

By: Senator(s) Robertson, Albritton, Browning, Butler, Dearing, Frazier, Gordon, Horhn, Hyde-Smith, Jackson (11th), Jackson (32nd), Lee (47th), Little, Morgan, Thames, Thomas

To: Finance

SENATE BILL NO. 3088

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; AND FOR RELATED PURPOSES.

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

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

16 57-61-25. (1) The seller is authorized to borrow, on the
17 credit of the state upon receipt of a resolution from the
18 Mississippi Development Authority requesting the same, money not
19 exceeding the aggregate sum of Two Hundred Ninety-two Million
20 Dollars (\$292,000,000.00), not including money borrowed to refund
21 outstanding bonds, notes or replacement notes, as may be necessary
22 to carry out the purposes of this chapter. * * * The rate of
23 interest on any such bonds or notes which are not subject to
24 taxation shall not exceed the rates set forth in Section
25 75-17-101, Mississippi Code of 1972, for general obligation bonds.

26 (2) As evidence of indebtedness authorized in this chapter,
27 general or limited obligation bonds of the state shall be issued
28 from time to time, to provide monies necessary to carry out the
29 purposes of this chapter for such total amounts, in such form, in
30 such denominations payable in such currencies (either domestic or
31 foreign or both) and subject to such terms and conditions of
32 issue, redemption and maturity, rate of interest and time of

33 payment of interest as the seller directs, except that such bonds
34 shall mature or otherwise be retired in annual installments
35 beginning not more than five (5) years from date thereof and
36 extending not more than thirty (30) years from date thereof.

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

41 (4) All bonds and notes issued under authority of this
42 chapter may be general or limited obligations of the state, and
43 the full faith and credit of the State of Mississippi as to
44 general obligation bonds, or the revenues derived from projects
45 assisted as to limited obligation bonds, are hereby pledged for
46 the payment of the principal of and interest on such bonds and
47 notes.

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

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

54 (7) The seller is authorized to provide, by resolution, for
55 the issuance of refunding bonds for the purpose of refunding any
56 debt issued under the provision of this chapter and then
57 outstanding, either by voluntary exchange with the holders of the
58 outstanding debt or to provide funds to redeem and the costs of
59 issuance and retirement of the debt, at maturity or at any call
60 date. The issuance of the refunding bonds, the maturities and
61 other details thereof, the rights of the holders thereof and the
62 duties of the issuing officials in respect to the same shall be
63 governed by the provisions of this section, insofar as they may be
64 applicable.

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

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

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

86 57-61-36. (1) Notwithstanding any provision of this chapter
87 to the contrary, the Mississippi Development Authority shall
88 utilize not more than Twelve Million Five Hundred Thousand Dollars
89 (\$12,500,000.00) out of the proceeds of bonds authorized to be
90 issued in this chapter for the purpose of making grants to
91 municipalities through a development infrastructure grant fund to
92 complete infrastructure related to new or expanded industry.

93 (2) Notwithstanding any provision of this chapter to the
94 contrary, the Mississippi Development Authority may utilize not
95 more than Seven Million Dollars (\$7,000,000.00) out of the
96 proceeds of bonds authorized to be issued in this chapter for the
97 purpose of making interest-bearing loans to any agency,

98 department, institution, instrumentality or political subdivision
99 of the state; or any agency, department, institution or
100 instrumentality of any political subdivision of the state; or any
101 business, organization, corporation, association or other legal
102 entity meeting criteria established by the department, through a
103 housing development revolving loan fund, to construct or repair
104 housing for low or moderate income earners; provided, however,
105 that the department may not utilize any bond proceeds authorized
106 under this chapter for the purpose of making any loans to the
107 Mississippi Home Corporation for any purpose whatsoever. No more
108 than forty percent (40%) of the additional bonds authorized
109 by * * * Chapter 559, Laws of 1998, may be used for multiple
110 family housing activities. Funds authorized under this subsection
111 may be deposited in the Mississippi Affordable Housing Development
112 Fund authorized in Section 43-33-759 and used for purposes
113 authorized by that section. This subsection (2) shall be repealed
114 from and after July 1, 2004.

115 (3) Notwithstanding any provision of this chapter to the
116 contrary, the Mississippi Development Authority shall utilize not
117 more than Ten Million Five Hundred Thousand Dollars
118 (\$10,500,000.00) out of the proceeds of bonds authorized to be
119 issued in this chapter for the purpose of making grants or loans
120 to municipalities through an equipment and public facilities grant
121 and loan fund to aid in infrastructure-related improvements as
122 determined by the Mississippi Development Authority, the purchase
123 of equipment and in the purchase, construction or repair and
124 renovation of public facilities. Any bonds previously issued for
125 the Development Infrastructure Revolving Loan Program which have
126 not been loaned or applied for are eligible to be administered as
127 grants or loans.

128 The requirements of Section 57-61-9 shall not apply to any
129 grant made under this subsection. The Mississippi Development

130 Authority may establish criteria and guidelines to govern grants
131 made pursuant to this subsection.

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

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

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

161 Notwithstanding any provision of this chapter to the
162 contrary, the Mississippi Development Authority may utilize not

163 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
164 of the proceeds of bonds authorized to be issued in this chapter
165 for the purpose of making payments to loan loss reserve accounts
166 established at financial institutions that participate in the
167 capital access program established by the Mississippi Development
168 Authority.

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

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

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

196 subsection shall not exceed Seventy-five Thousand Dollars
197 (\$75,000.00) in the aggregate.

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