

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 41: Disaster relief; establish Disaster Small Business Bridge Loan Program and Disaster Home Flood Grant Program.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

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

20 **SECTION 1.** This act shall be known and may be cited as the
21 "Mississippi Disaster Small Business Bridge Loan Act."

22 **SECTION 2.** (1) It is the intent of the Legislature, and
23 declared to be the policy of the State of Mississippi, that
24 short-term loan funds should be made available quickly to assist
25 small businesses physically harmed by Hurricane Katrina.

26 (2) The loan program established by this act is intended to
27 provide short-term financial assistance to small businesses until
28 the owners of the business are able to obtain other financing or
29 obtain insurance proceeds.

30 **SECTION 3.** (1) The Mississippi Development Authority
31 (hereinafter referred to as the "authority") is authorized and
32 empowered to utilize any funds acquired pursuant to Section 5 of
33 this act and any funds otherwise provided for the purposes
34 expressed in this act from any source, to establish a disaster
35 loan program with federally insured financial institutions or
36 other approved lending institutions according to rules and
37 regulations of the authority to provide short-term bridge loans to
38 small business owners in this state for the purpose of assisting
39 such small businesses in returning to business as quickly as
40 possible.

41 (2) The amount of any loan granted under this act shall be
42 not less than One Thousand Dollars (\$1,000.00) nor more than
43 Twenty-five Thousand Dollars (\$25,000.00). The term of any loan
44 made under this section shall be ninety (90) days or one hundred
45 eighty (180) days as determined by the authority based upon the
46 circumstances of the business applying for the loan. However,
47 upon request by the issuing financial institution, the authority
48 may extend the term of any loan made under this act up to an
49 additional one hundred eighty (180) days. The proceeds of the
50 loans authorized under this act shall be used only for the purpose
51 of maintaining or restarting the business in the area for which a
52 disaster declaration by the Governor for Hurricane Katrina was
53 issued.

54 (3) To be eligible for the loans authorized under this act,
55 small businesses shall:

56 (a) Be located in the area for which a disaster
57 declaration for Hurricane Katrina was issued by the Governor;

58 (b) Have been established in the area for which the
59 disaster declaration of the Governor for Hurricane Katrina was
60 issued for not less than one (1) year prior to the declaration;

61 (c) Have employed not less than two (2) nor more than
62 one hundred (100) persons immediately prior to the disaster
63 declaration;

64 (d) Have suffered physical damage as a direct result of
65 the disaster; and

66 (e) Be at least fifty-one percent (51%) owned by
67 Mississippi residents, or, in the case of a Mississippi nonprofit
68 corporation, controlled by Mississippi residents.

69 (4) Using assessments of the disaster impacted areas, the
70 authority shall designate the area, and the counties in the area,
71 in which a small business must be located to be eligible to
72 participate in the program. The authority shall develop, adopt

73 and publish reasonable rules and regulations for the operation of
74 the loan program established under this act. The rules and
75 regulations shall govern the use of loan proceeds, terms of loans,
76 loan interest rates and fees, the loan approval process and any
77 other matters the authority considers appropriate. For purposes
78 of the program established by this act, the authority shall be
79 exempt from the Mississippi Administrative Procedures Law.

80 **SECTION 4.** The authority shall be the sole administrator of
81 the funds that become available to implement the provisions of
82 this act. The authority is authorized to utilize any of its
83 general powers to operate the loan program established under this
84 act.

85 **SECTION 5.** (1) The authority shall determine the need to
86 implement the loan program authorized by this act. Upon making
87 such determination, the authority shall notify the State Bond
88 Commission and request funds be provided to the authority to
89 implement the program. Not more than Twenty-five Million Dollars
90 (\$25,000,000.00) shall be provided.

91 (2) (a) Upon receipt of the notification provided for in
92 subsection (1) of this section, the State Bond Commission is
93 authorized to obtain a line of credit, in an amount not to exceed
94 Twenty-five Million Dollars (\$25,000,000.00), from a commercial
95 lender, investment banking group or a consortium of either or
96 both. The length of indebtedness under this provision shall not
97 carry past three (3) years following the origination of the line
98 of credit. The State Bond Commission shall select a lender. The
99 line of credit shall be authorized and approved by the State Bond
100 Commission and shall have such terms and details as may be
101 provided by resolution of the State Bond Commission. Loan
102 proceeds shall be received by the authority and shall be used to
103 implement the loan program authorized by this act. The authority
104 shall accumulate loan repayments to repay the line of credit;

105 however, the authority may use repayments received while the
106 program is being made available to small businesses to fund
107 additional loans. The authority shall seek legislation for
108 funding to repay loan defaults and interest costs on the line of
109 credit.

110 (b) As security for the repayment of the principal and
111 interest on the line of credit provided for in paragraph (a) of
112 this subsection, the full faith, credit and resources of the State
113 of Mississippi are hereby irrevocably pledged.

114 (3) This subsection shall be complete authority for the
115 borrowing authorized hereunder and shall not be subject to any
116 other limitations under state law.

117 **SECTION 6.** This act shall take effect and be in force from
118 and after its passage.

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

1 AN ACT TO ESTABLISH THE MISSISSIPPI DISASTER SMALL BUSINESS
2 BRIDGE LOAN ACT TO PROVIDE SHORT-TERM LOANS FOR SMALL BUSINESSES
3 THAT SUFFER PHYSICAL DAMAGE AS A RESULT OF HURRICANE KATRINA TO
4 ASSIST SMALL BUSINESSES IN RETURNING TO BUSINESS AS SOON AS
5 POSSIBLE; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY
6 SHALL ADMINISTER THE LOAN PROGRAM AND SHALL HAVE THE AUTHORITY TO
7 ESTABLISH THE DISASTER LOAN PROGRAM WITH FEDERALLY INSURED
8 FINANCIAL INSTITUTIONS AND OTHER LENDING INSTITUTIONS APPROVED BY
9 THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO PROVIDE THE MINIMUM AND
10 MAXIMUM AMOUNT OF LOANS AUTHORIZED UNDER THIS ACT; TO PROVIDE THE
11 TERM OF SUCH LOANS; TO ESTABLISH CERTAIN ELIGIBILITY REQUIREMENTS
12 FOR THE RECEIPT OF SUCH LOANS; TO PROVIDE THAT UPON THE
13 DETERMINATION OF NEED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY,
14 THE STATE BOND COMMISSION IS AUTHORIZED TO OBTAIN A LINE OF CREDIT
15 IN AN AMOUNT NOT TO EXCEED \$25,000,000.00 FOR ANY ONE DISASTER,

16 FROM A COMMERCIAL LENDER, INVESTMENT BANKING GROUP OR A CONSORTIUM
17 OF EITHER OR BOTH, FOR THE PURPOSE OF FUNDING THE LOAN PROGRAM;
18 AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

X (SIGNED)
Watson

X (SIGNED)
Compretta

X (SIGNED)
Reeves

CONFEREES FOR THE SENATE

X (SIGNED)
Robertson

X (SIGNED)
Doxey

X (SIGNED)
Clarke