

By: Representatives Howell, Smith (39th),  
Morris, Read, Watson

To: Ways and Means

HOUSE BILL NO. 1791

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,  
2 TO INCREASE FROM \$290,000,000.00 TO \$292,000,000.00 THE AMOUNT OF  
3 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI  
4 BUSINESS INVESTMENT ACT; TO AMEND SECTION 57-61-36, MISSISSIPPI  
5 CODE OF 1972, TO INCREASE FROM \$8,500,000.00 TO \$10,500,000.00 THE  
6 AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY  
7 MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE  
8 GRANTS OR LOANS TO COUNTIES AND MUNICIPALITIES THROUGH AN  
9 EQUIPMENT AND PUBLIC FACILITIES GRANT AND LOAN FUND TO AID IN  
10 INFRASTRUCTURE-RELATED IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND  
11 IN THE PURCHASE, CONSTRUCTION OR REPAIR AND RENOVATION OF PUBLIC  
12 FACILITIES; TO EXTEND THE DATE OF REPEAL FROM JULY 1, 2004, TO  
13 JULY 1, 2006, ON THE PROVISION OF LAW THAT AUTHORIZES THE  
14 MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE PROCEEDS  
15 OF BONDS ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO  
16 MAKE INTEREST BEARING LOANS TO CERTAIN ENTITIES THROUGH A HOUSING  
17 DEVELOPMENT REVOLVING LOAN FUND FOR LOW OR MODERATE INCOME HOUSING  
18 PURPOSES; TO AMEND SECTION 57-61-15, MISSISSIPPI CODE OF 1972, TO  
19 EXTEND THE REVERTER ON THE PROVISION THAT REQUIRES THAT A MINIMUM  
20 OF FIFTEEN PERCENT OF CERTAIN BOND PROCEEDS UNDER THE MISSISSIPPI  
21 BUSINESS INVESTMENT ACT BE ALLOCATED TO SMALL COMMUNITIES; TO  
22 AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO REMOVE THE  
23 JUNE 30, 2004, REPEAL DATE ON THE PROGRAM THAT AUTHORIZES THE  
24 MISSISSIPPI DEVELOPMENT AUTHORITY TO LOAN OR GRANT FUNDS FROM THE  
25 EMERGING CROPS FUND TO ASSIST IN PROVIDING FINANCING FOR MINORITY  
26 ECONOMIC DEVELOPMENT AND TO INCREASE THE AMOUNT THAT MAY BE DRAWN  
27 FOR SUCH PURPOSE FROM \$25,000,000.00 TO \$27,000,000.00; TO EXTEND  
28 THE REPEALER ON THE PROVISION OF LAW PROVIDING CERTAIN FUNDS TO  
29 THE AGRIBUSINESS AND NATURAL RESOURCE DEVELOPMENT CENTER THROUGH  
30 ALCORN STATE UNIVERSITY DURING FISCAL YEAR 2001 AND FISCAL YEAR  
31 2002; TO REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE  
32 FUNDS FROM THE EMERGING CROPS FUND TO THE DEPARTMENT OF  
33 AGRICULTURE AND COMMERCE TO BE USED FOR MARKETING ACTIVITIES TO  
34 PROMOTE MISSISSIPPI-PRODUCED COMMODITIES AND RESOURCES; TO AMEND  
35 SECTION 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE  
36 AGGREGATE AMOUNT OF STATE GENERAL OBLIGATION BONDS THAT MAY BE  
37 ISSUED FOR THE EMERGING CROPS FUND FROM \$104,000,000.00 TO  
38 \$106,000,000.00; TO AMEND SECTION 65-4-15, MISSISSIPPI CODE OF  
39 1972, TO PROHIBIT THE USE OF MONEY FROM THE ECONOMIC DEVELOPMENT  
40 HIGHWAY FUND FOR PROJECTS THAT ARE BEING DEVELOPED FOR THE PRIMARY  
41 PURPOSE OF CONDUCTING RETAIL SALES UNLESS SUCH A PROJECT IS  
42 LOCATED IN A COUNTY THAT BORDERS ANOTHER STATE; TO AMEND SECTION  
43 65-4-25, MISSISSIPPI CODE OF 1972, TO INCREASE BY \$20,000,000.00  
44 THE AMOUNT OF STATE GENERAL OBLIGATION BONDS THAT MAY BE ISSUED  
45 UNDER THE ECONOMIC DEVELOPMENT HIGHWAY ACT; AND FOR RELATED  
46 PURPOSES.

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

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

50           57-61-25. (1) The seller is authorized to borrow, on the  
51 credit of the state upon receipt of a resolution from the  
52 Mississippi Development Authority requesting the same, money not  
53 exceeding the aggregate sum of Two Hundred Ninety-two Million  
54 Dollars (\$292,000,000.00), not including money borrowed to refund  
55 outstanding bonds, notes or replacement notes, as may be necessary  
56 to carry out the purposes of this chapter. \* \* \* The rate of  
57 interest on any such bonds or notes which are not subject to  
58 taxation shall not exceed the rates set forth in Section  
59 75-17-101, Mississippi Code of 1972, for general obligation bonds.

60           (2) As evidence of indebtedness authorized in this chapter,  
61 general or limited obligation bonds of the state shall be issued  
62 from time to time, to provide monies necessary to carry out the  
63 purposes of this chapter for such total amounts, in such form, in  
64 such denominations payable in such currencies (either domestic or  
65 foreign or both) and subject to such terms and conditions of  
66 issue, redemption and maturity, rate of interest and time of  
67 payment of interest as the seller directs, except that such bonds  
68 shall mature or otherwise be retired in annual installments  
69 beginning not more than five (5) years from date thereof and  
70 extending not more than thirty (30) years from date thereof.

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

75           (4) All bonds and notes issued under authority of this  
76 chapter may be general or limited obligations of the state, and  
77 the full faith and credit of the State of Mississippi as to  
78 general obligation bonds, or the revenues derived from projects  
79 assisted as to limited obligation bonds, are hereby pledged for  
80 the payment of the principal of and interest on such bonds and  
81 notes.

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

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

88           (7) The seller is authorized to provide, by resolution, for  
89 the issuance of refunding bonds for the purpose of refunding any  
90 debt issued under the provision of this chapter and then  
91 outstanding, either by voluntary exchange with the holders of the  
92 outstanding debt or to provide funds to redeem and the costs of  
93 issuance and retirement of the debt, at maturity or at any call  
94 date. The issuance of the refunding bonds, the maturities and  
95 other details thereof, the rights of the holders thereof and the  
96 duties of the issuing officials in respect to the same shall be  
97 governed by the provisions of this section, insofar as they may be  
98 applicable.

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

103           (9) The proceeds of bonds issued under this chapter after  
104 April 9, 2002, may be used to reimburse reasonable, actual and  
105 necessary costs incurred by the Mississippi Development Authority  
106 in administering a program or providing assistance related to a  
107 project, or both, for which funding is provided from the use of  
108 proceeds of such bonds. An accounting of actual costs incurred  
109 for which reimbursement is sought shall be maintained for each  
110 project by the Mississippi Development Authority. Reimbursement  
111 of reasonable, actual and necessary costs for a program or project  
112 shall not exceed three percent (3%) of the proceeds of bonds  
113 issued for such program or project. Monies authorized for a  
114 particular program or project may not be used to reimburse

115 administrative costs for unrelated programs or projects.  
116 Reimbursements under this subsection shall satisfy any applicable  
117 federal tax law requirements.

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

120         57-61-36. (1) Notwithstanding any provision of this chapter  
121 to the contrary, the Mississippi Development Authority shall  
122 utilize not more than Twelve Million Five Hundred Thousand Dollars  
123 (\$12,500,000.00) out of the proceeds of bonds authorized to be  
124 issued in this chapter for the purpose of making grants to  
125 municipalities through a development infrastructure grant fund to  
126 complete infrastructure related to new or expanded industry.

127         (2) Notwithstanding any provision of this chapter to the  
128 contrary, the Mississippi Development Authority may utilize not  
129 more than Seven Million Dollars (\$7,000,000.00) out of the  
130 proceeds of bonds authorized to be issued in this chapter for the  
131 purpose of making interest-bearing loans to any agency,  
132 department, institution, instrumentality or political subdivision  
133 of the state; or any agency, department, institution or  
134 instrumentality of any political subdivision of the state; or any  
135 business, organization, corporation, association or other legal  
136 entity meeting criteria established by the department, through a  
137 housing development revolving loan fund, to construct or repair  
138 housing for low or moderate income earners; provided, however,  
139 that the department may not utilize any bond proceeds authorized  
140 under this chapter for the purpose of making any loans to the  
141 Mississippi Home Corporation for any purpose whatsoever. No more  
142 than forty percent (40%) of the additional bonds authorized  
143 by \* \* \* Chapter 559, Laws of 1998, may be used for multiple  
144 family housing activities. Funds authorized under this subsection  
145 may be deposited in the Mississippi Affordable Housing Development  
146 Fund authorized in Section 43-33-759 and used for purposes

147 authorized by that section. This subsection (2) shall be repealed  
148 from and after July 1, 2006.

149 (3) Notwithstanding any provision of this chapter to the  
150 contrary, the Mississippi Development Authority shall utilize not  
151 more than Ten Million Five Hundred Thousand Dollars  
152 (\$10,500,000.00) out of the proceeds of bonds authorized to be  
153 issued in this chapter for the purpose of making grants or loans  
154 to municipalities through an equipment and public facilities grant  
155 and loan fund to aid in infrastructure-related improvements as  
156 determined by the Mississippi Development Authority, the purchase  
157 of equipment and in the purchase, construction or repair and  
158 renovation of public facilities. Any bonds previously issued for  
159 the Development Infrastructure Revolving Loan Program which have  
160 not been loaned or applied for are eligible to be administered as  
161 grants or loans.

162 The requirements of Section 57-61-9 shall not apply to any  
163 grant made under this subsection. The Mississippi Development  
164 Authority may establish criteria and guidelines to govern grants  
165 made pursuant to this subsection.

166 (4) Notwithstanding any provision of this chapter to the  
167 contrary, the Mississippi Development Authority may utilize not  
168 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out  
169 of the proceeds of bonds authorized to be issued in this chapter  
170 in order to match federal funds available from the United States  
171 Department of Agriculture for the purpose of establishing an  
172 intermediary relending program to be administered by the  
173 Mississippi Development Authority. The Mississippi Development  
174 Authority may establish criteria and guidelines to govern loans  
175 made under such program. This subsection (4) shall be repealed  
176 from and after April 9, 2002.

177 (5) The Mississippi Development Authority may establish a  
178 capital access program and may contract with any financial  
179 institution to participate in the program upon such terms and

180 conditions as the authority shall consider necessary and proper.  
181 The Mississippi Development Authority may establish loss reserve  
182 accounts at financial institutions that participate in the program  
183 and require payments by the financial institution and the borrower  
184 to such loss reserve accounts. All money in such loss reserve  
185 accounts is the property of the Mississippi Development Authority.

186 Under the capital access program a participating financial  
187 institution may make a loan to any borrower the Mississippi  
188 Development Authority determines to be qualified under rules and  
189 regulations adopted by the authority and be protected against  
190 losses from such loans as provided in the program. Under such  
191 rules and regulations as may be adopted by the Mississippi  
192 Development Authority, a participating financial institution may  
193 submit claims for the reimbursement for losses incurred as a  
194 result of default on loans by qualified borrowers.

195 Notwithstanding any provision of this chapter to the  
196 contrary, the Mississippi Development Authority may utilize not  
197 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out  
198 of the proceeds of bonds authorized to be issued in this chapter  
199 for the purpose of making payments to loan loss reserve accounts  
200 established at financial institutions that participate in the  
201 capital access program established by the Mississippi Development  
202 Authority.

203 (6) Notwithstanding any provision of this chapter to the  
204 contrary, the Mississippi Development Authority shall utilize not  
205 more than Two Hundred Thousand Dollars (\$200,000.00) out of the  
206 proceeds of bonds authorized to be issued in this chapter for the  
207 purpose of assisting Warren County, Mississippi, in the  
208 continuation and completion of the study for the proposed Kings  
209 Point levee.

210 (7) Notwithstanding any provision of this chapter to the  
211 contrary, the Mississippi Development Authority shall utilize not  
212 more than One Hundred Thousand Dollars (\$100,000.00) out of the

213 proceeds of bonds authorized to be issued in this chapter for the  
214 purpose of developing a long-range plan for coordinating the  
215 resources of the state institutions of higher learning, the  
216 community and junior colleges, the Mississippi Development  
217 Authority and other state agencies in order to promote economic  
218 development in the state.

219 (8) Notwithstanding any other provision of this chapter to  
220 the contrary, the Mississippi Development Authority shall use not  
221 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of  
222 the proceeds of bonds authorized to be issued in this chapter for  
223 the purpose of providing assistance to municipalities that have  
224 received community development block grant funds for repair,  
225 renovation and other improvements to buildings for use as  
226 community centers. Assistance provided to a municipality under  
227 this subsection shall be used by the municipality to match such  
228 community development block grant funds. The maximum amount of  
229 assistance that may be provided to a municipality under this  
230 subsection shall not exceed Seventy-five Thousand Dollars  
231 (\$75,000.00) in the aggregate.

232 **SECTION 3.** Section 57-61-15, Mississippi Code of 1972, is  
233 amended as follows:

234 **[From and after April 9, 2002, through June 30, 2005, this**  
235 **section shall read as follows:]**

236 57-61-15. (1) Except for grants authorized for state-owned  
237 ports and for grants authorized under Section 57-61-32, Section  
238 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more  
239 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)  
240 of the proceeds of bonds authorized to be issued under this  
241 chapter shall be made available for grants to municipalities;  
242 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
243 of such amount shall be made available for grants to small  
244 communities.

245 (2) In no case shall any municipality receive more than one  
246 (1) grant in any single fiscal year. This subsection shall not  
247 apply to grants authorized under Section 57-61-36, Mississippi  
248 Code of 1972.

249 (3) A minimum of fifteen percent (15%) of the aggregate  
250 funds made available under this chapter shall be allocated to  
251 small communities. For the purpose of determining the aggregate  
252 funds available to make the allocation established in this  
253 subsection, there shall be excluded from inclusion therein any  
254 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)  
255 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,  
256 57-61-41 and 57-75-27, Mississippi Code of 1972.

257 (4) No loan or grant shall be made without substantiation of  
258 the provisions of Section 57-61-9, Mississippi Code of 1972.

259 (5) Except in the case of an application pursuant to Section  
260 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be  
261 secured by a lien and/or collateralized consistent with Section  
262 57-61-9(1)(d), Mississippi Code of 1972, if required by the  
263 Mississippi Development Authority.

264 (6) Except in the case of an application pursuant to Section  
265 57-61-9(5)(a), Mississippi Code of 1972, private companies which  
266 fail to create and maintain the number of jobs specified in an  
267 approved application shall be liable for, in the discretion of the  
268 Mississippi Development Authority, (a) a penalty equal to two  
269 percent (2%) greater than the current prime interest rate for the  
270 remainder of the loan made for their benefit, or (b) prepayment of  
271 the outstanding loan amount incurred by the municipality for their  
272 benefit, unless the penalty or a portion thereof is waived by the  
273 Mississippi Development Authority because the failure is due to  
274 circumstances outside the control of the private company. The  
275 penalty shall be payable in installments which the Mississippi  
276 Development Authority deems appropriate. Immediate notice of  
277 penalties and waivers of penalties, including the penalties in



278 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons  
279 thereof, shall be submitted by the Mississippi Development  
280 Authority to the Governor and the Legislature along with the  
281 Mississippi Development Authority's decision on the imposition of  
282 penalties and the reasons for this decision.

283 (7) Except in the case of an application pursuant to Section  
284 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving  
285 loans which fail to meet their repayment obligations shall forfeit  
286 the right to receive their sales tax allocation and/or homestead  
287 exemption reimbursement in an amount sufficient to repay  
288 obligations due until such time as their indebtedness has been  
289 discharged or arrangements to discharge such indebtedness  
290 satisfactory to the Mississippi Development Authority have been  
291 made. Sales tax allocations and/or homestead exemption  
292 reimbursements forfeited hereby shall, upon demand by the  
293 Mississippi Development Authority made in writing upon the State  
294 Tax Commission, be paid to the Mississippi Development Authority  
295 and applied to the discharge of the obligation. The Mississippi  
296 Development Authority may prescribe such other penalties it deems  
297 necessary.

298 (8) Any municipality which has forfeited its sales tax  
299 allocation and/or homestead exemption reimbursement for twelve  
300 (12) months may levy an ad valorem tax on the taxable property  
301 therein for the purpose of meeting its repayment obligation. The  
302 revenue produced from the tax levy shall not be included within  
303 the ten percent (10%) growth limitation on ad valorem tax receipts  
304 for its general budget.

305 (9) This chapter is expressly not intended to encourage the  
306 relocation of a company from one jurisdiction within the state to  
307 another. Any request by a local sponsor for assistance to be  
308 provided a firm which currently operates a similar business in the  
309 state must be accompanied by a demonstration that the total net  
310 increase in and maintenance of full-time equivalent jobs, using

311 the current number of jobs in all similar businesses operated by  
312 the private company in the state as a base, shall be at least  
313 twenty-five percent (25%). This requirement shall not apply to  
314 private companies relocating from small business incubators.

315 **[From and after July 1, 2005, this section shall read as**  
316 **follows:]**

317 57-61-15. (1) Except for grants authorized for state-owned  
318 ports and for grants authorized under Section 57-61-32, Section  
319 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more  
320 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)  
321 of the proceeds of bonds authorized to be issued under this  
322 chapter shall be made available for grants to municipalities;  
323 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
324 of such amount shall be made available for grants to small  
325 communities.

326 (2) In no case shall any municipality receive more than one  
327 (1) grant in any single fiscal year. This subsection shall not  
328 apply to grants authorized under Section 57-61-36, Mississippi  
329 Code of 1972.

330 (3) A minimum of twenty-five percent (25%) of the aggregate  
331 funds made available under this chapter shall be allocated to  
332 small communities. For the purpose of determining the aggregate  
333 funds available to make the allocation established in this  
334 subsection, there shall be excluded from inclusion therein any  
335 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)  
336 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,  
337 57-61-41 and 57-75-27, Mississippi Code of 1972.

338 (4) No loan or grant shall be made without substantiation of  
339 the provisions of Section 57-61-9, Mississippi Code of 1972.

340 (5) Except in the case of an application pursuant to Section  
341 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be  
342 secured by a lien and/or collateralized consistent with Section

343 57-61-9(1)(d), Mississippi Code of 1972, if required by the  
344 Mississippi Development Authority.

345 (6) Except in the case of an application pursuant to Section  
346 57-61-9(5)(a), Mississippi Code of 1972, private companies which  
347 fail to create and maintain the number of jobs specified in an  
348 approved application shall be liable for, in the discretion of the  
349 Mississippi Development Authority, (a) a penalty equal to two  
350 percent (2%) greater than the current prime interest rate for the  
351 remainder of the loan made for their benefit, or (b) prepayment of  
352 the outstanding loan amount incurred by the municipality for their  
353 benefit, unless the penalty or a portion thereof is waived by the  
354 Mississippi Development Authority because the failure is due to  
355 circumstances outside the control of the private company. The  
356 penalty shall be payable in installments which the Mississippi  
357 Development Authority deems appropriate. Immediate notice of  
358 penalties and waivers of penalties, including the penalties in  
359 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons  
360 thereof, shall be submitted by the Mississippi Development  
361 Authority to the Governor and the Legislature along with the  
362 Mississippi Development Authority's decision on the imposition of  
363 penalties and the reasons for this decision.

364 (7) Except in the case of an application pursuant to Section  
365 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving  
366 loans which fail to meet their repayment obligations shall forfeit  
367 the right to receive their sales tax allocation and/or homestead  
368 exemption reimbursement in an amount sufficient to repay  
369 obligations due until such time as their indebtedness has been  
370 discharged or arrangements to discharge such indebtedness  
371 satisfactory to the Mississippi Development Authority have been  
372 made. Sales tax allocations and/or homestead exemption  
373 reimbursements forfeited hereby shall, upon demand by the  
374 Mississippi Development Authority made in writing upon the State  
375 Tax Commission, be paid to the Mississippi Development Authority

376 and applied to the discharge of the obligation. The Mississippi  
377 Development Authority may prescribe such other penalties it deems  
378 necessary.

379 (8) Any municipality which has forfeited its sales tax  
380 allocation and/or homestead exemption reimbursement for twelve  
381 (12) months may levy an ad valorem tax on the taxable property  
382 therein for the purpose of meeting its repayment obligation. The  
383 revenue produced from the tax levy shall not be included within  
384 the ten percent (10%) growth limitation on ad valorem tax receipts  
385 for its general budget.

386 (9) This chapter is expressly not intended to encourage the  
387 relocation of a company from one jurisdiction within the state to  
388 another. Any request by a local sponsor for assistance to be  
389 provided a firm which currently operates a similar business in the  
390 state must be accompanied by a demonstration that the total net  
391 increase in and maintenance of full-time equivalent jobs, using  
392 the current number of jobs in all similar businesses operated by  
393 the private company in the state as a base, shall be at least  
394 twenty-five percent (25%). This requirement shall not apply to  
395 private companies relocating from small business incubators.

396 **SECTION 4.** Section 69-2-13, Mississippi Code of 1972, is  
397 amended as follows:

398 69-2-13. (1) There is hereby established in the State  
399 Treasury a fund to be known as the "Emerging Crops Fund," which  
400 shall be used to pay the interest on loans made to farmers for  
401 nonland capital costs of establishing production of emerging crops  
402 on land in Mississippi, and to make loans and grants which are  
403 authorized under this section to be made from the fund. The fund  
404 shall be administered by the Mississippi Development Authority. A  
405 board comprised of the directors of the authority, the Mississippi  
406 Cooperative Extension Service, the Mississippi Small Farm  
407 Development Center and the Mississippi Agricultural and Forestry  
408 Experiment Station, or their designees, shall develop definitions,

409 guidelines and procedures for the implementation of this chapter.  
410 Funds for the Emerging Crops Fund shall be provided from the  
411 issuance of bonds or notes under Sections 69-2-19 through 69-2-37  
412 and from repayment of interest loans made from the fund.

413         (2) (a) The Mississippi Development Authority shall develop  
414 a program which gives fair consideration to making loans for the  
415 processing and manufacturing of goods and services by  
416 agribusiness, greenhouse production horticulture, and small  
417 business concerns. It is the policy of the State of Mississippi  
418 that the Mississippi Development Authority shall give due  
419 recognition to and shall aid, counsel, assist and protect, insofar  
420 as is possible, the interests of agribusiness, greenhouse  
421 production horticulture, and small business concerns. To ensure  
422 that the purposes of this subsection are carried out, the  
423 Mississippi Development Authority shall loan not more than One  
424 Million Dollars (\$1,000,000.00) to finance any single  
425 agribusiness, greenhouse production horticulture, or small  
426 business concern. Loans made pursuant to this subsection shall be  
427 made in accordance with the criteria established in Section  
428 57-71-11.

429         (b) The Mississippi Development Authority may, out of  
430 the total amount of bonds authorized to be issued under this  
431 chapter, make available funds to any planning and development  
432 district in accordance with the criteria established in Section  
433 57-71-11. Planning and development districts which receive monies  
434 pursuant to this provision shall use such monies to make loans to  
435 private companies for purposes consistent with this subsection.

436         (c) The Mississippi Development Authority is hereby  
437 authorized to engage legal services, financial advisors,  
438 appraisers and consultants if needed to review and close loans  
439 made hereunder and to establish and assess reasonable fees,  
440 including, but not limited to, liquidation expenses.

441           (3) (a) The Mississippi Development Authority shall, in  
442 addition to the other programs described in this section, provide  
443 for a program of loans to be made to agribusiness or greenhouse  
444 production horticulture enterprises for the purpose of encouraging  
445 thereby the extension of conventional financing and the issuance  
446 of letters of credit to such agribusiness or greenhouse production  
447 horticulture enterprises by private institutions. Monies to make  
448 such loans by the Mississippi Development Authority shall be drawn  
449 from the Emerging Crops Fund. The amount of a loan to any single  
450 agribusiness or greenhouse production horticulture enterprise  
451 under this paragraph (a) shall not exceed twenty percent (20%) of  
452 the total cost of the project for which financing is sought or Two  
453 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
454 interest shall be charged on such loans, and only the amount  
455 actually loaned shall be required to be repaid. Repayments shall  
456 be deposited into the Emerging Crops Fund.

457           (b) The Mississippi Development Authority shall, in  
458 addition to the other programs described in this section, provide  
459 for a program of loans or loan guaranties, or both, to be made to  
460 or on behalf of any agribusiness enterprise engaged in beef  
461 processing for the purpose of encouraging thereby the extension of  
462 conventional financing and the issuance of letters of credit to  
463 such agribusiness enterprises by private institutions. Monies to  
464 make such loans or loan guaranties, or both, by the Mississippi  
465 Development Authority shall be drawn from the Emerging Crops Fund  
466 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
467 in the aggregate. The amount of a loan to any single agribusiness  
468 enterprise or loan guaranty on behalf of such agribusiness  
469 enterprise, or both, under this paragraph (b) shall not exceed the  
470 total cost of the project for which financing is sought or  
471 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
472 The interest charged on a loan made under this paragraph (b) shall  
473 be at a rate determined by the Mississippi Development Authority.

474 All repayments of any loan made under this paragraph (b) shall be  
475 deposited into the Emerging Crops Fund. Assistance received by an  
476 agribusiness enterprise under this paragraph (b) shall not  
477 disqualify the agribusiness enterprise from obtaining any other  
478 assistance under this chapter.

479 (4) (a) \* \* \* The Mississippi Development Authority may  
480 loan or grant to qualified planning and development districts, and  
481 to small business investment corporations, bank-based community  
482 development corporations, the Recruitment and Training Program,  
483 Inc., the City of Jackson Business Development Loan Fund, the  
484 Lorman Southwest Mississippi Development Corporation, the West  
485 Jackson Community Development Corporation, the East Mississippi  
486 Development Corporation, and other entities meeting the criteria  
487 established by the Mississippi Development Authority (all referred  
488 to hereinafter as "qualified entities"), funds for the purpose of  
489 establishing loan revolving funds to assist in providing financing  
490 for minority economic development. The monies loaned or granted  
491 by the Mississippi Development Authority shall be drawn from the  
492 Emerging Crops Fund and shall not exceed Twenty-seven Million  
493 Dollars (\$27,000,000.00) in the aggregate. Planning and  
494 development districts or qualified entities which receive monies  
495 pursuant to this provision shall use such monies to make loans to  
496 minority business enterprises consistent with criteria established  
497 by the Mississippi Development Authority. Such criteria shall  
498 include, at a minimum, the following:

499 (i) The business enterprise must be a private,  
500 for-profit enterprise.

501 (ii) If the business enterprise is a  
502 proprietorship, the borrower must be a resident citizen of the  
503 State of Mississippi; if the business enterprise is a corporation  
504 or partnership, at least fifty percent (50%) of the owners must be  
505 resident citizens of the State of Mississippi.

506 (iii) The borrower must have at least five percent  
507 (5%) equity interest in the business enterprise.

508 (iv) The borrower must demonstrate ability to  
509 repay the loan.

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

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

517 (vii) Loan proceeds shall not be used to pay off  
518 existing debt for loan consolidation purposes; to finance the  
519 acquisition, construction, improvement or operation of real  
520 property which is to be held primarily for sale or investment; to  
521 provide for, or free funds, for speculation in any kind of  
522 property; or as a loan to owners, partners or stockholders of the  
523 applicant which do not change ownership interest by the applicant.  
524 However, this does not apply to ordinary compensation for services  
525 rendered in the course of business.

526 (viii) The maximum amount that may be loaned to  
527 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars  
528 (\$250,000.00).

529 (ix) The Mississippi Development Authority shall  
530 review each loan before it is made, and no loan shall be made to  
531 any borrower until the loan has been reviewed and approved by the  
532 Mississippi Development Authority.

533 (b) For the purpose of this subsection, the term  
534 "minority business enterprise" means a socially and economically  
535 disadvantaged small business concern, organized for profit,  
536 performing a commercially useful function which is owned and  
537 controlled by one or more minorities or minority business  
538 enterprises certified by the Mississippi Development Authority, at



539 least fifty percent (50%) of whom are resident citizens of the  
540 State of Mississippi. For purposes of this subsection, the term  
541 "socially and economically disadvantaged small business concern"  
542 shall have the meaning ascribed to such term under the Small  
543 Business Act (15 USCS, Section 637(a)), or women, and the term  
544 "owned and controlled" means a business in which one or more  
545 minorities or minority business enterprises certified by the  
546 Mississippi Development Authority own sixty percent (60%) or, in  
547 the case of a corporation, sixty percent (60%) of the voting  
548 stock, and control sixty percent (60%) of the management and daily  
549 business operations of the business.

550 \* \* \*

551 (c) Notwithstanding any other provision of this  
552 subsection to the contrary, if federal funds are not available for  
553 commitments made by a planning and development district to provide  
554 assistance under any federal loan program administered by the  
555 planning and development district in coordination with the  
556 Appalachian Regional Commission or Economic Development  
557 Administration, or both, a planning and development district may  
558 use funds in its loan revolving fund, which have not been  
559 committed otherwise to provide assistance, for the purpose of  
560 providing temporary funding for such commitments. If a planning  
561 and development district uses uncommitted funds in its loan  
562 revolving fund to provide such temporary funding, the district  
563 shall use funds repaid to the district under the temporarily  
564 funded federal loan program to replenish the funds used to provide  
565 the temporary funding. Funds used by a planning and development  
566 district to provide temporary funding under this paragraph (c)  
567 must be repaid to the district's loan revolving fund no later than  
568 twelve (12) months after the date the district provides the  
569 temporary funding. A planning and development district may not  
570 use uncommitted funds in its loan revolving fund to provide  
571 temporary funding under this paragraph (c) on more than two (2)

572 occasions during a calendar year. A planning and development  
573 district may provide temporary funding for multiple commitments on  
574 each such occasion. The maximum aggregate amount of uncommitted  
575 funds in a loan revolving fund that may be used for such purposes  
576 during a calendar year shall not exceed seventy percent (70%) of  
577 the uncommitted funds in the loan revolving fund on the date the  
578 district first provides temporary funding during the calendar  
579 year.

580 (d) If the Mississippi Development Authority determines  
581 that a planning and development district or qualified entity has  
582 provided loans to minority businesses in a manner inconsistent  
583 with the provisions of this subsection, then the amount of such  
584 loans so provided shall be withheld by the Mississippi Development  
585 Authority from any additional grant funds to which the planning  
586 and development district or qualified entity becomes entitled  
587 under this subsection. If the Mississippi Development Authority  
588 determines, after notifying such planning and development district  
589 or qualified entity twice in writing and providing such planning  
590 and development district or qualified entity a reasonable  
591 opportunity to comply, that a planning and development district or  
592 qualified entity has consistently failed to comply with this  
593 subsection, the Mississippi Development Authority may declare such  
594 planning and development district or qualified entity in default  
595 under this subsection and, upon receipt of notice thereof from the  
596 Mississippi Development Authority, such planning and development  
597 district or qualified entity shall immediately cease providing  
598 loans under this subsection, shall refund to the Mississippi  
599 Development Authority for distribution to other planning and  
600 development districts or qualified entities all funds held in its  
601 revolving loan fund and, if required by the Mississippi  
602 Development Authority, shall convey to the Mississippi Development  
603 Authority, all administrative and management control of loans  
604 provided by it under this subsection.

605           (e) If the Mississippi Development Authority  
606 determines, after notifying a planning and development district or  
607 qualified entity twice in writing and providing copies of such  
608 notification to each member of the Legislature in whose district  
609 or in a part of whose district such planning and development  
610 district or qualified entity is located and providing such  
611 planning and development district or qualified entity a reasonable  
612 opportunity to take corrective action, that a planning and  
613 development district or qualified entity administering a revolving  
614 loan fund under the provisions of this subsection is not actively  
615 engaged in lending as defined by the rules and regulations of the  
616 Mississippi Development Authority, the Mississippi Development  
617 Authority may declare such planning and development district or  
618 qualified entity in default under this subsection and, upon  
619 receipt of notice thereof from the Mississippi Development  
620 Authority, such planning and development district or qualified  
621 entity shall immediately cease providing loans under this  
622 subsection, shall refund to the Mississippi Development Authority  
623 for distribution to other planning and development districts or  
624 qualified entities all funds held in its revolving loan fund and,  
625 if required by the Mississippi Development Authority, shall convey  
626 to the Mississippi Development Authority all administrative and  
627 management control of loans provided by it under this subsection.

628           (5) The Mississippi Development Authority shall develop a  
629 program which will assist minority business enterprises by  
630 guaranteeing bid, performance and payment bonds which such  
631 minority businesses are required to obtain in order to contract  
632 with federal agencies, state agencies or political subdivisions of  
633 the state. Monies for such program shall be drawn from the monies  
634 allocated under subsection (4) of this section to assist the  
635 financing of minority economic development and shall not exceed  
636 Three Million Dollars (\$3,000,000.00) in the aggregate. The  
637 Mississippi Development Authority may promulgate rules and

638 regulations for the operation of the program established pursuant  
639 to this subsection. For the purpose of this subsection (5) the  
640 term "minority business enterprise" has the meaning assigned such  
641 term in subsection (4) of this section.

642 (6) The Mississippi Development Authority may loan or grant  
643 to public entities and to nonprofit corporations funds to defray  
644 the expense of financing (or to match any funds available from  
645 other public or private sources for the expense of financing)  
646 projects in this state which are devoted to the study, teaching  
647 and/or promotion of regional crafts and which are deemed by the  
648 authority to be significant tourist attractions. The monies  
649 loaned or granted shall be drawn from the Emerging Crops Fund and  
650 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
651 in the aggregate.

652 (7) Through June 30, 2006, the Mississippi Development  
653 Authority shall make available to the Mississippi Department of  
654 Agriculture and Commerce funds for the purpose of establishing  
655 loan revolving funds and other methods of financing for  
656 agribusiness programs administered under the Mississippi  
657 Agribusiness Council Act of 1993. The monies made available by  
658 the Mississippi Development Authority shall be drawn from the  
659 Emerging Crops Fund and shall not exceed One Million Two Hundred  
660 Thousand Dollars (\$1,200,000.00) in the aggregate. The  
661 Mississippi Department of Agriculture and Commerce shall establish  
662 control and auditing procedures for use of these funds. These  
663 funds will be used primarily for quick payment to farmers for  
664 vegetable and fruit crops processed and sold through vegetable  
665 processing plants associated with the Department of Agriculture  
666 and Commerce and the Mississippi State Extension Service.

667 (8) From and after July 1, 1996, the Mississippi Development  
668 Authority shall make available to the Mississippi Small Farm  
669 Development Center One Million Dollars (\$1,000,000.00) to be used  
670 by the center to assist small entrepreneurs as provided in Section

671 37-101-25, Mississippi Code of 1972. The monies made available by  
672 the Mississippi Development Authority shall be drawn from the  
673 Emerging Crops Fund.

674 (9) The Mississippi Development Authority shall make  
675 available to the Agribusiness and Natural Resource Development  
676 Center through Alcorn State University an amount not to exceed Two  
677 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
678 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal  
679 year 2002 from the cash balance of the Emerging Crops Fund to  
680 support the development of a cooperative program for agribusiness  
681 development, marketing and natural resources development. This  
682 subsection (9) shall stand repealed on June 30, 2004.

683 (10) The Mississippi Development Authority shall make  
684 available to the Small Farm Development Center at Alcorn State  
685 University funds in an aggregate amount not to exceed Three  
686 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
687 balance of the Emerging Crops Fund. The Small Farm Development  
688 Center at Alcorn State University shall use such funds to make  
689 loans to producers of sweet potatoes and cooperatives anywhere in  
690 the State of Mississippi owned by sweet potato producers to assist  
691 in the planting of sweet potatoes and the purchase of sweet potato  
692 production and harvesting equipment. A report of the loans made  
693 under this subsection shall be furnished by January 15 of each  
694 year to the Chairman of the Senate Agriculture Committee and the  
695 Chairman of the House Agriculture Committee.

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

701 (12) The Mississippi Development Authority shall make  
702 available to the Mississippi Department of Agriculture and  
703 Commerce an amount not to exceed One Hundred Fifty Thousand

704 Dollars (\$150,000.00) to be drawn from the cash balance of the  
705 Emerging Crops Fund to be used for the rehabilitation and  
706 maintenance of the Mississippi Farmers Central Market in Jackson,  
707 Mississippi.

708 (13) The Mississippi Development Authority shall make  
709 available to the Mississippi Department of Agriculture and  
710 Commerce an amount not to exceed Twenty-five Thousand Dollars  
711 (\$25,000.00) to be drawn from the cash balance of the Emerging  
712 Crops Fund to be used for advertising purposes related to the  
713 Mississippi Farmers Central Market in Jackson, Mississippi.

714 (14) The Mississippi Development Authority shall make  
715 available to the Mississippi Department of Agriculture and  
716 Commerce an amount not to exceed One Hundred Fifty Thousand  
717 Dollars (\$150,000.00) to be drawn from the cash balance of the  
718 Emerging Crops Fund to be used for marketing activities to promote  
719 Mississippi-produced commodities and resources.

720 **SECTION 5.** Section 69-2-19, Mississippi Code of 1972, is  
721 amended as follows:

722 69-2-19. The Mississippi Development Authority is  
723 authorized, at one time, or from time to time, to declare by  
724 resolution the necessity for issuance of negotiable general  
725 obligation bonds of the State of Mississippi to provide funds for  
726 the Emerging Crops Fund established in Section 69-2-13. Upon the  
727 adoption of a resolution by the board, declaring the necessity for  
728 the issuance of any part or all of the general obligation bonds  
729 authorized by Sections 69-2-19 through 69-2-39, the authority  
730 shall deliver a certified copy of its resolution or resolutions to  
731 the State Bond Commission. Upon receipt of same, the State Bond  
732 Commission, in its discretion, shall act as the issuing agent,  
733 prescribe the form of the bonds, advertise for and accept bids,  
734 issue and sell the bonds so authorized to be sold, and do any and  
735 all other things necessary and advisable in connection with the  
736 issuance and sale of such bonds. The amount of bonds issued under

737 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Six  
738 Million Dollars (\$106,000,000.00) in the aggregate; however, an  
739 additional amount of bonds may be issued under Sections 69-2-19  
740 through 69-2-39 in an amount not to exceed Thirty-five Million  
741 Dollars (\$35,000,000.00), and the proceeds of any such additional  
742 bonds shall be used solely for the purposes described in Section  
743 69-2-13(3)(b). No bonds may be issued under Sections 69-2-19  
744 through 69-2-39 after October 1, 2019.

745 **SECTION 6.** Section 65-4-15, Mississippi Code of 1972, is  
746 amended as follows:

747 65-4-15. (1) There is hereby established a special fund in  
748 the State Treasury to be known as the "Economic Development  
749 Highway Fund" which shall consist of such monies as the  
750 Legislature shall appropriate thereto or such other monies as the  
751 Legislature may designate to be deposited therein. Any monies to  
752 the credit of such fund may be expended by the Mississippi  
753 Department of Transportation or political subdivision, as  
754 appropriate, upon approval of requisitions therefor by the  
755 Mississippi Development Authority for any expenses incurred by the  
756 Transportation Department or political subdivision in constructing  
757 and improving highways and highway segments which have been  
758 approved by the Mississippi Development Authority under the  
759 provisions of this chapter; however, from and after July 1, 2004,  
760 no monies to the credit of the fund may be expended for the  
761 construction and improvement of highways for high economic benefit  
762 projects that are being developed for the primary purpose of  
763 conducting retail sales unless such a project is located in a  
764 county that borders another state. The Office of State Aid Road  
765 Construction shall be entitled to reimbursement from monies in the  
766 fund, upon approval by the Mississippi Development Authority of  
767 requisitions therefor by the State Aid Engineer, for the actual  
768 expenses incurred by the office in administering and providing  
769 engineering services to political subdivisions. Monies remaining

770 unexpended to the credit of such special fund at the end of a  
771 fiscal year shall not lapse into the State General Fund, and any  
772 interest earned on the investment of monies in the special fund  
773 shall be deposited to the credit of the fund.

774 (2) Monies in the Economic Development Highway Fund which  
775 are derived from proceeds of bonds issued under this chapter after  
776 July 1, 2003, may be used to reimburse reasonable actual and  
777 necessary costs incurred by the Mississippi Development Authority  
778 in providing assistance to a political subdivision related to a  
779 project for which funding is provided from the use of proceeds of  
780 such bonds. An accounting of actual costs incurred for which  
781 reimbursement is sought shall be maintained for each project by  
782 the Mississippi Development Authority. Reimbursement of  
783 reasonable actual and necessary costs for a project shall not  
784 exceed three percent (3%) of the proceeds of bonds issued for such  
785 a project. Monies authorized for a particular project may not be  
786 used to reimburse administrative costs for unrelated projects.  
787 Reimbursements to the Mississippi Development Authority under this  
788 subsection shall satisfy any applicable federal tax law  
789 requirements.

790 **SECTION 7.** Section 65-4-25, Mississippi Code of 1972, is  
791 amended as follows:

792 65-4-25. The Mississippi Development Authority, acting  
793 through its executive director, is authorized, at one time or from  
794 time to time, to declare by resolution the necessity for issuance  
795 of negotiable general obligation bonds of the State of Mississippi  
796 to provide funds for the Economic Development Highway Fund  
797 established in Section 65-4-15, Mississippi Code of 1972. Upon  
798 the adoption of a resolution by the Executive Director of the  
799 Mississippi Development Authority, declaring the necessity for the  
800 issuance of any part or all of the general obligation bonds  
801 authorized by Sections 65-4-25 through 65-4-45, Mississippi Code  
802 of 1972, the executive director shall deliver a certified copy of



803 his resolution or resolutions to the State Bond Commission. Upon  
804 receipt of same, the State Bond Commission, in its discretion,  
805 shall act as the issuing agent, prescribe the form of the bonds,  
806 advertise for and accept bids, issue and sell the bonds so  
807 authorized to be sold, and do any and all other things necessary  
808 and advisable in connection with the issuance and sale of such  
809 bonds. The principal amount of bonds issued under Sections  
810 65-4-25 through 65-4-45, Mississippi Code of 1972, shall not  
811 exceed One Hundred Eighty Million Dollars (\$180,000,000.00) in the  
812 aggregate. However, an additional amount of bonds may be issued  
813 under Sections 65-4-25 through 65-4-45, Mississippi Code of 1972,  
814 in an amount not to exceed Seven Million Dollars (\$7,000,000.00),  
815 and the proceeds of any such additional bonds issued shall be used  
816 to provide funding for a high economic benefit project as defined  
817 in Section 65-4-5(1)(c)(vi), Mississippi Code of 1972.

818       **SECTION 8.** This act shall take effect and be in force from  
819 and after its passage.