

## House Amendments to Senate Bill No. 3087

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

19       **SECTION 1.** Section 69-2-13, Mississippi Code of 1972, is  
20 amended as follows:

21       69-2-13. (1) There is hereby established in the State  
22 Treasury a fund to be known as the "Emerging Crops Fund," which  
23 shall be used to pay the interest on loans made to farmers for  
24 nonland capital costs of establishing production of emerging crops  
25 on land in Mississippi, and to make loans and grants which are  
26 authorized under this section to be made from the fund. The fund  
27 shall be administered by the Mississippi Development Authority. A  
28 board comprised of the directors of the authority, the Mississippi  
29 Cooperative Extension Service, the Mississippi Small Farm  
30 Development Center and the Mississippi Agricultural and Forestry  
31 Experiment Station, or their designees, shall develop definitions,  
32 guidelines and procedures for the implementation of this chapter.  
33 Funds for the Emerging Crops Fund shall be provided from the  
34 issuance of bonds or notes under Sections 69-2-19 through 69-2-37  
35 and from repayment of interest loans made from the fund.

36       (2) (a) The Mississippi Development Authority shall develop  
37 a program which gives fair consideration to making loans for the  
38 processing and manufacturing of goods and services by  
39 agribusiness, greenhouse production horticulture, and small  
40 business concerns. It is the policy of the State of Mississippi  
41 that the Mississippi Development Authority shall give due  
42 recognition to and shall aid, counsel, assist and protect, insofar  
43 as is possible, the interests of agribusiness, greenhouse  
44 production horticulture, and small business concerns. To ensure

45 that the purposes of this subsection are carried out, the  
46 Mississippi Development Authority shall loan not more than One  
47 Million Dollars (\$1,000,000.00) to finance any single  
48 agribusiness, greenhouse production horticulture, or small  
49 business concern. Loans made pursuant to this subsection shall be  
50 made in accordance with the criteria established in Section  
51 57-71-11.

52 (b) The Mississippi Development Authority may, out of  
53 the total amount of bonds authorized to be issued under this  
54 chapter, make available funds to any planning and development  
55 district in accordance with the criteria established in Section  
56 57-71-11. Planning and development districts which receive monies  
57 pursuant to this provision shall use such monies to make loans to  
58 private companies for purposes consistent with this subsection.

59 (c) The Mississippi Development Authority is hereby  
60 authorized to engage legal services, financial advisors,  
61 appraisers and consultants if needed to review and close loans  
62 made hereunder and to establish and assess reasonable fees,  
63 including, but not limited to, liquidation expenses.

64 (3) (a) The Mississippi Development Authority shall, in  
65 addition to the other programs described in this section, provide  
66 for a program of loans to be made to agribusiness or greenhouse  
67 production horticulture enterprises for the purpose of encouraging  
68 thereby the extension of conventional financing and the issuance  
69 of letters of credit to such agribusiness or greenhouse production  
70 horticulture enterprises by private institutions. Monies to make  
71 such loans by the Mississippi Development Authority shall be drawn  
72 from the Emerging Crops Fund. The amount of a loan to any single  
73 agribusiness or greenhouse production horticulture enterprise  
74 under this paragraph (a) shall not exceed twenty percent (20%) of  
75 the total cost of the project for which financing is sought or Two  
76 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
77 interest shall be charged on such loans, and only the amount  
78 actually loaned shall be required to be repaid. Repayments shall  
79 be deposited into the Emerging Crops Fund.

80           (b) The Mississippi Development Authority shall, in  
81 addition to the other programs described in this section, provide  
82 for a program of loans or loan guaranties, or both, to be made to  
83 or on behalf of any agribusiness enterprise engaged in beef  
84 processing for the purpose of encouraging thereby the extension of  
85 conventional financing and the issuance of letters of credit to  
86 such agribusiness enterprises by private institutions. Monies to  
87 make such loans or loan guaranties, or both, by the Mississippi  
88 Development Authority shall be drawn from the Emerging Crops Fund  
89 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
90 in the aggregate. The amount of a loan to any single agribusiness  
91 enterprise or loan guaranty on behalf of such agribusiness  
92 enterprise, or both, under this paragraph (b) shall not exceed the  
93 total cost of the project for which financing is sought or  
94 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
95 The interest charged on a loan made under this paragraph (b) shall  
96 be at a rate determined by the Mississippi Development Authority.  
97 All repayments of any loan made under this paragraph (b) shall be  
98 deposited into the Emerging Crops Fund. Assistance received by an  
99 agribusiness enterprise under this paragraph (b) shall not  
100 disqualify the agribusiness enterprise from obtaining any other  
101 assistance under this chapter.

102           (4) (a) \* \* \* The Mississippi Development Authority may  
103 loan or grant to qualified planning and development districts, and  
104 to small business investment corporations, bank-based community  
105 development corporations, the Recruitment and Training Program,  
106 Inc., the City of Jackson Business Development Loan Fund, the  
107 Lorman Southwest Mississippi Development Corporation, the West  
108 Jackson Community Development Corporation, the East Mississippi  
109 Development Corporation, and other entities meeting the criteria  
110 established by the Mississippi Development Authority (all referred  
111 to hereinafter as "qualified entities"), funds for the purpose of  
112 establishing loan revolving funds to assist in providing financing  
113 for minority economic development. The monies loaned or granted  
114 by the Mississippi Development Authority shall be drawn from the

Emerging Crops Fund and shall not exceed Twenty-seven Million Dollars (\$27,000,000.00) in the aggregate. Planning and development districts or qualified entities which receive monies pursuant to this provision shall use such monies to make loans to minority business enterprises consistent with criteria established by the Mississippi Development Authority. Such criteria shall include, at a minimum, the following:

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

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

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

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

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

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

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

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

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

(b) For the purpose of this subsection, the term "minority business enterprise" means a socially and economically disadvantaged small business concern, organized for profit, performing a commercially useful function which is owned and controlled by one or more minorities or minority business enterprises certified by the Mississippi Development Authority, at least fifty percent (50%) of whom are resident citizens of the State of Mississippi. For purposes of this subsection, the term "socially and economically disadvantaged small business concern" shall have the meaning ascribed to such term under the Small Business Act (15 USCS, Section 637(a)), or women, and the term "owned and controlled" means a business in which one or more minorities or minority business enterprises certified by the Mississippi Development Authority own sixty percent (60%) or, in the case of a corporation, sixty percent (60%) of the voting stock, and control sixty percent (60%) of the management and daily business operations of the business.

\* \* \*

(c) Notwithstanding any other provision of this subsection to the contrary, if federal funds are not available for commitments made by a planning and development district to provide assistance under any federal loan program administered by the planning and development district in coordination with the Appalachian Regional Commission or Economic Development Administration, or both, a planning and development district may use funds in its loan revolving fund, which have not been committed otherwise to provide assistance, for the purpose of providing temporary funding for such commitments. If a planning

184 and development district uses uncommitted funds in its loan  
185 revolving fund to provide such temporary funding, the district  
186 shall use funds repaid to the district under the temporarily  
187 funded federal loan program to replenish the funds used to provide  
188 the temporary funding. Funds used by a planning and development  
189 district to provide temporary funding under this paragraph (c)  
190 must be repaid to the district's loan revolving fund no later than  
191 twelve (12) months after the date the district provides the  
192 temporary funding. A planning and development district may not  
193 use uncommitted funds in its loan revolving fund to provide  
194 temporary funding under this paragraph (c) on more than two (2)  
195 occasions during a calendar year. A planning and development  
196 district may provide temporary funding for multiple commitments on  
197 each such occasion. The maximum aggregate amount of uncommitted  
198 funds in a loan revolving fund that may be used for such purposes  
199 during a calendar year shall not exceed seventy percent (70%) of  
200 the uncommitted funds in the loan revolving fund on the date the  
201 district first provides temporary funding during the calendar  
202 year.

203 (d) If the Mississippi Development Authority determines  
204 that a planning and development district or qualified entity has  
205 provided loans to minority businesses in a manner inconsistent  
206 with the provisions of this subsection, then the amount of such  
207 loans so provided shall be withheld by the Mississippi Development  
208 Authority from any additional grant funds to which the planning  
209 and development district or qualified entity becomes entitled  
210 under this subsection. If the Mississippi Development Authority  
211 determines, after notifying such planning and development district  
212 or qualified entity twice in writing and providing such planning  
213 and development district or qualified entity a reasonable  
214 opportunity to comply, that a planning and development district or  
215 qualified entity has consistently failed to comply with this  
216 subsection, the Mississippi Development Authority may declare such  
217 planning and development district or qualified entity in default  
218 under this subsection and, upon receipt of notice thereof from the

Mississippi Development Authority, such planning and development district or qualified entity shall immediately cease providing loans under this subsection, shall refund to the Mississippi Development Authority for distribution to other planning and development districts or qualified entities all funds held in its revolving loan fund and, if required by the Mississippi Development Authority, shall convey to the Mississippi Development Authority, all administrative and management control of loans provided by it under this subsection.

(e) If the Mississippi Development Authority determines, after notifying a planning and development district or qualified entity twice in writing and providing copies of such notification to each member of the Legislature in whose district or in a part of whose district such planning and development district or qualified entity is located and providing such planning and development district or qualified entity a reasonable opportunity to take corrective action, that a planning and development district or qualified entity administering a revolving loan fund under the provisions of this subsection is not actively engaged in lending as defined by the rules and regulations of the Mississippi Development Authority, the Mississippi Development Authority may declare such planning and development district or qualified entity in default under this subsection and, upon receipt of notice thereof from the Mississippi Development Authority, such planning and development district or qualified entity shall immediately cease providing loans under this subsection, shall refund to the Mississippi Development Authority for distribution to other planning and development districts or qualified entities all funds held in its revolving loan fund and, if required by the Mississippi Development Authority, shall convey to the Mississippi Development Authority all administrative and management control of loans provided by it under this subsection.

(5) The Mississippi Development Authority shall develop a program which will assist minority business enterprises by guaranteeing bid, performance and payment bonds which such

minority businesses are required to obtain in order to contract with federal agencies, state agencies or political subdivisions of the state. Monies for such program shall be drawn from the monies allocated under subsection (4) of this section to assist the financing of minority economic development and shall not exceed Three Million Dollars (\$3,000,000.00) in the aggregate. The Mississippi Development Authority may promulgate rules and regulations for the operation of the program established pursuant to this subsection. For the purpose of this subsection (5) the term "minority business enterprise" has the meaning assigned such term in subsection (4) of this section.

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

(7) Through June 30, 2006, the Mississippi Development Authority shall make available to the Mississippi Department of Agriculture and Commerce funds for the purpose of establishing loan revolving funds and other methods of financing for agribusiness programs administered under the Mississippi Agribusiness Council Act of 1993. The monies made available by the Mississippi Development Authority shall be drawn from the Emerging Crops Fund and shall not exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00) in the aggregate. The Mississippi Department of Agriculture and Commerce shall establish control and auditing procedures for use of these funds. These funds will be used primarily for quick payment to farmers for vegetable and fruit crops processed and sold through vegetable



processing plants associated with the Department of Agriculture and Commerce and the Mississippi State Extension Service.

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

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

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

(11) The Mississippi Development Authority shall make available to the Mississippi Department of Agriculture and Commerce "Make Mine Mississippi" program an amount not to exceed

One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from the cash balance of the Emerging Crops Fund.

(12) The Mississippi Development Authority shall make available to the Mississippi Department of Agriculture and Commerce an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from the cash balance of the Emerging Crops Fund to be used for the rehabilitation and maintenance of the Mississippi Farmers Central Market in Jackson, Mississippi.

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

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

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

69-2-19. The Mississippi Development Authority is authorized, at one time, or from time to time, to declare by resolution the necessity for issuance of negotiable general obligation bonds of the State of Mississippi to provide funds for the Emerging Crops Fund established in Section 69-2-13. Upon the adoption of a resolution by the board, declaring the necessity for the issuance of any part or all of the general obligation bonds authorized by Sections 69-2-19 through 69-2-39, the authority shall deliver a certified copy of its resolution or resolutions to the State Bond Commission. Upon receipt of same, the State Bond Commission, in its discretion, shall act as the issuing agent, prescribe the form of the bonds, advertise for and accept bids,

357 issue and sell the bonds so authorized to be sold, and do any and  
358 all other things necessary and advisable in connection with the  
359 issuance and sale of such bonds. The amount of bonds issued under  
360 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Six  
361 Million Dollars (\$106,000,000.00) in the aggregate; however, an  
362 additional amount of bonds may be issued under Sections 69-2-19  
363 through 69-2-39 in an amount not to exceed Thirty-five Million  
364 Dollars (\$35,000,000.00), and the proceeds of any such additional  
365 bonds shall be used solely for the purposes described in Section  
366 69-2-13(3)(b). No bonds may be issued under Sections 69-2-19  
367 through 69-2-39 after October 1, 2019.

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1       AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
2 REMOVE THE JUNE 30, 2004, REPEAL DATE ON THE PROGRAM THAT  
3 AUTHORIZES THE MISSISSIPPI DEVELOPMENT AUTHORITY TO LOAN OR GRANT  
4 FUNDS FROM THE EMERGING CROPS FUND TO ASSIST IN PROVIDING  
5 FINANCING FOR MINORITY ECONOMIC DEVELOPMENT AND TO INCREASE THE  
6 AMOUNT THAT MAY BE DRAWN FOR SUCH PURPOSE FROM \$25,000,000.00 TO  
7 \$27,000,000.00; TO EXTEND THE REPEALER ON THE PROVISION OF LAW  
8 PROVIDING CERTAIN FUNDS TO THE AGRIBUSINESS AND NATURAL RESOURCE  
9 DEVELOPMENT CENTER THROUGH ALCORN STATE UNIVERSITY DURING FISCAL  
10 YEAR 2001 AND FISCAL YEAR 2002; TO REQUIRE THE MISSISSIPPI  
11 DEVELOPMENT AUTHORITY TO PROVIDE FUNDS FROM THE EMERGING CROPS  
12 FUND TO THE DEPARTMENT OF AGRICULTURE AND COMMERCE TO BE USED FOR  
13 MARKETING ACTIVITIES TO PROMOTE MISSISSIPPI-PRODUCED COMMODITIES  
14 AND RESOURCES; TO AMEND SECTION 69-2-19, MISSISSIPPI CODE OF 1972,  
15 TO INCREASE THE AGGREGATE AMOUNT OF STATE GENERAL OBLIGATION BONDS  
16 THAT MAY BE ISSUED FOR THE EMERGING CROPS FUND FROM  
17 \$104,000,000.00 TO \$106,000,000.00; AND FOR RELATED PURPOSES.

HR03\SB3087A.J

Don Richardson  
Clerk of the House of Representatives