date of
148 sale, and shall be so published in one or more newspapers
149 published or having a general circulation in the City of Jackson,
150 Mississippi, and in one or more other newspapers or financial
151 journals with a national circulation, to be selected by the
152 commission.

153 The commission, when issuing any bonds under the authority of
154 Sections 2 through 17 of this act, may provide that bonds, at the
155 option of the State of Mississippi, may be called in for payment
156 and redemption at the call price named therein and accrued
157 interest on such date or dates named therein.

158 **SECTION 8.** The bonds issued under the provisions of Sections
159 2 through 17 of this act are general obligations of the State of
160 Mississippi, and for the payment thereof the full faith and credit
161 of the State of Mississippi is irrevocably pledged. If the funds
162 appropriated by the Legislature are insufficient to pay the
163 principal of and the interest on such bonds as they become due,

164 then the deficiency shall be paid by the State Treasurer from any
165 funds in the State Treasury not otherwise appropriated. All such
166 bonds shall contain recitals on their faces substantially covering
167 the provisions of this section.

168 **SECTION 9.** Upon the issuance and sale of bonds under the
169 provisions of Sections 2 through 17 of this act, the commission
170 shall transfer the proceeds of any such sale or sales to the
171 Mississippi Small Business Opportunities Fund created in Section 1
172 of this act. The proceeds of such bonds shall be disbursed solely
173 upon the order of the Mississippi Development Authority under such
174 restrictions, if any, as may be contained in the resolution
175 providing for the issuance of the bonds.

176 **SECTION 10.** The bonds authorized under Sections 2 through 17
177 of this act may be issued without any other proceedings or the
178 happening of any other conditions or things other than those
179 proceedings, conditions and things which are specified or required
180 by Sections 2 through 17 of this act. Any resolution providing
181 for the issuance of bonds under the provisions of Sections 2
182 through 17 of this act shall become effective immediately upon its
183 adoption by the commission, and any such resolution may be adopted
184 at any regular or special meeting of the commission by a majority
185 of its members.

186 **SECTION 11.** The bonds authorized under the authority of
187 Sections 2 through 17 of this act may be validated in the Chancery
188 Court of the First Judicial District of Hinds County, Mississippi,
189 in the manner and with the force and effect provided by Chapter
190 13, Title 31, Mississippi Code of 1972, for the validation of
191 county, municipal, school district and other bonds. The notice to
192 taxpayers required by such statutes shall be published in a
193 newspaper published or having a general circulation in the City of
194 Jackson, Mississippi.

195 **SECTION 12.** Any holder of bonds issued under the provisions
196 of Sections 2 through 17 of this act or of any of the interest

197 coupons pertaining thereto may, either at law or in equity, by
198 suit, action, mandamus or other proceeding, protect and enforce
199 any and all rights granted under Sections 2 through 17 of this
200 act, or under such resolution, and may enforce and compel
201 performance of all duties required by Sections 2 through 17 of
202 this act to be performed, in order to provide for the payment of
203 bonds and interest thereon.

204 **SECTION 13.** All bonds issued under the provisions of
205 Sections 2 through 17 of this act shall be legal investments for
206 trustees and other fiduciaries, and for savings banks, trust
207 companies and insurance companies organized under the laws of the
208 State of Mississippi, and such bonds shall be legal securities
209 which may be deposited with and shall be received by all public
210 officers and bodies of this state and all municipalities and
211 political subdivisions for the purpose of securing the deposit of
212 public funds.

213 **SECTION 14.** Bonds issued under the provisions of Sections 2
214 through 17 of this act and income therefrom shall be exempt from
215 all taxation in the State of Mississippi.

216 **SECTION 15.** The proceeds of the bonds issued under Sections
217 2 through 17 of this act shall be used solely for the purposes
218 therein provided, including the costs incident to the issuance and
219 sale of such bonds.

220 **SECTION 16.** The State Treasurer is authorized, without
221 further process of law, to certify to the Department of Finance
222 and Administration the necessity for warrants, and the Department
223 of Finance and Administration is authorized and directed to issue
224 such warrants, in such amounts as may be necessary to pay when due
225 the principal of, premium, if any, and interest on, or the
226 accreted value of, all bonds issued under Sections 2 through 17 of
227 this act; and the State Treasurer shall forward the necessary
228 amount to the designated place or places of payment of such bonds

229 in ample time to discharge such bonds, or the interest thereon, on
230 the due dates thereof.

231 **SECTION 17.** Sections 2 through 17 of this act shall be
232 deemed to be full and complete authority for the exercise of the
233 powers therein granted, but Sections 2 through 17 of this act
234 shall not be deemed to repeal or to be in derogation of any
235 existing law of this state.

236 **SECTION 18.** This act shall take effect and be in force from
237 and after July 1, 2004.