

By: Representatives Smith (39th), Morris

To: Ways and Means

HOUSE BILL NO. 1762
(As Passed the House)

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 (d) The maximum amount that the State of Mississippi
170 and any agency thereof may borrow under this subsection (7) shall
171 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the
172 aggregate.

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

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

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

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

199 refunding any securities issued under the provisions of this act
200 or under the provisions of Section 21-27-11 et seq., or Section
201 21-33-301 et seq., or Section 31-27-1 et seq. Such securities may
202 be issued in accordance with Sections 21-33-301, 21-33-303,
203 21-33-307, 21-33-309, 21-33-311, 21-33-313, 21-33-325 and
204 21-33-326, or Sections 21-27-23 through 21-27-43 and Sections
205 21-27-47 through 21-27-71, or Sections 31-27-1 through 31-27-25,
206 or Sections 17-5-3 through 17-5-11, or Sections 49-17-101 through
207 49-17-123, or Sections 17-17-301 through 17-17-349 or any other
208 state law authorizing issuance of local governmental unit debt, as
209 the case may be, unless otherwise specifically provided in this
210 act; provided, however, the securities of any local governmental
211 unit may be issued with such terms and provisions as may be
212 necessary and appropriate in order to comply with the provisions
213 of any loan agreement described in Section 49-17-87. Whenever
214 securities shall be issued under this subsection, the governing
215 authority may also pledge to the payment of principal of, premium,
216 if any, and interest on such securities the revenues of any
217 project to be constructed, improved or purchased with the proceeds
218 thereof. Whenever any project is a part of a system or combined
219 system, then all or any portion of the revenues of such system or
220 combined system may be pledged to secure repayment of such
221 securities as determined by the bank.

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

232 however, the securities of any local governmental unit may be
233 issued with such terms and provisions as may be necessary and
234 appropriate in order to comply with the provisions of any loan
235 agreement described in Section 49-17-87. Whenever securities
236 shall be issued under this subsection, the board of supervisors of
237 the county may also pledge to the payment of principal of,
238 premium, if any, and interest on such securities the revenues of
239 any project to be constructed, improved, repaired or purchased
240 with the proceeds thereof. Whenever any project is a part of a
241 system or combined system, then all or any portion of the revenues
242 of such system or combined system may be pledged to secure
243 repayment of such securities as determined by the bank.

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

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

262 (a) May be sold only to the bank at private sale and
263 may be sold at such price or prices, in such manner and at such
264 times as may be agreed to by the bank and the local governmental

265 unit, and the governing body of the local governmental unit may
266 pay all expenses, premiums, fees and commissions which it may deem
267 necessary and advantageous in connection with the issuance and
268 sale thereof;

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

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

290 (d) Shall be issued for the purposes set forth in this
291 act and shall include terms and conditions which meet the state
292 law authorizing the issuance of such local governmental unit debt
293 and/or such terms and conditions consistent with the requirements
294 for issuance of Mississippi Development Bank Bonds under Section
295 31-25-37.

296 (6) Each local governmental unit issuing securities under
297 the provisions of this act is hereby authorized and empowered in

298 connection with the issuance of such securities to enter into any
299 covenants, agreements as to defaults and agreements as to remedies
300 of the bank for defaults with respect to such local governmental
301 unit's operation, revenues, assets, monies, funds or property as
302 may be prescribed by the bank.

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

316 (8) In the event the bank determines to issue bonds and in
317 connection therewith to exercise the powers provided in subsection
318 (7) of Section 31-25-37, and if the requirements of subsection
319 (2), (3) or (4) as the case may be, of this section have been
320 satisfied, a local governmental unit is authorized to issue its
321 securities as provided in this section.

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

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

330 (11) Any person who attempts to or obtains financial aid for
331 a local governmental unit hereunder or who attempts to or sells
332 securities of a governmental unit to the bank by false or
333 misleading information or who shall by fraud attempt to obtain
334 monies from the bank or its approval for the payment of monies or
335 shall fraudulently attempt to or does prevent the collection of
336 any monies due to the bank shall, upon conviction, be guilty of a
337 felony for each offense.

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

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

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

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

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

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

393 (b) If the state or any agency thereof, the
394 institutions of higher learning of the state or any education
395 building corporation established for institutions of higher

396 learning, does not make the certification required under paragraph
397 (a)(ii) of this subsection, then such local governmental unit
398 shall not borrow funds from the bank under Section 31-25-28 or
399 sell its securities to the bank pursuant to this act unless an
400 appropriation by the Legislature authorizes the payment of debt
401 service for the first year of the loan or for such security.

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

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

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

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

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

428 The revolving fund shall be maintained in perpetuity for the
429 purposes established in this section.

430 (2) There is established in the State Treasury a fund to be
431 known as the "Water Pollution Control Hardship Grants Fund," which
432 shall be administered by the commission acting through the
433 department. The grants fund shall be maintained in perpetuity for
434 the purposes established in this section. Any interest earned on
435 monies in the grants fund shall be credited to that fund.

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

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

459 (5) The commission shall establish a hardship grants program
460 for rural communities, which shall commence after July 1, 1997, to

461 assist severely economically disadvantaged small rural political
462 subdivisions in the construction of water pollution control
463 projects. The commission may receive and administer state or
464 federal funds, or both, appropriated for the operation of this
465 grants program and may take all actions necessary to implement the
466 program in accordance with the federal hardship grants program.
467 The hardship grants program shall operate in conjunction with the
468 revolving loan program administered under this section.

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

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

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

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

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

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

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

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

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

497 (e) To earn interest on fund accounts;

498 (f) To establish nonpoint source pollution control
499 management programs;

500 (g) To establish estuary conservation and management
501 programs;

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

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

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

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

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

524 (11) The revolving fund shall be credited with all payments
525 of principal and interest derived from the fund uses described in
526 subsection (7) of this section. However, notwithstanding any
527 other provision of law to the contrary, all or any portion of
528 payments of principal and interest derived from the fund uses
529 described in subsection (7) of this section may be designated or
530 pledged for repayment of a loan as provided for in Section
531 31-25-28 in connection with a loan from the Mississippi
532 Development Bank.

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

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

543 49-17-86. (1) (a) There is created a fund in the State
544 Treasury to be designated as the "Water Pollution Control
545 Emergency Loan Fund" hereinafter referred to as "emergency fund."

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

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

553 (d) The emergency fund shall be maintained in
554 perpetuity for the purposes established in Sections 49-17-81
555 through 49-17-89. Unexpended amounts remaining in the emergency
556 fund at the end of a fiscal year shall not lapse into the State

557 General Fund. Any interest earned on amounts in the emergency
558 fund shall be deposited to the credit of the fund.

559 (2) The commission shall establish a loan program to assist
560 political subdivisions in making emergency improvements such as
561 repairs to or replacement of machinery, equipment, materials,
562 structures or devices in existing water pollution abatement
563 projects or such other emergency water pollution abatement
564 projects as the commission deems necessary. Loans from the
565 emergency fund may be made to political subdivisions as set forth
566 in a loan agreement in amounts not exceeding one hundred percent
567 (100%) of eligible project costs as established by the commission.
568 The commission may require local participation or funding from
569 other sources, or otherwise limit the percentage of costs covered
570 by loans from the emergency fund. The commission may establish a
571 maximum amount for any loan not to exceed Three Hundred Fifty
572 Thousand Dollars (\$350,000.00).

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

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

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

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

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

590 (iv) The recipient of the loan is not in arrears
591 in repayments to the Water Pollution Control Revolving Fund, the
592 Water Pollution Control Emergency Loan Fund or under the Water
593 Pollution Abatement Loan Program.

594 (b) To provide financial assistance to political
595 subdivisions in making emergency improvements such as repairs to
596 or replacement of machinery, equipment, materials, structures or
597 devices in existing water pollution abatement projects or such
598 other emergency water pollution abatement projects as the
599 commission deems necessary.

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

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

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

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

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

625 57-1-303. (1) (a) (i) There is created a special fund in
626 the State Treasury to be designated as the "Local Governments
627 Capital Improvements Revolving Loan Fund," which fund shall
628 consist of such monies as provided in Sections 57-1-307 through
629 57-1-335, and monies derived from the proceeds of any loan made
630 under Section 31-25-28 for the purpose of providing funds for the
631 fund. The fund shall be maintained in perpetuity for the purposes
632 established in Sections 57-1-301 through 57-1-335. Unexpended
633 amounts remaining in the fund at the end of a fiscal year shall
634 not lapse into the State General Fund, and any interest earned on
635 amounts in the fund shall be deposited to the credit of the fund.
636 Monies in the fund may not be used or expended for any purpose
637 except as authorized under Sections 57-1-301 through 57-1-335.

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

653 (b) The Local Governments Capital Improvements
654 Revolving Loan Fund shall be divided into the Taxable Local
655 Governments Capital Improvements Revolving Loan Subaccount and the

656 Nontaxable Local Governments Capital Improvements Revolving Loan
657 Subaccount. Funds allocated to the Nontaxable Local Governments
658 Capital Improvements Revolving Loan Subaccount shall be utilized
659 to provide loans for capital improvements that would qualify for
660 the issuance of bonds whose interest is exempt from income
661 taxation under the provisions of the Internal Revenue Code. Funds
662 allocated to the Taxable Local Governments Capital Improvements
663 Revolving Loan Subaccount shall be utilized to provide loans for
664 any eligible capital improvements, including, but not limited to,
665 capital improvements that would qualify for the issuance of bonds
666 whose interest is exempt from income taxation under the provisions
667 of the Internal Revenue Code.

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

675 (d) However, notwithstanding any other provision of law
676 to the contrary, all or any portion of monies in the Local
677 Governments Capital Improvements Revolving Loan Fund which are
678 derived from principal and interest payments on loans made from
679 the fund for purposes described in Sections 57-1-301 through
680 57-1-335, including the interest described in paragraph (a)(ii) of
681 this subsection (1), may be designated or pledged for repayment of
682 a loan as provided for in Section 31-25-28 in connection with a
683 loan from the Mississippi Development Bank.

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

688 (3) (a) The Mississippi Development Authority shall
689 establish a loan program by which loans, at the rate of interest
690 provided for in paragraph (b) of this subsection, may be made
691 available to counties and incorporated municipalities to assist
692 counties and incorporated municipalities in making capital
693 improvements. Loans from the revolving fund may be made to
694 counties and municipalities as set forth in a loan agreement in
695 amounts not to exceed one hundred percent (100%) of eligible
696 project costs as established by the Mississippi Development
697 Authority. The Mississippi Development Authority may require
698 county or municipal participation or funding from other sources,
699 or otherwise limit the percentage of costs covered by loans from
700 the revolving fund. The Mississippi Development Authority may
701 establish a maximum amount for any loan in order to provide for
702 broad and equitable participation in the program and loans for
703 projects described in Section 57-1-301(2)(m) shall not exceed Two
704 Hundred Fifty Thousand Dollars (\$250,000.00) per project.

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

716 (ii) The rate of interest on loans made after
717 April 9, 2002, from the Local Governments Capital Improvements
718 Revolving Loan Fund for capital improvements that would qualify
719 for the issuance of bonds whose interest is exempt from income
720 taxation under the provisions of the Internal Revenue Code shall

721 be at the rate of two percent (2%) per annum, calculated according
722 to the actuarial method. The rate of interest on loans made after
723 April 9, 2002, for all other capital improvements shall be at the
724 rate of three percent (3%) per annum, calculated according to the
725 actuarial method.

726 (iii) Notwithstanding the provisions of this
727 paragraph to the contrary, loans made for the purposes of the
728 capital project described in Section 57-1-301(2)(1) shall bear no
729 interest.

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

744 (5) The State Auditor, upon request of the Mississippi
745 Development Authority, shall audit the receipts and expenditures
746 of a county or an incorporated municipality whose loan payments
747 appear to be in arrears, and if he finds that the county or
748 municipality is in arrears in such payments, he shall immediately
749 notify the Executive Director of the Department of Finance and
750 Administration who shall withhold all future payments to the
751 county of homestead exemption reimbursements under Section
752 27-33-77 and all sums allocated to the county or the municipality
753 under Section 27-65-75 until such time as the county or the

754 municipality is again current in its loan payments as certified by
755 the Mississippi Development Authority.

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

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

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

779 (2) (a) The Mississippi Development Authority shall develop
780 a program which gives fair consideration to making loans for the
781 processing and manufacturing of goods and services by
782 agribusiness, greenhouse production horticulture, and small
783 business concerns. It is the policy of the State of Mississippi
784 that the Mississippi Development Authority shall give due
785 recognition to and shall aid, counsel, assist and protect, insofar
786 as is possible, the interests of agribusiness, greenhouse

787 production horticulture, and small business concerns. To ensure
788 that the purposes of this subsection are carried out, the
789 Mississippi Development Authority shall loan not more than One
790 Million Dollars (\$1,000,000.00) to finance any single
791 agribusiness, greenhouse production horticulture, or small
792 business concern. Loans made pursuant to this subsection shall be
793 made in accordance with the criteria established in Section
794 57-71-11.

795 (b) The Mississippi Development Authority may, out of
796 the total amount of bonds authorized to be issued under this
797 chapter, make available funds to any planning and development
798 district in accordance with the criteria established in Section
799 57-71-11. Planning and development districts which receive monies
800 pursuant to this provision shall use such monies to make loans to
801 private companies for purposes consistent with this subsection.

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

807 (3) (a) The Mississippi Development Authority shall, in
808 addition to the other programs described in this section, provide
809 for a program of loans to be made to agribusiness or greenhouse
810 production horticulture enterprises for the purpose of encouraging
811 thereby the extension of conventional financing and the issuance
812 of letters of credit to such agribusiness or greenhouse production
813 horticulture enterprises by private institutions. Monies to make
814 such loans by the Mississippi Development Authority shall be drawn
815 from the Emerging Crops Fund. The amount of a loan to any single
816 agribusiness or greenhouse production horticulture enterprise
817 under this paragraph (a) shall not exceed twenty percent (20%) of
818 the total cost of the project for which financing is sought or Two
819 Hundred Thousand Dollars (\$200,000.00), whichever is less. No

820 interest shall be charged on such loans, and only the amount
821 actually loaned shall be required to be repaid. Repayments shall
822 be deposited into the Emerging Crops Fund. However,
823 notwithstanding any other provision of law to the contrary, all or
824 any portion of monies in the Emerging Crops Fund which are derived
825 from such repayments may be designated or pledged for repayment of
826 a loan as provided for in Section 31-25-28 in connection with a
827 loan from the Mississippi Development Bank.

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

850 (4) (a) Through June 30, 2006, the Mississippi Development
851 Authority may loan or grant to qualified planning and development
852 districts, and to small business investment corporations,

853 bank-based community development corporations, the Recruitment and
854 Training Program, Inc., the City of Jackson Business Development
855 Loan Fund, the Lorman Southwest Mississippi Development
856 Corporation, the West Jackson Community Development Corporation,
857 the East Mississippi Development Corporation, and other entities
858 meeting the criteria established by the Mississippi Development
859 Authority (all referred to hereinafter as "qualified entities"),
860 funds for the purpose of establishing loan revolving funds to
861 assist in providing financing for minority economic development.
862 The monies loaned or granted by the Mississippi Development
863 Authority shall be drawn from the Emerging Crops Fund and shall
864 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the
865 aggregate. Planning and development districts or qualified
866 entities which receive monies pursuant to this provision shall use
867 such monies to make loans to minority business enterprises
868 consistent with criteria established by the Mississippi
869 Development Authority. Such criteria shall include, at a minimum,
870 the following:

871 (i) The business enterprise must be a private,
872 for-profit enterprise.

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

878 (iii) The borrower must have at least five percent
879 (5%) equity interest in the business enterprise.

880 (iv) The borrower must demonstrate ability to
881 repay the loan.

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

884 (vi) Loan proceeds may be used for financing all
885 project costs associated with development or expansion of a new

886 small business, including fixed assets, working capital, start-up
887 costs, rental payments, interest expense during construction and
888 professional fees related to the project.

889 (vii) Loan proceeds shall not be used to pay off
890 existing debt for loan consolidation purposes; to finance the
891 acquisition, construction, improvement or operation of real
892 property which is to be held primarily for sale or investment; to
893 provide for, or free funds, for speculation in any kind of
894 property; or as a loan to owners, partners or stockholders of the
895 applicant which do not change ownership interest by the applicant.
896 However, this does not apply to ordinary compensation for services
897 rendered in the course of business.

898 (viii) The maximum amount that may be loaned to
899 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
900 (\$250,000.00).

901 (ix) The Mississippi Development Authority shall
902 review each loan before it is made, and no loan shall be made to
903 any borrower until the loan has been reviewed and approved by the
904 Mississippi Development Authority.

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

919 the case of a corporation, sixty percent (60%) of the voting
920 stock, and control sixty percent (60%) of the management and daily
921 business operations of the business.

922 From and after July 1, 2006, monies not loaned or granted by
923 the Mississippi Development Authority to planning and development
924 districts or qualified entities under this subsection, and monies
925 not loaned by planning and development districts or qualified
926 entities, shall be deposited to the credit of the sinking fund
927 created and maintained in the State Treasury for the retirement of
928 bonds issued under Section 69-2-19.

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

952 each such occasion. The maximum aggregate amount of uncommitted
953 funds in a loan revolving fund that may be used for such purposes
954 during a calendar year shall not exceed seventy percent (70%) of
955 the uncommitted funds in the loan revolving fund on the date the
956 district first provides temporary funding during the calendar
957 year.

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

983 (e) If the Mississippi Development Authority
984 determines, after notifying a planning and development district or

985 qualified entity twice in writing and providing copies of such
986 notification to each member of the Legislature in whose district
987 or in a part of whose district such planning and development
988 district or qualified entity is located and providing such
989 planning and development district or qualified entity a reasonable
990 opportunity to take corrective action, that a planning and
991 development district or qualified entity administering a revolving
992 loan fund under the provisions of this subsection is not actively
993 engaged in lending as defined by the rules and regulations of the
994 Mississippi Development Authority, the Mississippi Development
995 Authority may declare such planning and development district or
996 qualified entity in default under this subsection and, upon
997 receipt of notice thereof from the Mississippi Development
998 Authority, such planning and development district or qualified
999 entity shall immediately cease providing loans under this
1000 subsection, shall refund to the Mississippi Development Authority
1001 for distribution to other planning and development districts or
1002 qualified entities all funds held in its revolving loan fund and,
1003 if required by the Mississippi Development Authority, shall convey
1004 to the Mississippi Development Authority all administrative and
1005 management control of loans provided by it under this subsection.

1006 (5) The Mississippi Development Authority shall develop a
1007 program which will assist minority business enterprises by
1008 guaranteeing bid, performance and payment bonds which such
1009 minority businesses are required to obtain in order to contract
1010 with federal agencies, state agencies or political subdivisions of
1011 the state. Monies for such program shall be drawn from the monies
1012 allocated under subsection (4) of this section to assist the
1013 financing of minority economic development and shall not exceed
1014 Three Million Dollars (\$3,000,000.00) in the aggregate. The
1015 Mississippi Development Authority may promulgate rules and
1016 regulations for the operation of the program established pursuant
1017 to this subsection. For the purpose of this subsection (5) the

1018 term "minority business enterprise" has the meaning assigned such
1019 term in subsection (4) of this section.

1020 (6) The Mississippi Development Authority may loan or grant
1021 to public entities and to nonprofit corporations funds to defray
1022 the expense of financing (or to match any funds available from
1023 other public or private sources for the expense of financing)
1024 projects in this state which are devoted to the study, teaching
1025 and/or promotion of regional crafts and which are deemed by the
1026 authority to be significant tourist attractions. The monies
1027 loaned or granted shall be drawn from the Emerging Crops Fund and
1028 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
1029 in the aggregate.

1030 (7) Through June 30, 2006, the Mississippi Development
1031 Authority shall make available to the Mississippi Department of
1032 Agriculture and Commerce funds for the purpose of establishing
1033 loan revolving funds and other methods of financing for
1034 agribusiness programs administered under the Mississippi
1035 Agribusiness Council Act of 1993. The monies made available by
1036 the Mississippi Development Authority shall be drawn from the
1037 Emerging Crops Fund and shall not exceed One Million Two Hundred
1038 Thousand Dollars (\$1,200,000.00) in the aggregate. The
1039 Mississippi Department of Agriculture and Commerce shall establish
1040 control and auditing procedures for use of these funds. These
1041 funds will be used primarily for quick payment to farmers for
1042 vegetable and fruit crops processed and sold through vegetable
1043 processing plants associated with the Department of Agriculture
1044 and Commerce and the Mississippi State Extension Service.

1045 (8) From and after July 1, 1996, the Mississippi Development
1046 Authority shall make available to the Mississippi Small Farm
1047 Development Center One Million Dollars (\$1,000,000.00) to be used
1048 by the center to assist small entrepreneurs as provided in Section
1049 37-101-25, Mississippi Code of 1972. The monies made available by

1050 the Mississippi Development Authority shall be drawn from the
1051 Emerging Crops Fund.

1052 (9) The Mississippi Development Authority shall make
1053 available to the Agribusiness and Natural Resource Development
1054 Center through Alcorn State University an amount not to exceed Two
1055 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001
1056 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal
1057 year 2002 from the cash balance of the Emerging Crops Fund to
1058 support the development of a cooperative program for agribusiness
1059 development, marketing and natural resources development. This
1060 subsection (9) shall stand repealed on June 30, 2006.

1061 (10) The Mississippi Development Authority shall make
1062 available to the Small Farm Development Center at Alcorn State
1063 University funds in an aggregate amount not to exceed Three
1064 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
1065 balance of the Emerging Crops Fund. The Small Farm Development
1066 Center at Alcorn State University shall use such funds to make
1067 loans to producers of sweet potatoes and cooperatives anywhere in
1068 the State of Mississippi owned by sweet potato producers to assist
1069 in the planting of sweet potatoes and the purchase of sweet potato
1070 production and harvesting equipment. A report of the loans made
1071 under this subsection shall be furnished by January 15 of each
1072 year to the Chairman of the Senate Agriculture Committee and the
1073 Chairman of the House Agriculture Committee.

1074 (11) The Mississippi Development Authority shall make
1075 available to the Mississippi Department of Agriculture and
1076 Commerce "Make Mine Mississippi" program an amount not to exceed
1077 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
1078 the cash balance of the Emerging Crops Fund.

1079 (12) The Mississippi Development Authority shall make
1080 available to the Mississippi Department of Agriculture and
1081 Commerce an amount not to exceed One Hundred Fifty Thousand
1082 Dollars (\$150,000.00) to be drawn from the cash balance of the

1083 Emerging Crops Fund to be used for the rehabilitation and
1084 maintenance of the Mississippi Farmers Central Market in Jackson,
1085 Mississippi.

1086 (13) The Mississippi Development Authority shall make
1087 available to the Mississippi Department of Agriculture and
1088 Commerce an amount not to exceed Twenty-five Thousand Dollars
1089 (\$25,000.00) to be drawn from the cash balance of the Emerging
1090 Crops Fund to be used for advertising purposes related to the
1091 Mississippi Farmers Central Market in Jackson, Mississippi.

1092 **SECTION 7.** This act shall take effect and be in force from
1093 and after its passage.