

By: Representatives Smith (39th), Morris

To: Ways and Means

HOUSE BILL NO. 1762

1 AN ACT TO AMEND SECTION 31-25-28, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE STATE OF MISSISSIPPI OR ANY AGENCY THEREOF TO
3 BORROW MONEY FROM THE MISSISSIPPI DEVELOPMENT BANK FOR THE PURPOSE
4 OF PROVIDING FUNDS FOR LOAN PROGRAMS ADMINISTERED BY SUCH AN
5 AGENCY; TO PROVIDE THAT AN AGENCY BORROWING MONEY FROM THE
6 MISSISSIPPI DEVELOPMENT BANK FOR THE PURPOSE OF PROVIDING FUNDS
7 FOR SUCH A LOAN PROGRAM MAY PLEDGE FUNDS RECEIVED BY THE AGENCY AS
8 LOAN REPAYMENTS UNDER SUCH A LOAN PROGRAM TO REPAY ANY LOAN MADE
9 BY THE MISSISSIPPI DEVELOPMENT BANK TO THE AGENCY; TO EXEMPT LOANS
10 MADE BY THE MISSISSIPPI DEVELOPMENT BANK UNDER THIS ACT FROM
11 CERTAIN CRITERIA REQUIRED FOR OTHER LOANS MADE BY THE BANK TO THE
12 STATE OF MISSISSIPPI OR AGENCIES THEREOF; TO AMEND SECTIONS
13 31-25-27, 49-17-85, 49-17-86, 57-1-303 and 69-2-13, MISSISSIPPI
14 CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR
15 RELATED PURPOSES.

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

17 **SECTION 1.** Section 31-25-28, Mississippi Code of 1972, is
18 amended as follows:

19 31-25-28. (1) Local governmental units may borrow money or
20 receive grants from the bank for any of the purposes set forth in
21 this section or Section 31-25-20(g) and pay to the bank such fees
22 and charges for services as the bank may prescribe. Whenever any
23 such loan is made to a local governmental unit, such local
24 governmental unit may use available revenues for the repayment of
25 the principal of, premium, if any, and interest on such loan, and
26 pledge such available revenues or moneys for the repayment of the
27 principal of, premium, if any, and interest on such loan. It is
28 the intention of the Legislature that any such pledge of revenues
29 or other moneys shall be valid and binding from the date the
30 pledge is made; that such revenues or other moneys so pledged and
31 thereafter received by the local governmental unit shall
32 immediately be subject to the lien of such pledge without any
33 physical delivery thereof or further act, and that the lien of any

34 such pledge shall be valid and binding as against all parties
35 having claims of any kind in tort, contract or otherwise against
36 the local governmental unit irrespective of whether such parties
37 have notice thereof; and neither the resolutions, contracts or any
38 other instrument by which a pledge is created need be recorded.

39 (2) Local governmental units may contract with the bank with
40 respect to any such loan and such contract shall contain such
41 terms and conditions as may be prescribed by the bank.

42 (3) Local governmental units may in connection with any such
43 loan enter into any covenants and agreements with respect to such
44 local governmental unit's operations, revenues, assets, moneys,
45 funds or property, or such loan, as may be prescribed by the bank.

46 (4) Upon the making of any such loan by the bank to any
47 local governmental unit, such local governmental unit shall be
48 held and be deemed to have agreed that if such governmental unit
49 fails to pay the principal of, premium, if any, and interest on
50 any such loan as when due and payable, such governmental unit
51 shall have waived any and all defenses to such nonpayment, and the
52 bank, upon such nonpayment, shall thereupon avail itself of all
53 remedies, rights and provisions of law applicable in such
54 circumstance, including without limitation, any remedies or rights
55 theretofore agreed to by the local governmental unit, and that
56 such loan shall for all of the purposes of this section, be held
57 and be deemed to have become due and payable and to be unpaid.
58 The bank may carry out the provisions of this section and exercise
59 all of the rights and remedies and provisions of law provided or
60 referred to in this section and of all other applicable laws of
61 the state.

62 (5) Any local governmental unit that borrows from the bank
63 under this section may agree in writing with the bank that, as
64 provided in this subsection, the State Tax Commission or any state
65 agency, department or commission created pursuant to state law
66 shall (a) withhold all or any part (as agreed by the local

67 governmental unit) of any moneys that such local governmental unit
68 is entitled to receive from time to time pursuant to any law and
69 that is in the possession of the State Tax Commission or any state
70 agency, department or commission created pursuant to state law and
71 (b) pay the same over to the bank to satisfy any delinquent
72 payments on any such loan made to such local governmental unit
73 under the provisions of this section and any other delinquent
74 payments due and owing the bank by such local governmental unit,
75 all as the same shall occur. If the bank files a copy of such
76 written agreement, together with a statement of delinquency, with
77 the State Tax Commission or any state agency, department or
78 commission created pursuant to state law, then the State Tax
79 Commission or any state agency, department or commission created
80 pursuant to state law shall immediately make the withholdings
81 provided in such agreement from the amounts due the local
82 governmental unit and shall continue to pay the same over to the
83 bank until all such delinquencies are satisfied.

84 (6) Before authorizing any loan for any of the purposes
85 enumerated in Section 31-25-20(e), the governing authority of the
86 local governmental unit shall adopt a resolution declaring its
87 intention so to do, stating the amount of the loan proposed to be
88 authorized and the purpose for which the loan is to be authorized,
89 and the date upon which the loan will be authorized. Such
90 resolution shall be published once a week for at least three (3)
91 consecutive weeks in at least one (1) newspaper published in such
92 local governmental unit. The first publication of such resolution
93 shall be made not less than twenty-one (21) days before the date
94 fixed in such resolution for the authorization of the loan and the
95 last publication shall be made not more than seven (7) days before
96 such date. If no newspaper is published in such local
97 governmental unit, then such notice shall be given by publishing
98 the resolution for the required time in some newspaper having a
99 general circulation in such local governmental unit and, in

100 addition, by posting a copy of such resolution for at least
101 twenty-one (21) days next preceding the date fixed therein at
102 three (3) public places in such local governmental unit. If
103 fifteen percent (15%) of the qualified electors of the local
104 governmental unit or fifteen hundred (1500), whichever is the
105 lesser, file a written protest against the authorization of such
106 loan on or before the date specified in such resolution, then an
107 election on the question of the authorization of such loan shall
108 be called and held as otherwise provided for in connection with
109 the issuance of general obligation indebtedness of such local
110 governmental unit. Notice of such election shall be given as
111 otherwise required in connection with the issuance of general
112 obligation indebtedness of such local governmental unit. If
113 three-fifths (3/5) of the qualified electors voting in the
114 election vote in favor of authorizing the loan, then the governing
115 authority of the local governmental unit shall proceed with the
116 loan; however, if less than three-fifths (3/5) of the qualified
117 electors voting in the election vote in favor of authorizing the
118 loan, then the loan shall not be incurred. If no protest be
119 filed, then such loan may be entered into by the local
120 governmental unit without an election on the question of the
121 authorization of such loan, at any time within a period of two (2)
122 years after the date specified in the resolution. However, the
123 governing authority of any local governmental unit in its
124 discretion may nevertheless call an election on such question, in
125 which event it shall not be necessary to publish the resolution
126 declaring its intention to authorize such loan as provided in this
127 subsection.

128 (7) (a) The State of Mississippi or any agency thereof may
129 borrow money from the bank for any purpose as otherwise authorized
130 by this act or for the purpose of funding loan programs (including
131 revolving loan programs) for such local governmental unit, or
132 both. The State of Mississippi or any agency thereof may contract

133 with the bank with respect to any loan from the bank to fund such
134 loan programs and such loan from the bank may include any terms
135 and conditions as provided for in this section. If the state or
136 any agency thereof borrows funds pursuant to this subsection (7),
137 then such local governmental unit shall certify the following to
138 the bank prior to making the loan from the bank:

139 (i) The revolving loan program or other program to
140 be funded through the issuance of the bonds;

141 (ii) Available revenues which such local
142 governmental unit intends to use to repay the loan; and

143 (iii) That such local governmental unit does not
144 intend to request an additional appropriation from the Legislature
145 to pay debt service on the loan from the bank or for such
146 security.

147 (b) If such local governmental unit meets the
148 requirements of paragraph (a) of this subsection (7), then such
149 local governmental unit shall not be required to meet the
150 requirements of Section 31-25-27(14). Notwithstanding any other
151 provision of law, including any limitations or restrictions under
152 Section 57-1-301 et seq., Section 49-17-81 et seq. and Section
153 69-2-13 et seq., such local governmental unit may designate or
154 pledge any funds, revenues or any other amounts received under its
155 loan programs designated under paragraph (a)(i) of this subsection
156 (7) to repay a loan from the bank under this subsection (7).
157 Funds, revenues or any other amounts received under a loan program
158 as provided under this subsection (7) specifically include, but
159 are not limited to, any principal and/or interest loan repayments
160 from any participant under the program, any investment earnings,
161 or other amounts held by the state or any agency thereof in
162 connection with the applicable loan program. Any loan program of
163 the state or any agency thereof otherwise authorized by law shall
164 be deemed to be a public purpose for purposes of this act which
165 the bank may loan funds under the provisions of this act.

166 (c) In connection with a loan under this subsection
167 (7), the bank may administer and manage loan programs as provided
168 in the contracts with the bank to loan funds thereunder.

169 (8) This section shall be deemed to provide an additional,
170 alternative and complete method for the doing of the things
171 authorized by this section and shall be deemed and construed to be
172 supplemental to any power conferred by other laws on local
173 governmental units and not in derogation of any such powers. Any
174 loan made pursuant to the provisions of this section shall not
175 constitute an indebtedness of the local governmental unit within
176 the meaning of any constitutional or statutory limitation or
177 restriction. In connection with a loan under this chapter, a
178 local governmental unit shall not be required to comply with the
179 provisions of any other law except as provided in this section.

180 **SECTION 2.** Section 31-25-27, Mississippi Code of 1972, is
181 amended as follows:

182 31-25-27. (1) Each local governmental unit is hereby
183 authorized and empowered to contract with the bank with respect to
184 the bank's purchase of such local governmental unit's securities
185 and such contract shall contain such terms and conditions as may
186 be prescribed by the bank. Each local governmental unit is
187 authorized and empowered to pay to the bank such fees and charges
188 for services as the bank may prescribe.

189 (2) Each local governmental unit is hereby authorized to
190 issue securities under the provisions of this act and to sell such
191 securities to the bank to raise money for any purpose or purposes
192 set forth in Sections 21-27-23, 21-33-301, 21-33-325, 21-33-326,
193 31-27-5, 17-17-301 et seq. and any other state law authorizing the
194 issuance of local governmental unit debt, and for the purpose of
195 refunding any securities issued under the provisions of this act
196 or under the provisions of Section 21-27-11 et seq., or Section
197 21-33-301 et seq., or Section 31-27-1 et seq. Such securities may
198 be issued in accordance with Sections 21-33-301, 21-33-303,

199 21-33-307, 21-33-309, 21-33-311, 21-33-313, 21-33-325 and
200 21-33-326, or Sections 21-27-23 through 21-27-43 and Sections
201 21-27-47 through 21-27-71, or Sections 31-27-1 through 31-27-25,
202 or Sections 17-5-3 through 17-5-11, or Sections 49-17-101 through
203 49-17-123, or Sections 17-17-301 through 17-17-349 or any other
204 state law authorizing issuance of local governmental unit debt, as
205 the case may be, unless otherwise specifically provided in this
206 act; provided, however, the securities of any local governmental
207 unit may be issued with such terms and provisions as may be
208 necessary and appropriate in order to comply with the provisions
209 of any loan agreement described in Section 49-17-87. Whenever
210 securities shall be issued under this subsection, the governing
211 authority may also pledge to the payment of principal of, premium,
212 if any, and interest on such securities the revenues of any
213 project to be constructed, improved or purchased with the proceeds
214 thereof. Whenever any project is a part of a system or combined
215 system, then all or any portion of the revenues of such system or
216 combined system may be pledged to secure repayment of such
217 securities as determined by the bank.

218 (3) Each local governmental unit is hereby authorized to
219 issue securities to the bank to raise money for any purpose or
220 purposes set forth in Sections 19-9-1, 19-9-27 or 19-9-28 and for
221 the purpose of refunding any securities issued under the
222 provisions of this act or under the provisions of Section 19-9-1
223 et seq. Such securities may be issued in accordance with Sections
224 19-9-1, 19-9-3, 19-9-5, 19-9-7, 19-9-9, 19-9-11, 19-9-13, 19-9-15,
225 19-9-17, 19-9-27 and 19-9-28, or Sections 17-5-3 through 17-5-11,
226 or Sections 49-17-101 through 49-17-123, as the case may be,
227 unless otherwise specifically provided in this act; provided,
228 however, the securities of any local governmental unit may be
229 issued with such terms and provisions as may be necessary and
230 appropriate in order to comply with the provisions of any loan
231 agreement described in Section 49-17-87. Whenever securities

232 shall be issued under this subsection, the board of supervisors of
233 the county may also pledge to the payment of principal of,
234 premium, if any, and interest on such securities the revenues of
235 any project to be constructed, improved, repaired or purchased
236 with the proceeds thereof. Whenever any project is a part of a
237 system or combined system, then all or any portion of the revenues
238 of such system or combined system may be pledged to secure
239 repayment of such securities as determined by the bank.

240 (4) In addition, any local governmental unit is hereby
241 authorized to issue securities to the bank to raise money for any
242 purpose or purposes otherwise authorized by state law and for the
243 purpose of refunding any securities issued under the provisions of
244 this act or as otherwise authorized by state law including Section
245 49-17-83 et seq. Such securities may be issued in accordance with
246 any other applicable provision of state law related to the
247 issuance of securities including Section 49-17-83 et seq.
248 Whenever securities shall be issued under this subsection, the
249 governing body of such local governmental unit may also pledge to
250 the payment of principal of, premium, if any, and interest on such
251 securities the revenues of any project to be constructed, improved
252 or purchased with the proceeds thereof. Whenever any project is a
253 part of a system or combined system, then all or any portion of
254 the revenues of such system or combined system may be pledged to
255 secure repayment of such securities as determined by the bank.

256 (5) Securities issued by a local governmental unit under the
257 provisions of this act:

258 (a) May be sold only to the bank at private sale and
259 may be sold at such price or prices, in such manner and at such
260 times as may be agreed to by the bank and the local governmental
261 unit, and the governing body of the local governmental unit may
262 pay all expenses, premiums, fees and commissions which it may deem
263 necessary and advantageous in connection with the issuance and
264 sale thereof;

265 (b) Shall be secured as provided by Chapter 27, Title
266 21, Mississippi Code of 1972; Chapter 33, Title 21, Mississippi
267 Code of 1972; or Chapter 9, Title 19, Mississippi Code of 1972, or
268 other provisions of state law, and as provided in this act; and it
269 is the intention of the Legislature that any pledge of earnings,
270 revenues or other monies made by the local governmental unit shall
271 be valid and binding from the time the pledge is made; that the
272 earnings, revenues or other monies so pledged and thereafter
273 received by the local governmental unit shall immediately be
274 subject to the lien of such pledge without any physical delivery
275 thereof or further act, and that the lien of any such pledge shall
276 be valid and binding as against all parties having claims of any
277 kind in tort, contract or otherwise against the local governmental
278 unit irrespective of whether such parties have notice thereof; and
279 neither the resolution nor any other instrument by which a pledge
280 is created need be recorded;

281 (c) Neither the officers or members of the governing
282 body of the local governmental unit nor any person executing the
283 bonds shall be personally liable on the bonds or be subject to any
284 personal liability or accountability by reason of the issuance
285 thereof;

286 (d) Shall be issued for the purposes set forth in this
287 act and shall include terms and conditions which meet the state
288 law authorizing the issuance of such local governmental unit debt
289 and/or such terms and conditions consistent with the requirements
290 for issuance of Mississippi Development Bank Bonds under Section
291 31-25-37.

292 (6) Each local governmental unit issuing securities under
293 the provisions of this act is hereby authorized and empowered in
294 connection with the issuance of such securities to enter into any
295 covenants, agreements as to defaults and agreements as to remedies
296 of the bank for defaults with respect to such local governmental

297 unit's operation, revenues, assets, monies, funds or property as
298 may be prescribed by the bank.

299 (7) The proceeds of securities shall be deposited in one or
300 more special funds established by resolution of the local
301 governmental unit issuing the same and shall be applied to the
302 following: (a) the purpose for which the securities were issued;
303 (b) the payment of all costs of issuance of the securities; (c)
304 the payments of any fees and charges established by the bank; (d)
305 the payment of interest on the securities for a period of time not
306 greater than the period of time estimated to be required to
307 complete the purpose for which the securities were issued; all to
308 the extent provided by resolution of the governing body of the
309 local governmental unit and approved by the bank. Such special
310 fund shall be held by commercial banks qualified to act as
311 depositories therefor.

312 (8) In the event the bank determines to issue bonds and in
313 connection therewith to exercise the powers provided in subsection
314 (7) of Section 31-25-37, and if the requirements of subsection
315 (2), (3) or (4) as the case may be, of this section have been
316 satisfied, a local governmental unit is authorized to issue its
317 securities as provided in this section.

318 (9) Securities issued under this act may be validated in the
319 manner and with the force and effect provided in Section 31-13-1
320 et seq.

321 (10) This act shall be deemed to provide an additional,
322 alternative and complete method for the doing of the things
323 authorized hereby and shall be deemed and construed to be
324 supplemental to any power conferred by other laws on local
325 governmental units and not in derogation of any such powers.

326 (11) Any person who attempts to or obtains financial aid for
327 a local governmental unit hereunder or who attempts to or sells
328 securities of a governmental unit to the bank by false or
329 misleading information or who shall by fraud attempt to obtain

330 monies from the bank or its approval for the payment of monies or
331 shall fraudulently attempt to or does prevent the collection of
332 any monies due to the bank shall, upon conviction, be guilty of a
333 felony for each offense.

334 (12) Upon the sale and issuance of any securities to the
335 bank by any governmental unit, such governmental unit shall be
336 held and be deemed to have agreed that in the event of the failure
337 of such governmental unit to pay the interest on or the principal
338 of any of such securities owned or held by the bank as and when
339 due and payable, such governmental unit shall have waived any and
340 all defenses to such nonpayment, and the bank upon such nonpayment
341 shall thereupon constitute a holder or owner of such securities as
342 being in default, and the bank may then and thereupon avail itself
343 of all remedies, rights and provisions of law applicable in such
344 circumstance, including without limitation any remedies or rights
345 theretofore agreed to by the local governmental unit, and that all
346 of the securities of the issue of securities of such governmental
347 unit as to which there has been such nonpayment, shall for all of
348 the purposes of this section be held and be deemed to have become
349 due and payable and to be unpaid. The bank is hereby authorized
350 and empowered to carry out the provisions of this section and to
351 exercise all of the rights and remedies and provisions of law
352 herein provided or referred to.

353 (13) Any local governmental unit which borrows from the bank
354 is hereby authorized and empowered to agree in writing with the
355 bank that, as provided in this subsection, the State Tax
356 Commission or any state agency, department or commission created
357 pursuant to state law shall (a) withhold all or any part (as
358 agreed by the local governmental unit) of any monies which such
359 local governmental unit is entitled to receive from time to time
360 pursuant to any law and which is in the possession of the State
361 Tax Commission, or any state agency, department or commission
362 created pursuant to state law and (b) pay the same over to the

363 bank to satisfy any delinquent payments on any securities issued
364 by such local governmental unit under the provisions of this act
365 and any other delinquent payments due and owing the bank by such
366 local governmental unit, all as the same shall occur. In the
367 event the bank shall file a copy of such written agreement,
368 together with a statement of delinquency, with the State Tax
369 Commission, or any state agency, department or commission created
370 pursuant to state law then the State Tax Commission or any state
371 agency, department or commission created pursuant to state law
372 shall immediately make the withholdings provided in such agreement
373 from the amounts due the local governmental unit and shall
374 continue to pay the same over to the bank until all such
375 delinquencies are satisfied.

376 (14) (a) Except as otherwise provided in Section
377 31-25-28(7), if the state or any agency thereof, the institutions
378 of higher learning of the state or any education building
379 corporation established for institutions of higher learning,
380 borrows funds from the bank under Section 31-25-28 or sells its
381 securities to the bank pursuant to this act, then such local
382 governmental unit shall certify the following to the bank prior to
383 the issuance of bonds:

384 (i) The legal authority for such local
385 governmental unit to borrow funds; and

386 (ii) That such local governmental unit does not
387 intend to request an additional appropriation from the Legislature
388 to pay debt service on the loan or for such security.

389 (b) If the state or any agency thereof, the
390 institutions of higher learning of the state or any education
391 building corporation established for institutions of higher
392 learning, does not make the certification required under paragraph
393 (a)(ii) of this subsection, then such local governmental unit
394 shall not borrow funds from the bank under Section 31-25-28 or
395 sell its securities to the bank pursuant to this act unless an

396 appropriation by the Legislature authorizes the payment of debt
397 service for the first year of the loan or for such security.

398 (15) Any local governmental unit may borrow money from the
399 bank loaned under any loan guaranty program of any department or
400 agency of the United States, including the United States
401 Department of Agriculture Rural Utility Services Water and Waste
402 Disposal Guaranteed Loan Program and Community Programs Guaranteed
403 Loan Program or any such successor guaranty programs.

404 (16) Notwithstanding any law to the contrary, each local
405 governmental unit is authorized and empowered to contract with the
406 bank for the exercise by the bank of any and all of the bank's
407 powers as set out in this act with respect to the proceeds of such
408 local governmental unit's securities or certificates of
409 participation issued by such local governmental unit pursuant to
410 any state law authorizing the issuance of local governmental unit
411 debt.

412 (17) Subsections (15) and (16) of this section shall be
413 deemed to provide all necessary authority for the doing of the
414 things authorized thereby and shall be liberally construed to
415 accomplish the purposes and authorizations therein stated.

416 **SECTION 3.** Section 49-17-85, Mississippi Code of 1972, is
417 amended as follows:

418 49-17-85. (1) There is established in the State Treasury a
419 fund to be known as the "Water Pollution Control Revolving Fund"
420 which shall be administered by the commission acting through the
421 department. The revolving fund may receive bond proceeds and
422 funds appropriated or otherwise made available by the Legislature
423 in any manner and funds from any other source, public or private.
424 The revolving fund shall be maintained in perpetuity for the
425 purposes established in this section.

426 (2) There is established in the State Treasury a fund to be
427 known as the "Water Pollution Control Hardship Grants Fund," which
428 shall be administered by the commission acting through the

429 department. The grants fund shall be maintained in perpetuity for
430 the purposes established in this section. Any interest earned on
431 monies in the grants fund shall be credited to that fund.

432 (3) The commission shall promulgate regulations for the
433 administration of the revolving fund program, the hardship grants
434 program and for related programs authorized under this section.
435 The regulations shall be in accordance with the federal Water
436 Quality Act of 1987, as amended and regulations and guidance
437 issued under that act. The commission may enter into
438 capitalization grant agreements with the United States
439 Environmental Protection Agency and may accept capitalization
440 grant awards made under Title VI of the Water Quality Act of 1987,
441 as amended.

442 (4) The commission shall establish a loan program which
443 shall commence after October 1, 1988, to assist political
444 subdivisions in the construction of water pollution control
445 projects. Loans from the revolving fund may be made to political
446 subdivisions as set forth in a loan agreement in amounts not
447 exceeding one hundred percent (100%) of eligible project costs as
448 established by the commission. Notwithstanding loan amount
449 limitations set forth in Section 49-17-61, the commission may
450 require local participation or funding from other sources, or
451 otherwise limit the percentage of costs covered by loans from the
452 revolving fund. The commission may establish a maximum amount for
453 any loan in order to provide for broad and equitable participation
454 in the program.

455 (5) The commission shall establish a hardship grants program
456 for rural communities, which shall commence after July 1, 1997, to
457 assist severely economically disadvantaged small rural political
458 subdivisions in the construction of water pollution control
459 projects. The commission may receive and administer state or
460 federal funds, or both, appropriated for the operation of this
461 grants program and may take all actions necessary to implement the

462 program in accordance with the federal hardship grants program.
463 The hardship grants program shall operate in conjunction with the
464 revolving loan program administered under this section.

465 (6) The commission shall act for the state in all matters
466 and with respect to all determinations under Title VI of the
467 federal Water Quality Act of 1987, as amended and the federal
468 Omnibus Appropriations and Recision Act of 1996.

469 (7) Except as otherwise provided in this section, the
470 revolving fund may be used only:

471 (a) To make loans on the condition that:

472 (i) The loans are made at or below market interest
473 rates, at terms not to exceed twenty (20) years after project
474 completion; the interest rate and term may vary from time to time
475 and from loan to loan at the discretion of the commission;

476 (ii) Periodic principal and interest payments will
477 commence when required by the commission but not later than one
478 (1) year after project completion and all loans will be fully
479 amortized when required by the commission but not later than
480 twenty (20) years after project completion;

481 (iii) The recipient of a loan will establish a
482 dedicated source of revenue for repayment of loans;

483 (b) To buy or refinance the debt obligation of
484 political subdivisions at or below market rates, where the debt
485 obligations were incurred after March 7, 1985, and where the
486 projects were constructed in compliance with applicable federal
487 and state regulations;

488 (c) To guarantee, or purchase insurance for,
489 obligations of political subdivisions where the action would
490 improve credit market access or reduce interest rates;

491 (d) To provide loan guarantees for similar revolving
492 funds established by municipalities or intermunicipal agencies;

493 (e) To earn interest on fund accounts;

494 (f) To establish nonpoint source pollution control
495 management programs;

496 (g) To establish estuary conservation and management
497 programs;

498 (h) For the reasonable costs of administering the
499 revolving fund and conducting activities under this act, subject
500 to the limitations established in Section 603(d)(7) of Title VI of
501 the federal Clean Water Act, as amended, and subject to annual
502 appropriation by the Legislature; and

503 (i) In connection with the issuance, sale and purchase
504 of bonds under Section 31-25-1 et seq., related to the funding of
505 projects, to provide security or a pledge of revenues for the
506 repayment of the bonds.

507 (8) The hardship grants program shall be used only to
508 provide hardship grants consistent with the federal hardship
509 grants program for rural communities, regulations and guidance
510 issued by the United States Environmental Protection Agency,
511 subsections (3) and (5) of this section and regulations
512 promulgated and guidance issued by the commission under this
513 section.

514 (9) The commission shall establish by regulation a system of
515 priorities and a priority list of projects eligible for funding
516 with loans from the revolving fund.

517 (10) The commission may provide a loan from the revolving
518 fund only with respect to a project if that project is on the
519 priority list established by the commission.

520 (11) The revolving fund shall be credited with all payments
521 of principal and interest derived from the fund uses described in
522 subsection (7) of this section. However, notwithstanding any
523 other provision of law to the contrary, all or any portion of
524 payments of principal and interest derived from the fund uses
525 described in subsection (7) of this section may be designated or
526 pledged for repayment of a loan as provided for in Section

527 31-25-28 in connection with a loan from the Mississippi
528 Development Bank.

529 (12) The commission may establish and collect fees to defray
530 the reasonable costs of administering the revolving fund if it
531 determines that the administrative costs will exceed the
532 limitations established in Section 603(d)(7) of Title VI of the
533 federal Clean Water Act, as amended. The administration fees may
534 be included in loan amounts to political subdivisions for the
535 purpose of facilitating payment to the commission. The fees may
536 not exceed five percent (5%) of the loan amount.

537 **SECTION 4.** Section 49-17-86, Mississippi Code of 1972, is
538 amended as follows:

539 49-17-86. (1) (a) There is created a fund in the State
540 Treasury to be designated as the "Water Pollution Control
541 Emergency Loan Fund" hereinafter referred to as "emergency fund."

542 (b) The emergency fund may receive appropriations, bond
543 proceeds, grants, gifts, donations or funds from any source,
544 public or private. The emergency fund shall be credited with all
545 repayments of principal and interest derived from loans made from
546 the emergency fund.

547 (c) The monies in the emergency fund may be expended
548 only in amounts appropriated by the Legislature.

549 (d) The emergency fund shall be maintained in
550 perpetuity for the purposes established in Sections 49-17-81
551 through 49-17-89. Unexpended amounts remaining in the emergency
552 fund at the end of a fiscal year shall not lapse into the State
553 General Fund. Any interest earned on amounts in the emergency
554 fund shall be deposited to the credit of the fund.

555 (2) The commission shall establish a loan program to assist
556 political subdivisions in making emergency improvements such as
557 repairs to or replacement of machinery, equipment, materials,
558 structures or devices in existing water pollution abatement
559 projects or such other emergency water pollution abatement

560 projects as the commission deems necessary. Loans from the
561 emergency fund may be made to political subdivisions as set forth
562 in a loan agreement in amounts not exceeding one hundred percent
563 (100%) of eligible project costs as established by the commission.
564 The commission may require local participation or funding from
565 other sources, or otherwise limit the percentage of costs covered
566 by loans from the emergency fund. The commission may establish a
567 maximum amount for any loan not to exceed Three Hundred Fifty
568 Thousand Dollars (\$350,000.00).

569 (3) Except as otherwise provided in this section, the
570 emergency fund may be used only:

571 (a) To make loans on the condition that:

572 (i) Loans are made at or below market interest
573 rates, at terms not to exceed ten (10) years after project
574 completion; the interest rate may vary from time to time and from
575 loan to loan at the discretion of the commission.

576 (ii) Periodic principal and interest payments will
577 commence when required by the commission but not later than one
578 (1) year after project completion and all loans will be fully
579 amortized when required by the commission but not later than ten
580 (10) years after project completion.

581 (iii) The recipient of a loan shall establish a
582 dedicated source of revenue for repayment of loans. In addition,
583 the commission may require any loan recipient to impose a per
584 connection surcharge on each customer for repayment of any loan
585 funds provided under this section.

586 (iv) The recipient of the loan is not in arrears
587 in repayments to the Water Pollution Control Revolving Fund, the
588 Water Pollution Control Emergency Loan Fund or under the Water
589 Pollution Abatement Loan Program.

590 (b) To provide financial assistance to political
591 subdivisions in making emergency improvements such as repairs to
592 or replacement of machinery, equipment, materials, structures or

593 devices in existing water pollution abatement projects or such
594 other emergency water pollution abatement projects as the
595 commission deems necessary.

596 (c) To defray the reasonable costs of administering the
597 emergency fund and conducting activities under this section,
598 subject to annual appropriation by the Legislature.

599 (4) The commission shall establish a system of evaluating
600 the eligibility of projects, including a determination of the
601 emergency nature of a situation for which funding is sought.

602 (5) The fund will be credited with all payments of principal
603 and interest derived from the fund uses described in subsection
604 (3) of this section. However, notwithstanding any other provision
605 of law to the contrary, all or any portion of payments of
606 principal and interest derived from the fund uses described in
607 subsection (3) of this section may be designated or pledged for
608 repayment of a loan as provided for in Section 31-25-28 in
609 connection with a loan from the Mississippi Development Bank.

610 (6) In addition to any amounts allowed under subsection
611 (3)(c), the commission may establish and collect fees to further
612 defray the reasonable costs of administering the emergency fund.
613 Any administrative fees may be included in loan amounts to
614 political subdivisions for the purpose of facilitating payment to
615 the commission; fees may not exceed five percent (5%) of the loan
616 amount. The commission may also use administrative fees collected
617 pursuant to Section 49-17-85 to defray the reasonable costs of
618 administering the emergency fund.

619 **SECTION 5.** Section 57-1-303, Mississippi Code of 1972, is
620 amended as follows:

621 57-1-303. (1) (a) (i) There is created a special fund in
622 the State Treasury to be designated as the "Local Governments
623 Capital Improvements Revolving Loan Fund," which fund shall
624 consist of such monies as provided in Sections 57-1-307 through
625 57-1-335, and monies derived from the proceeds of any loan made

626 under Section 31-25-28 for the purpose of providing funds for the
627 fund. The fund shall be maintained in perpetuity for the purposes
628 established in Sections 57-1-301 through 57-1-335. Unexpended
629 amounts remaining in the fund at the end of a fiscal year shall
630 not lapse into the State General Fund, and any interest earned on
631 amounts in the fund shall be deposited to the credit of the fund.
632 Monies in the fund may not be used or expended for any purpose
633 except as authorized under Sections 57-1-301 through 57-1-335.

634 (ii) Monies in the Local Governments Capital
635 Improvements Revolving Loan Fund which are derived from interest
636 on loan payments received by the Mississippi Development Authority
637 after January 1, 2002, for loans funded with proceeds of bonds
638 whose interest is not exempt from income taxation under the
639 provisions of the Internal Revenue Code may be used by the
640 Mississippi Development Authority for the ordinary and necessary
641 general support of the Mississippi Development Authority.
642 However, such monies may not be used for the purpose of providing
643 salary increases for Mississippi Development Authority employees.
644 The Mississippi Development Authority may escalate its budget and
645 expend such monies in accordance with rules and regulations of the
646 Department of Finance and Administration in a manner consistent
647 with the escalation of federal funds. This subparagraph (ii)
648 shall be repealed from and after July 1, 2005.

649 (b) The Local Governments Capital Improvements
650 Revolving Loan Fund shall be divided into the Taxable Local
651 Governments Capital Improvements Revolving Loan Subaccount and the
652 Nontaxable Local Governments Capital Improvements Revolving Loan
653 Subaccount. Funds allocated to the Nontaxable Local Governments
654 Capital Improvements Revolving Loan Subaccount shall be utilized
655 to provide loans for capital improvements that would qualify for
656 the issuance of bonds whose interest is exempt from income
657 taxation under the provisions of the Internal Revenue Code. Funds
658 allocated to the Taxable Local Governments Capital Improvements

659 Revolving Loan Subaccount shall be utilized to provide loans for
660 any eligible capital improvements, including, but not limited to,
661 capital improvements that would qualify for the issuance of bonds
662 whose interest is exempt from income taxation under the provisions
663 of the Internal Revenue Code.

664 (c) Of the funds deposited into the Local Governments
665 Capital Improvements Revolving Loan Fund, not less than
666 Twenty-five Million Dollars (\$25,000,000.00) shall be allocated to
667 the Nontaxable Local Governments Capital Improvements Revolving
668 Loan Subaccount, and the remainder of such funds shall be
669 allocated to the Taxable Local Governments Capital Improvements
670 Revolving Loan Subaccount.

671 (d) However, notwithstanding any other provision of law
672 to the contrary, all or any portion of monies in the Local
673 Governments Capital Improvements Revolving Loan Fund which are
674 derived from principal and interest payments on loans made from
675 the fund for purposes described in Sections 57-1-301 through
676 57-1-335, including the interest described in paragraph (a)(ii) of
677 this subsection (1), may be designated or pledged for repayment of
678 a loan as provided for in Section 31-25-28 in connection with a
679 loan from the Mississippi Development Bank.

680 (2) A county or an incorporated municipality may apply to
681 the Mississippi Development Authority for a loan under the local
682 governments capital improvements revolving loan program
683 established under Sections 57-1-301 through 57-1-335.

684 (3) (a) The Mississippi Development Authority shall
685 establish a loan program by which loans, at the rate of interest
686 provided for in paragraph (b) of this subsection, may be made
687 available to counties and incorporated municipalities to assist
688 counties and incorporated municipalities in making capital
689 improvements. Loans from the revolving fund may be made to
690 counties and municipalities as set forth in a loan agreement in
691 amounts not to exceed one hundred percent (100%) of eligible

692 project costs as established by the Mississippi Development
693 Authority. The Mississippi Development Authority may require
694 county or municipal participation or funding from other sources,
695 or otherwise limit the percentage of costs covered by loans from
696 the revolving fund. The Mississippi Development Authority may
697 establish a maximum amount for any loan in order to provide for
698 broad and equitable participation in the program and loans for
699 projects described in Section 57-1-301(2)(m) shall not exceed Two
700 Hundred Fifty Thousand Dollars (\$250,000.00) per project.

701 (b) (i) Except as otherwise provided in this paragraph
702 (b), the rate of interest on loans made from the Local Governments
703 Capital Improvements Revolving Loan Fund for capital improvements
704 that would qualify for the issuance of bonds whose interest is
705 exempt from income taxation under the provisions of the Internal
706 Revenue Code shall be at the rate of three percent (3%) per annum,
707 calculated according to the actuarial method. The rate of
708 interest on loans for all other capital improvements shall be at
709 the true interest cost on the most recent issue of twenty-year
710 state general obligation bonds occurring prior to the date such
711 loan is made.

712 (ii) The rate of interest on loans made after
713 April 9, 2002, from the Local Governments Capital Improvements
714 Revolving Loan Fund for capital improvements that would qualify
715 for the issuance of bonds whose interest is exempt from income
716 taxation under the provisions of the Internal Revenue Code shall
717 be at the rate of two percent (2%) per annum, calculated according
718 to the actuarial method. The rate of interest on loans made after
719 April 9, 2002, for all other capital improvements shall be at the
720 rate of three percent (3%) per annum, calculated according to the
721 actuarial method.

722 (iii) Notwithstanding the provisions of this
723 paragraph to the contrary, loans made for the purposes of the

724 capital project described in Section 57-1-301(2)(1) shall bear no
725 interest.

726 (4) A county that receives a loan from the revolving fund
727 shall pledge for repayment of the loan any part of the homestead
728 exemption annual tax loss reimbursement to which it may be
729 entitled under Section 27-33-77. An incorporated municipality
730 that receives a loan from the revolving fund shall pledge for
731 repayment of the loan any part of the sales tax revenue
732 distribution to which it may be entitled under Section 27-65-75.
733 Each loan agreement shall provide for (i) monthly payments, (ii)
734 semiannual payments, or (iii) other periodic payments, the annual
735 total of which shall not exceed the annual total for any other
736 year of the loan by more than fifteen percent (15%). The loan
737 agreement shall provide for the repayment of all funds received
738 within not more than twenty (20) years from the date of project
739 completion.

740 (5) The State Auditor, upon request of the Mississippi
741 Development Authority, shall audit the receipts and expenditures
742 of a county or an incorporated municipality whose loan payments
743 appear to be in arrears, and if he finds that the county or
744 municipality is in arrears in such payments, he shall immediately
745 notify the Executive Director of the Department of Finance and
746 Administration who shall withhold all future payments to the
747 county of homestead exemption reimbursements under Section
748 27-33-77 and all sums allocated to the county or the municipality
749 under Section 27-65-75 until such time as the county or the
750 municipality is again current in its loan payments as certified by
751 the Mississippi Development Authority.

752 (6) Evidences of indebtedness which are issued pursuant to
753 this chapter shall not be deemed indebtedness within the meaning
754 specified in Section 21-33-303 with regard to cities or
755 incorporated towns, and in Section 19-9-5 with regard to counties.

756 **SECTION 6.** Section 69-2-13, Mississippi Code of 1972, is
757 amended as follows:

758 69-2-13. (1) There is hereby established in the State
759 Treasury a fund to be known as the "Emerging Crops Fund," which
760 shall be used to pay the interest on loans made to farmers for
761 nonland capital costs of establishing production of emerging crops
762 on land in Mississippi, and to make loans and grants which are
763 authorized under this section to be made from the fund. The fund
764 shall be administered by the Mississippi Development Authority. A
765 board comprised of the directors of the authority, the Mississippi
766 Cooperative Extension Service, the Mississippi Small Farm
767 Development Center and the Mississippi Agricultural and Forestry
768 Experiment Station, or their designees, shall develop definitions,
769 guidelines and procedures for the implementation of this chapter.
770 Funds for the Emerging Crops Fund shall be provided from the
771 issuance of bonds or notes under Sections 69-2-19 through 69-2-37,
772 from repayment of interest loans made from the fund, and monies
773 derived from the proceeds of any loan made under Section 31-25-28
774 for the purpose of providing funds for the fund.

775 (2) (a) The Mississippi Development Authority shall develop
776 a program which gives fair consideration to making loans for the
777 processing and manufacturing of goods and services by
778 agribusiness, greenhouse production horticulture, and small
779 business concerns. It is the policy of the State of Mississippi
780 that the Mississippi Development Authority shall give due
781 recognition to and shall aid, counsel, assist and protect, insofar
782 as is possible, the interests of agribusiness, greenhouse
783 production horticulture, and small business concerns. To ensure
784 that the purposes of this subsection are carried out, the
785 Mississippi Development Authority shall loan not more than One
786 Million Dollars (\$1,000,000.00) to finance any single
787 agribusiness, greenhouse production horticulture, or small
788 business concern. Loans made pursuant to this subsection shall be

789 made in accordance with the criteria established in Section
790 57-71-11.

791 (b) The Mississippi Development Authority may, out of
792 the total amount of bonds authorized to be issued under this
793 chapter, make available funds to any planning and development
794 district in accordance with the criteria established in Section
795 57-71-11. Planning and development districts which receive monies
796 pursuant to this provision shall use such monies to make loans to
797 private companies for purposes consistent with this subsection.

798 (c) The Mississippi Development Authority is hereby
799 authorized to engage legal services, financial advisors,
800 appraisers and consultants if needed to review and close loans
801 made hereunder and to establish and assess reasonable fees,
802 including, but not limited to, liquidation expenses.

803 (3) (a) The Mississippi Development Authority shall, in
804 addition to the other programs described in this section, provide
805 for a program of loans to be made to agribusiness or greenhouse
806 production horticulture enterprises for the purpose of encouraging
807 thereby the extension of conventional financing and the issuance
808 of letters of credit to such agribusiness or greenhouse production
809 horticulture enterprises by private institutions. Monies to make
810 such loans by the Mississippi Development Authority shall be drawn
811 from the Emerging Crops Fund. The amount of a loan to any single
812 agribusiness or greenhouse production horticulture enterprise
813 under this paragraph (a) shall not exceed twenty percent (20%) of
814 the total cost of the project for which financing is sought or Two
815 Hundred Thousand Dollars (\$200,000.00), whichever is less. No
816 interest shall be charged on such loans, and only the amount
817 actually loaned shall be required to be repaid. Repayments shall
818 be deposited into the Emerging Crops Fund. However,
819 notwithstanding any other provision of law to the contrary, all or
820 any portion of monies in the Emerging Crops Fund which are derived
821 from such repayments may be designated or pledged for repayment of

822 a loan as provided for in Section 31-25-28 in connection with a
823 loan from the Mississippi Development Bank.

824 (b) The Mississippi Development Authority shall, in
825 addition to the other programs described in this section, provide
826 for a program of loans or loan guaranties, or both, to be made to
827 or on behalf of any agribusiness enterprise engaged in beef
828 processing for the purpose of encouraging thereby the extension of
829 conventional financing and the issuance of letters of credit to
830 such agribusiness enterprises by private institutions. Monies to
831 make such loans or loan guaranties, or both, by the Mississippi
832 Development Authority shall be drawn from the Emerging Crops Fund
833 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)
834 in the aggregate. The amount of a loan to any single agribusiness
835 enterprise or loan guaranty on behalf of such agribusiness
836 enterprise, or both, under this paragraph (b) shall not exceed the
837 total cost of the project for which financing is sought or
838 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.
839 The interest charged on a loan made under this paragraph (b) shall
840 be at a rate determined by the Mississippi Development Authority.
841 All repayments of any loan made under this paragraph (b) shall be
842 deposited into the Emerging Crops Fund. Assistance received by an
843 agribusiness enterprise under this paragraph (b) shall not
844 disqualify the agribusiness enterprise from obtaining any other
845 assistance under this chapter.

846 (4) (a) Through June 30, 2006, the Mississippi Development
847 Authority may loan or grant to qualified planning and development
848 districts, and to small business investment corporations,
849 bank-based community development corporations, the Recruitment and
850 Training Program, Inc., the City of Jackson Business Development
851 Loan Fund, the Lorman Southwest Mississippi Development
852 Corporation, the West Jackson Community Development Corporation,
853 the East Mississippi Development Corporation, and other entities
854 meeting the criteria established by the Mississippi Development

855 Authority (all referred to hereinafter as "qualified entities"),
856 funds for the purpose of establishing loan revolving funds to
857 assist in providing financing for minority economic development.
858 The monies loaned or granted by the Mississippi Development
859 Authority shall be drawn from the Emerging Crops Fund and shall
860 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the
861 aggregate. Planning and development districts or qualified
862 entities which receive monies pursuant to this provision shall use
863 such monies to make loans to minority business enterprises
864 consistent with criteria established by the Mississippi
865 Development Authority. Such criteria shall include, at a minimum,
866 the following:

867 (i) The business enterprise must be a private,
868 for-profit enterprise.

869 (ii) If the business enterprise is a
870 proprietorship, the borrower must be a resident citizen of the
871 State of Mississippi; if the business enterprise is a corporation
872 or partnership, at least fifty percent (50%) of the owners must be
873 resident citizens of the State of Mississippi.

874 (iii) The borrower must have at least five percent
875 (5%) equity interest in the business enterprise.

876 (iv) The borrower must demonstrate ability to
877 repay the loan.

878 (v) The borrower must not be in default of any
879 previous loan from the state or federal government.

880 (vi) Loan proceeds may be used for financing all
881 project costs associated with development or expansion of a new
882 small business, including fixed assets, working capital, start-up
883 costs, rental payments, interest expense during construction and
884 professional fees related to the project.

885 (vii) Loan proceeds shall not be used to pay off
886 existing debt for loan consolidation purposes; to finance the
887 acquisition, construction, improvement or operation of real

888 property which is to be held primarily for sale or investment; to
889 provide for, or free funds, for speculation in any kind of
890 property; or as a loan to owners, partners or stockholders of the
891 applicant which do not change ownership interest by the applicant.
892 However, this does not apply to ordinary compensation for services
893 rendered in the course of business.

894 (viii) The maximum amount that may be loaned to
895 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
896 (\$250,000.00).

897 (ix) The Mississippi Development Authority shall
898 review each loan before it is made, and no loan shall be made to
899 any borrower until the loan has been reviewed and approved by the
900 Mississippi Development Authority.

901 (b) For the purpose of this subsection, the term
902 "minority business enterprise" means a socially and economically
903 disadvantaged small business concern, organized for profit,
904 performing a commercially useful function which is owned and
905 controlled by one or more minorities or minority business
906 enterprises certified by the Mississippi Development Authority, at
907 least fifty percent (50%) of whom are resident citizens of the
908 State of Mississippi. For purposes of this subsection, the term
909 "socially and economically disadvantaged small business concern"
910 shall have the meaning ascribed to such term under the Small
911 Business Act (15 USCS, Section 637(a)), or women, and the term
912 "owned and controlled" means a business in which one or more
913 minorities or minority business enterprises certified by the
914 Mississippi Development Authority own sixty percent (60%) or, in
915 the case of a corporation, sixty percent (60%) of the voting
916 stock, and control sixty percent (60%) of the management and daily
917 business operations of the business.

918 From and after July 1, 2006, monies not loaned or granted by
919 the Mississippi Development Authority to planning and development
920 districts or qualified entities under this subsection, and monies

921 not loaned by planning and development districts or qualified
922 entities, shall be deposited to the credit of the sinking fund
923 created and maintained in the State Treasury for the retirement of
924 bonds issued under Section 69-2-19.

925 (c) Notwithstanding any other provision of this
926 subsection to the contrary, if federal funds are not available for
927 commitments made by a planning and development district to provide
928 assistance under any federal loan program administered by the
929 planning and development district in coordination with the
930 Appalachian Regional Commission or Economic Development
931 Administration, or both, a planning and development district may
932 use funds in its loan revolving fund, which have not been
933 committed otherwise to provide assistance, for the purpose of
934 providing temporary funding for such commitments. If a planning
935 and development district uses uncommitted funds in its loan
936 revolving fund to provide such temporary funding, the district
937 shall use funds repaid to the district under the temporarily
938 funded federal loan program to replenish the funds used to provide
939 the temporary funding. Funds used by a planning and development
940 district to provide temporary funding under this paragraph (c)
941 must be repaid to the district's loan revolving fund no later than
942 twelve (12) months after the date the district provides the
943 temporary funding. A planning and development district may not
944 use uncommitted funds in its loan revolving fund to provide
945 temporary funding under this paragraph (c) on more than two (2)
946 occasions during a calendar year. A planning and development
947 district may provide temporary funding for multiple commitments on
948 each such occasion. The maximum aggregate amount of uncommitted
949 funds in a loan revolving fund that may be used for such purposes
950 during a calendar year shall not exceed seventy percent (70%) of
951 the uncommitted funds in the loan revolving fund on the date the
952 district first provides temporary funding during the calendar
953 year.

954 (d) If the Mississippi Development Authority determines
955 that a planning and development district or qualified entity has
956 provided loans to minority businesses in a manner inconsistent
957 with the provisions of this subsection, then the amount of such
958 loans so provided shall be withheld by the Mississippi Development
959 Authority from any additional grant funds to which the planning
960 and development district or qualified entity becomes entitled
961 under this subsection. If the Mississippi Development Authority
962 determines, after notifying such planning and development district
963 or qualified entity twice in writing and providing such planning
964 and development district or qualified entity a reasonable
965 opportunity to comply, that a planning and development district or
966 qualified entity has consistently failed to comply with this
967 subsection, the Mississippi Development Authority may declare such
968 planning and development district or qualified entity in default
969 under this subsection and, upon receipt of notice thereof from the
970 Mississippi Development Authority, such planning and development
971 district or qualified entity shall immediately cease providing
972 loans under this subsection, shall refund to the Mississippi
973 Development Authority for distribution to other planning and
974 development districts or qualified entities all funds held in its
975 revolving loan fund and, if required by the Mississippi
976 Development Authority, shall convey to the Mississippi Development
977 Authority, all administrative and management control of loans
978 provided by it under this subsection.

979 (e) If the Mississippi Development Authority
980 determines, after notifying a planning and development district or
981 qualified entity twice in writing and providing copies of such
982 notification to each member of the Legislature in whose district
983 or in a part of whose district such planning and development
984 district or qualified entity is located and providing such
985 planning and development district or qualified entity a reasonable
986 opportunity to take corrective action, that a planning and

987 development district or qualified entity administering a revolving
988 loan fund under the provisions of this subsection is not actively
989 engaged in lending as defined by the rules and regulations of the
990 Mississippi Development Authority, the Mississippi Development
991 Authority may declare such planning and development district or
992 qualified entity in default under this subsection and, upon
993 receipt of notice thereof from the Mississippi Development
994 Authority, such planning and development district or qualified
995 entity shall immediately cease providing loans under this
996 subsection, shall refund to the Mississippi Development Authority
997 for distribution to other planning and development districts or
998 qualified entities all funds held in its revolving loan fund and,
999 if required by the Mississippi Development Authority, shall convey
1000 to the Mississippi Development Authority all administrative and
1001 management control of loans provided by it under this subsection.

1002 (5) The Mississippi Development Authority shall develop a
1003 program which will assist minority business enterprises by
1004 guaranteeing bid, performance and payment bonds which such
1005 minority businesses are required to obtain in order to contract
1006 with federal agencies, state agencies or political subdivisions of
1007 the state. Monies for such program shall be drawn from the monies
1008 allocated under subsection (4) of this section to assist the
1009 financing of minority economic development and shall not exceed
1010 Three Million Dollars (\$3,000,000.00) in the aggregate. The
1011 Mississippi Development Authority may promulgate rules and
1012 regulations for the operation of the program established pursuant
1013 to this subsection. For the purpose of this subsection (5) the
1014 term "minority business enterprise" has the meaning assigned such
1015 term in subsection (4) of this section.

1016 (6) The Mississippi Development Authority may loan or grant
1017 to public entities and to nonprofit corporations funds to defray
1018 the expense of financing (or to match any funds available from
1019 other public or private sources for the expense of financing)

1020 projects in this state which are devoted to the study, teaching
1021 and/or promotion of regional crafts and which are deemed by the
1022 authority to be significant tourist attractions. The monies
1023 loaned or granted shall be drawn from the Emerging Crops Fund and
1024 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
1025 in the aggregate.

1026 (7) Through June 30, 2006, the Mississippi Development
1027 Authority shall make available to the Mississippi Department of
1028 Agriculture and Commerce funds for the purpose of establishing
1029 loan revolving funds and other methods of financing for
1030 agribusiness programs administered under the Mississippi
1031 Agribusiness Council Act of 1993. The monies made available by
1032 the Mississippi Development Authority shall be drawn from the
1033 Emerging Crops Fund and shall not exceed One Million Two Hundred
1034 Thousand Dollars (\$1,200,000.00) in the aggregate. The
1035 Mississippi Department of Agriculture and Commerce shall establish
1036 control and auditing procedures for use of these funds. These
1037 funds will be used primarily for quick payment to farmers for
1038 vegetable and fruit crops processed and sold through vegetable
1039 processing plants associated with the Department of Agriculture
1040 and Commerce and the Mississippi State Extension Service.

1041 (8) From and after July 1, 1996, the Mississippi Development
1042 Authority shall make available to the Mississippi Small Farm
1043 Development Center One Million Dollars (\$1,000,000.00) to be used
1044 by the center to assist small entrepreneurs as provided in Section
1045 37-101-25, Mississippi Code of 1972. The monies made available by
1046 the Mississippi Development Authority shall be drawn from the
1047 Emerging Crops Fund.

1048 (9) The Mississippi Development Authority shall make
1049 available to the Agribusiness and Natural Resource Development
1050 Center through Alcorn State University an amount not to exceed Two
1051 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001
1052 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal

1053 year 2002 from the cash balance of the Emerging Crops Fund to
1054 support the development of a cooperative program for agribusiness
1055 development, marketing and natural resources development. This
1056 subsection (9) shall stand repealed on June 30, 2006.

1057 (10) The Mississippi Development Authority shall make
1058 available to the Small Farm Development Center at Alcorn State
1059 University funds in an aggregate amount not to exceed Three
1060 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
1061 balance of the Emerging Crops Fund. The Small Farm Development
1062 Center at Alcorn State University shall use such funds to make
1063 loans to producers of sweet potatoes and cooperatives anywhere in
1064 the State of Mississippi owned by sweet potato producers to assist
1065 in the planting of sweet potatoes and the purchase of sweet potato
1066 production and harvesting equipment. A report of the loans made
1067 under this subsection shall be furnished by January 15 of each
1068 year to the Chairman of the Senate Agriculture Committee and the
1069 Chairman of the House Agriculture Committee.

1070 (11) The Mississippi Development Authority shall make
1071 available to the Mississippi Department of Agriculture and
1072 Commerce "Make Mine Mississippi" program an amount not to exceed
1073 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
1074 the cash balance of the Emerging Crops Fund.

1075 (12) The Mississippi Development Authority shall make
1076 available to the Mississippi Department of Agriculture and
1077 Commerce an amount not to exceed One Hundred Fifty Thousand
1078 Dollars (\$150,000.00) to be drawn from the cash balance of the
1079 Emerging Crops Fund to be used for the rehabilitation and
1080 maintenance of the Mississippi Farmers Central Market in Jackson,
1081 Mississippi.

1082 (13) The Mississippi Development Authority shall make
1083 available to the Mississippi Department of Agriculture and
1084 Commerce an amount not to exceed Twenty-five Thousand Dollars
1085 (\$25,000.00) to be drawn from the cash balance of the Emerging

1086 Crops Fund to be used for advertising purposes related to the
1087 Mississippi Farmers Central Market in Jackson, Mississippi.

1088 **SECTION 7.** This act shall take effect and be in force from
1089 and after its passage.