

By: Representative Howell

To: Ways and Means

HOUSE BILL NO. 1660

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$290,000,000.00 TO \$292,000,000.00 THE AMOUNT OF
3 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI
4 BUSINESS INVESTMENT ACT; TO AMEND SECTION 57-61-36, MISSISSIPPI
5 CODE OF 1972, TO INCREASE FROM \$8,500,000.00 TO \$10,500,000.00 THE
6 AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY
7 MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE
8 GRANTS OR LOANS TO COUNTIES AND MUNICIPALITIES THROUGH AN
9 EQUIPMENT AND PUBLIC FACILITIES GRANT AND LOAN FUND TO AID IN
10 INFRASTRUCTURE-RELATED IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND
11 IN THE PURCHASE, CONSTRUCTION OR REPAIR AND RENOVATION OF PUBLIC
12 FACILITIES; TO EXTEND THE DATE OF REPEAL FROM JULY 1, 2004, TO
13 JULY 1, 2006, ON THE PROVISION OF LAW THAT AUTHORIZES THE
14 MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE PROCEEDS
15 OF BONDS ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO
16 MAKE INTEREST BEARING LOANS TO CERTAIN ENTITIES THROUGH A HOUSING
17 DEVELOPMENT REVOLVING LOAN FUND FOR LOW OR MODERATE INCOME HOUSING
18 PURPOSES; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is
21 amended as follows:

22 57-61-25. (1) The seller is authorized to borrow, on the
23 credit of the state upon receipt of a resolution from the
24 Mississippi Development Authority requesting the same, money not
25 exceeding the aggregate sum of Two Hundred Ninety-two Million
26 Dollars (\$292,000,000.00), not including money borrowed to refund
27 outstanding bonds, notes or replacement notes, as may be necessary
28 to carry out the purposes of this chapter. * * * The rate of
29 interest on any such bonds or notes which are not subject to
30 taxation shall not exceed the rates set forth in Section
31 75-17-101, Mississippi Code of 1972, for general obligation bonds.

32 (2) As evidence of indebtedness authorized in this chapter,
33 general or limited obligation bonds of the state shall be issued
34 from time to time, to provide monies necessary to carry out the
35 purposes of this chapter for such total amounts, in such form, in

36 such denominations payable in such currencies (either domestic or
37 foreign or both) and subject to such terms and conditions of
38 issue, redemption and maturity, rate of interest and time of
39 payment of interest as the seller directs, except that such bonds
40 shall mature or otherwise be retired in annual installments
41 beginning not more than five (5) years from date thereof and
42 extending not more than thirty (30) years from date thereof.

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

47 (4) All bonds and notes issued under authority of this
48 chapter may be general or limited obligations of the state, and
49 the full faith and credit of the State of Mississippi as to
50 general obligation bonds, or the revenues derived from projects
51 assisted as to limited obligation bonds, are hereby pledged for
52 the payment of the principal of and interest on such bonds and
53 notes.

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

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

60 (7) The seller is authorized to provide, by resolution, for
61 the issuance of refunding bonds for the purpose of refunding any
62 debt issued under the provision of this chapter and then
63 outstanding, either by voluntary exchange with the holders of the
64 outstanding debt or to provide funds to redeem and the costs of
65 issuance and retirement of the debt, at maturity or at any call
66 date. The issuance of the refunding bonds, the maturities and
67 other details thereof, the rights of the holders thereof and the
68 duties of the issuing officials in respect to the same shall be

69 governed by the provisions of this section, insofar as they may be
70 applicable.

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

75 (9) The proceeds of bonds issued under this chapter after
76 April 9, 2002, may be used to reimburse reasonable, actual and
77 necessary costs incurred by the Mississippi Development Authority
78 in administering a program or providing assistance related to a
79 project, or both, for which funding is provided from the use of
80 proceeds of such bonds. An accounting of actual costs incurred
81 for which reimbursement is sought shall be maintained for each
82 project by the Mississippi Development Authority. Reimbursement
83 of reasonable, actual and necessary costs for a program or project
84 shall not exceed three percent (3%) of the proceeds of bonds
85 issued for such program or project. Monies authorized for a
86 particular program or project may not be used to reimburse
87 administrative costs for unrelated programs or projects.
88 Reimbursements under this subsection shall satisfy any applicable
89 federal tax law requirements.

90 **SECTION 2.** Section 57-61-36, Mississippi Code of 1972, is
91 amended as follows:

92 57-61-36. (1) Notwithstanding any provision of this chapter
93 to the contrary, the Mississippi Development Authority shall
94 utilize not more than Twelve Million Five Hundred Thousand Dollars
95 (\$12,500,000.00) out of the proceeds of bonds authorized to be
96 issued in this chapter for the purpose of making grants to
97 municipalities through a development infrastructure grant fund to
98 complete infrastructure related to new or expanded industry.

99 (2) Notwithstanding any provision of this chapter to the
100 contrary, the Mississippi Development Authority may utilize not
101 more than Seven Million Dollars (\$7,000,000.00) out of the

102 proceeds of bonds authorized to be issued in this chapter for the
103 purpose of making interest-bearing loans to any agency,
104 department, institution, instrumentality or political subdivision
105 of the state; or any agency, department, institution or
106 instrumentality of any political subdivision of the state; or any
107 business, organization, corporation, association or other legal
108 entity meeting criteria established by the department, through a
109 housing development revolving loan fund, to construct or repair
110 housing for low or moderate income earners; provided, however,
111 that the department may not utilize any bond proceeds authorized
112 under this chapter for the purpose of making any loans to the
113 Mississippi Home Corporation for any purpose whatsoever. No more
114 than forty percent (40%) of the additional bonds authorized
115 by * * * Chapter 559, Laws of 1998, may be used for multiple
116 family housing activities. Funds authorized under this subsection
117 may be deposited in the Mississippi Affordable Housing Development
118 Fund authorized in Section 43-33-759 and used for purposes
119 authorized by that section. This subsection (2) shall be repealed
120 from and after July 1, 2006.

121 (3) Notwithstanding any provision of this chapter to the
122 contrary, the Mississippi Development Authority shall utilize not
123 more than Ten Million Five Hundred Thousand Dollars
124 (\$10,500,000.00) out of the proceeds of bonds authorized to be
125 issued in this chapter for the purpose of making grants or loans
126 to municipalities through an equipment and public facilities grant
127 and loan fund to aid in infrastructure-related improvements as
128 determined by the Mississippi Development Authority, the purchase
129 of equipment and in the purchase, construction or repair and
130 renovation of public facilities. Any bonds previously issued for
131 the Development Infrastructure Revolving Loan Program which have
132 not been loaned or applied for are eligible to be administered as
133 grants or loans.

134 The requirements of Section 57-61-9 shall not apply to any
135 grant made under this subsection. The Mississippi Development
136 Authority may establish criteria and guidelines to govern grants
137 made pursuant to this subsection.

138 (4) Notwithstanding any provision of this chapter to the
139 contrary, the Mississippi Development Authority may utilize not
140 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
141 of the proceeds of bonds authorized to be issued in this chapter
142 in order to match federal funds available from the United States
143 Department of Agriculture for the purpose of establishing an
144 intermediary relending program to be administered by the
145 Mississippi Development Authority. The Mississippi Development
146 Authority may establish criteria and guidelines to govern loans
147 made under such program. This subsection (4) shall be repealed
148 from and after April 9, 2002.

149 (5) The Mississippi Development Authority may establish a
150 capital access program and may contract with any financial
151 institution to participate in the program upon such terms and
152 conditions as the authority shall consider necessary and proper.
153 The Mississippi Development Authority may establish loss reserve
154 accounts at financial institutions that participate in the program
155 and require payments by the financial institution and the borrower
156 to such loss reserve accounts. All money in such loss reserve
157 accounts is the property of the Mississippi Development Authority.

158 Under the capital access program a participating financial
159 institution may make a loan to any borrower the Mississippi
160 Development Authority determines to be qualified under rules and
161 regulations adopted by the authority and be protected against
162 losses from such loans as provided in the program. Under such
163 rules and regulations as may be adopted by the Mississippi
164 Development Authority, a participating financial institution may
165 submit claims for the reimbursement for losses incurred as a
166 result of default on loans by qualified borrowers.

167 Notwithstanding any provision of this chapter to the
168 contrary, the Mississippi Development Authority may utilize not
169 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
170 of the proceeds of bonds authorized to be issued in this chapter
171 for the purpose of making payments to loan loss reserve accounts
172 established at financial institutions that participate in the
173 capital access program established by the Mississippi Development
174 Authority.

175 (6) Notwithstanding any provision of this chapter to the
176 contrary, the Mississippi Development Authority shall utilize not
177 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
178 proceeds of bonds authorized to be issued in this chapter for the
179 purpose of assisting Warren County, Mississippi, in the
180 continuation and completion of the study for the proposed Kings
181 Point levee.

182 (7) Notwithstanding any provision of this chapter to the
183 contrary, the Mississippi Development Authority shall utilize not
184 more than One Hundred Thousand Dollars (\$100,000.00) out of the
185 proceeds of bonds authorized to be issued in this chapter for the
186 purpose of developing a long-range plan for coordinating the
187 resources of the state institutions of higher learning, the
188 community and junior colleges, the Mississippi Development
189 Authority and other state agencies in order to promote economic
190 development in the state.

191 (8) Notwithstanding any other provision of this chapter to
192 the contrary, the Mississippi Development Authority shall use not
193 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
194 the proceeds of bonds authorized to be issued in this chapter for
195 the purpose of providing assistance to municipalities that have
196 received community development block grant funds for repair,
197 renovation and other improvements to buildings for use as
198 community centers. Assistance provided to a municipality under
199 this subsection shall be used by the municipality to match such

200 community development block grant funds. The maximum amount of
201 assistance that may be provided to a municipality under this
202 subsection shall not exceed Seventy-five Thousand Dollars
203 (\$75,000.00) in the aggregate.

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