

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.