

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

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
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 THE MISSISSIPPI
42 DEVELOPMENT AUTHORITY HAS RECEIVED AN APPLICATION FOR A PROJECT
43 BEFORE JULY 1, 2004; TO AMEND SECTION 65-4-25, MISSISSIPPI CODE OF
44 1972, TO INCREASE BY \$20,000,000.00 THE AMOUNT OF STATE GENERAL
45 OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE ECONOMIC DEVELOPMENT
46 HIGHWAY ACT; AND FOR RELATED 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. From and after July 1, 2004, no
760 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 the Mississippi Development
764 Authority has received an application for the project prior to
765 July 1, 2004. The Office of State Aid Road Construction shall be
766 entitled to reimbursement from monies in the fund, upon approval
767 by the Mississippi Development Authority of requisitions therefor
768 by the State Aid Engineer, for the actual expenses incurred by the
769 office in administering and providing engineering services to

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

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

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

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

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

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