

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2003

BY: Committee

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

32 **SECTION 1.** Sections 1 through 5 of this act shall be known
33 and may be cited as the "Mississippi Disaster Small Business
34 Bridge Loan Act."

35 **SECTION 2.** (1) It is the intent of the Legislature, and
36 declared to be the policy of the State of Mississippi, that
37 short-term loan funds should be made available quickly to assist
38 small businesses physically harmed by any disaster for which a
39 disaster declaration has been issued by the Governor.

40 (2) The loan program established by Sections 1 through 5 of
41 this act is intended to provide short-term financial assistance to
42 small businesses until the owners of the business are able to
43 obtain other financing or obtain insurance proceeds.

44 **SECTION 3.** (1) The Mississippi Development Authority
45 (hereinafter referred to as the "authority") is authorized and
46 empowered to utilize any funds acquired pursuant to Section 5 of
47 this act and any funds otherwise provided for the purposes
48 expressed in Sections 1 through 5 of this act from any source, to
49 establish a disaster loan program with federally insured financial
50 institutions or other approved lending institutions according to

51 rules and regulations of the authority to provide short-term
52 bridge loans to small business owners in this state for the
53 purpose of assisting such small businesses in returning to
54 business as quickly as possible.

55 (2) The amount of any loan granted under Sections 1 through
56 5 of this act shall be not less than One Thousand Dollars
57 (\$1,000.00) nor more than Twenty-five Thousand Dollars
58 (\$25,000.00). The term of any loan made under this section shall
59 be ninety (90) days or one hundred eighty (180) days as determined
60 by the authority based upon the circumstances of the business
61 applying for the loan. The proceeds of the loans authorized under
62 Sections 1 through 5 of this act shall be used only for the
63 purpose of maintaining or restarting the business in the area for
64 which a disaster declaration by the Governor has been issued.
65 Upon request by the issuing financial institution, the authority
66 may extend the term of any loan made under this section up to an
67 additional one hundred eighty (180) days.

68 (3) To be eligible for the loans authorized under Sections 1
69 through 5 of this act, small businesses shall:

70 (a) Be located in the area for which a disaster
71 declaration has been issued by the Governor;

72 (b) Have been established in the area for which the
73 disaster declaration of the Governor was issued for not less than
74 one (1) year prior to the declaration;

75 (c) Have employed not less than two (2) nor more than
76 one hundred (100) persons immediately prior to the disaster
77 declaration;

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

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

83 (4) Using assessments of the disaster impacted areas, the
84 authority shall designate the area, and the counties in the area,
85 in which a small business must be located to be eligible to
86 participate in the program. The authority shall develop, adopt
87 and publish reasonable rules and regulations for the operation of
88 the loan program established under Sections 1 through 5 of this
89 act. The rules and regulations shall govern the use of loan
90 proceeds, terms of loans, loan interest rates and fees, the loan
91 approval process and any other matters the authority considers
92 appropriate. For purposes of the program established by Sections
93 1 through 5 of this act, the authority shall be exempt from the
94 Mississippi Administrative Procedures Law.

95 **SECTION 4.** The authority shall be the sole administrator of
96 the funds that become available to implement the provisions of
97 Sections 1 through 5 of this act. The authority is authorized to
98 utilize any of its general powers to operate the loan program
99 established under Sections 1 through 5 of this act.

100 **SECTION 5.** (1) After a disaster has been proclaimed by the
101 Governor, the authority shall determine the need to implement the
102 loan program authorized by Sections 1 through 5 of this act. Upon
103 making such determination, the authority shall notify the State
104 Bond Commission and request funds be provided to the authority to
105 implement the program. Not more than Twenty-five Million Dollars
106 (\$25,000,000.00) shall be provided for any one (1) disaster.

107 (2) (a) Upon receipt of the notification provided for in
108 subsection (1) of this section, the State Bond Commission is
109 authorized to obtain a line of credit, in an amount not to exceed
110 Twenty-five Million Dollars (\$25,000,000.00), from a commercial
111 lender, investment banking group or a consortium of either or
112 both. The length of indebtedness under this provision shall not
113 carry past three (3) years following the origination of the line
114 of credit. The State Bond Commission shall select a lender. The

115 line of credit shall be authorized and approved by the State Bond
116 Commission and shall have such terms and details as may be
117 provided by resolution of the State Bond Commission. Loan
118 proceeds shall be received by the authority and shall be used to
119 implement the loan program authorized by Sections 1 through 5 of
120 this act. The authority shall accumulate loan repayments to repay
121 the line of credit; however, the authority may use repayments
122 received while the program is being made available to small
123 businesses to fund additional loans. The authority shall seek
124 legislation for funding to repay loan defaults and interest costs
125 on the line of credit.

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

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

133 **SECTION 6.** (1) The Department of Finance and Administration
134 shall establish a disaster grant program to provide grants to
135 individuals who sustained physical damage to homes due to flooding
136 or storm surge as a result of Hurricane Katrina and who had no
137 flood insurance or other insurance providing coverage for such
138 damage. For the purposes of the grant program authorized under
139 this section, a home shall be the primary homestead of the
140 applicant.

141 (2) The amount of a grant made under this section shall not
142 exceed Twenty-five Thousand Dollars (\$25,000.00) or one-half (1/2)
143 of the cost of repairing or rebuilding a home, whichever is less.
144 The proceeds of the grants authorized under this section shall be
145 used only for the purpose of repairing or rebuilding a home for
146 which a grant was made under this section. An individual

147 receiving a grant to rebuild a home must rebuild the home in the
148 county in which it was located at the time of the damage.

149 (3) To be eligible for a grant under this section, an
150 individual must:

151 (a) Own or have owned a home that sustained physical
152 damage due to flooding or storm surge as a result of Hurricane
153 Katrina;

154 (b) Not have had flood insurance or other insurance
155 providing coverage for such damage or had flood insurance but had
156 a flood loss that exceeded such insurance and was not covered by
157 other insurance or source of reimbursement;

158 (c) Have been approved for United States Small Business
159 Administration disaster loan assistance for repair or rebuilding
160 of such home; and

161 (d) Agree to obtain and maintain flood insurance
162 coverage on the property for which assistance is requested.

163 (4) An individual desiring assistance under this section
164 must submit an application to the Department of Finance and
165 Administration. The application must include a description of the
166 property and the purpose for which assistance is requested, the
167 cost of the project for which assistance is requested and any
168 other information required by the Department of Finance and
169 Administration.

170 (5) The Department of Finance and Administration shall have
171 all powers necessary to implement and administer the program
172 established under this section, and the Department of Finance and
173 Administration shall promulgate rules and regulations, in
174 accordance with the Mississippi Administrative Procedures Law,
175 necessary for the implementation of this section.

176 (6) There is created in the State Treasury a special fund to
177 be designated as the "Mississippi Disaster Home Flood Grant Fund,"
178 which shall consist of funds appropriated or otherwise made

179 available by the Legislature in any manner and funds from any
180 other source designated for deposit into such fund. Unexpended
181 amounts remaining in the fund at the end of a fiscal year shall
182 not lapse into the State General Fund, and any investment earnings
183 or interest earned on amounts in the fund shall be deposited to
184 the credit of the fund. Monies in the fund shall be used by the
185 Department of Finance and Administration for the purposes
186 described in this section.

187 **SECTION 7.** As used in Sections 7 through 22 of this act, the
188 following words shall have the meanings ascribed herein unless the
189 context clearly requires otherwise:

190 (a) "Accreted value" of any bonds means, as of any date
191 of computation, an amount equal to the sum of (i) the stated
192 initial value of such bond, plus (ii) the interest accrued thereon
193 from the issue date to the date of computation at the rate,
194 compounded semiannually, that is necessary to produce the
195 approximate yield to maturity shown for bonds of the same
196 maturity.

197 (b) "State" means the State of Mississippi.

198 (c) "Commission" means the State Bond Commission.

199 **SECTION 8.** (1) The commission, at one time, or from time to
200 time, may declare by resolution the necessity for issuance of
201 general obligation bonds of the State of Mississippi to provide
202 funds for the program authorized in Section 6 of this act. Upon
203 the adoption of a resolution by the Department of Finance and
204 Administration, declaring the necessity for the issuance of any
205 part or all of the general obligation bonds authorized by this
206 section, the Department of Finance and Administration shall
207 deliver a certified copy of its resolution or resolutions to the
208 commission. Upon receipt of such resolution, the commission, in
209 its discretion, may act as the issuing agent, prescribe the form
210 of the bonds, advertise for and accept bids, issue and sell the

211 bonds so authorized to be sold and do any and all other things
212 necessary and advisable in connection with the issuance and sale
213 of such bonds. The total amount of bonds issued under Sections 7
214 through 22 of this act shall not exceed One Hundred Million
215 Dollars (\$100,000,000.00). No bonds shall be issued under
216 Sections 7 through 22 of this act after July 1, 2007.

217 (2) The proceeds of bonds issued pursuant to Sections 7
218 through 22 of this act shall be deposited into the special fund
219 created in Section 6 of this act. Any investment earnings on
220 bonds issued pursuant to Sections 7 through 22 of this act shall
221 be used to pay debt service on bonds issued under Sections 7
222 through 22 of this act, in accordance with the proceedings
223 authorizing issuance of such bonds.

224 **SECTION 9.** The principal of and interest on the bonds
225 authorized under Sections 7 through 22 of this act shall be
226 payable in the manner provided in this section. Such bonds shall
227 bear such date or dates, be in such denomination or denominations,
228 bear interest at such rate or rates (not to exceed the limits set
229 forth in Section 75-17-101, Mississippi Code of 1972), be payable
230 at such place or places within or without the State of
231 Mississippi, shall mature absolutely at such time or times not to
232 exceed twenty-five (25) years from date of issue, be redeemable
233 before maturity at such time or times and upon such terms, with or
234 without premium, shall bear such registration privileges, and
235 shall be substantially in such form, all as shall be determined by
236 resolution of the commission.

237 **SECTION 10.** The bonds authorized by Sections 7 through 22 of
238 this act shall be signed by the chairman of the commission, or by
239 his facsimile signature, and the official seal of the commission
240 shall be affixed thereto, attested by the secretary of the
241 commission. The interest coupons, if any, to be attached to such
242 bonds may be executed by the facsimile signatures of such

243 officers. Whenever any such bonds shall have been signed by the
244 officials designated to sign the bonds who were in office at the
245 time of such signing but who may have ceased to be such officers
246 before the sale and delivery of such bonds, or who may not have
247 been in office on the date such bonds may bear, the signatures of
248 such officers upon such bonds and coupons shall nevertheless be
249 valid and sufficient for all purposes and have the same effect as
250 if the person so officially signing such bonds had remained in
251 office until their delivery to the purchaser, or had been in
252 office on the date such bonds may bear. However, notwithstanding
253 anything herein to the contrary, such bonds may be issued as
254 provided in the Registered Bond Act of the State of Mississippi.

255 **SECTION 11.** All bonds and interest coupons issued under the
256 provisions of Sections 7 through 22 of this act have all the
257 qualities and incidents of negotiable instruments under the
258 provisions of the Uniform Commercial Code, and in exercising the
259 powers granted by Sections 7 through 22 of this act, the
260 commission shall not be required to and need not comply with the
261 provisions of the Uniform Commercial Code.

262 **SECTION 12.** The commission shall act as the issuing agent
263 for the bonds authorized under Sections 7 through 22 of this act,
264 prescribe the form of the bonds, advertise for and accept bids,
265 issue and sell the bonds so authorized to be sold, pay all fees
266 and costs incurred in such issuance and sale, and do any and all
267 other things necessary and advisable in connection with the
268 issuance and sale of such bonds. The commission is authorized and
269 empowered to pay the costs that are incident to the sale, issuance
270 and delivery of the bonds authorized under Sections 7 through 22
271 of this act from the proceeds derived from the sale of such bonds.
272 The commission shall sell such bonds on sealed bids at public
273 sale, and for such price as it may determine to be for the best
274 interest of the State of Mississippi, but no such sale shall be

275 made at a price less than par plus accrued interest to the date of
276 delivery of the bonds to the purchaser. All interest accruing on
277 such bonds so issued shall be payable semiannually or annually;
278 however, the first interest payment may be for any period of not
279 more than one (1) year.

280 Notice of the sale of any such bonds shall be published at
281 least one time, not less than ten (10) days before the date of
282 sale, and shall be so published in one or more newspapers
283 published or having a general circulation in the City of Jackson,
284 Mississippi, and in one or more other newspapers or financial
285 journals with a national circulation, to be selected by the
286 commission.

287 The commission, when issuing any bonds under the authority of
288 Sections 7 through 22 of this act, may provide that bonds, at the
289 option of the State of Mississippi, may be called in for payment
290 and redemption at the call price named therein and accrued
291 interest on such date or dates named therein.

292 **SECTION 13.** The bonds issued under the provisions of
293 Sections 7 through 22 of this act are general obligations of the
294 State of Mississippi, and for the payment thereof the full faith
295 and credit of the State of Mississippi is irrevocably pledged. If
296 the funds appropriated by the Legislature are insufficient to pay
297 the principal of and the interest on such bonds as they become
298 due, then the deficiency shall be paid by the State Treasurer from
299 any funds in the State Treasury not otherwise appropriated. All
300 such bonds shall contain recitals on their faces substantially
301 covering the provisions of this section.

302 **SECTION 14.** Upon the issuance and sale of bonds under the
303 provisions of Sections 7 through 22 of this act, the commission
304 shall transfer the proceeds of any such sale or sales to the
305 special fund created in Section 6 of this act. The proceeds of
306 such bonds shall be disbursed solely upon the order of the

307 Department of Finance and Administration under such restrictions,
308 if any, as may be contained in the resolution providing for the
309 issuance of the bonds.

310 **SECTION 15.** The bonds authorized under Sections 7 through 22
311 of this act may be issued without any other proceedings or the
312 happening of any other conditions or things other than those
313 proceedings, conditions and things which are specified or required
314 by Sections 7 through 22 of this act. Any resolution providing
315 for the issuance of bonds under the provisions of Sections 7
316 through 22 of this act shall become effective immediately upon its
317 adoption by the commission, and any such resolution may be adopted
318 at any regular or special meeting of the commission by a majority
319 of its members.

320 **SECTION 16.** The bonds authorized under the authority of
321 Sections 7 through 22 of this act may be validated in the Chancery
322 Court of the First Judicial District of Hinds County, Mississippi,
323 in the manner and with the force and effect provided by Chapter
324 13, Title 31, Mississippi Code of 1972, for the validation of
325 county, municipal, school district and other bonds. The notice to
326 taxpayers required by such statutes shall be published in a
327 newspaper published or having a general circulation in the City of
328 Jackson, Mississippi.

329 **SECTION 17.** Any holder of bonds issued under the provisions
330 of Sections 7 through 22 of this act or of any of the interest
331 coupons pertaining thereto may, either at law or in equity, by
332 suit, action, mandamus or other proceeding, protect and enforce
333 any and all rights granted under Sections 7 through 22 of this
334 act, or under such resolution, and may enforce and compel
335 performance of all duties required by Sections 7 through 22 of
336 this act to be performed, in order to provide for the payment of
337 bonds and interest thereon.

338 **SECTION 18.** All bonds issued under the provisions of
339 Sections 7 through 22 of this act shall be legal investments for
340 trustees and other fiduciaries, and for savings banks, trust
341 companies and insurance companies organized under the laws of the
342 State of Mississippi, and such bonds shall be legal securities
343 which may be deposited with and shall be received by all public
344 officers and bodies of this state and all municipalities and
345 political subdivisions for the purpose of securing the deposit of
346 public funds.

347 **SECTION 19.** Bonds issued under the provisions of Sections 7
348 through 22 of this act and income therefrom shall be exempt from
349 all taxation in the State of Mississippi.

350 **SECTION 20.** The proceeds of the bonds issued under Sections
351 7 through 22 of this act shall be used solely for the purposes
352 therein provided, including the costs incident to the issuance and
353 sale of such bonds.

354 **SECTION 21.** The State Treasurer is authorized, without
355 further process of law, to certify to the Department of Finance
356 and Administration the necessity for warrants, and the Department
357 of Finance and Administration is authorized and directed to issue
358 such warrants, in such amounts as may be necessary to pay when due
359 the principal of, premium, if any, and interest on, or the
360 accreted value of, all bonds issued under Sections 7 through 22 of
361 this act; and the State Treasurer shall forward the necessary
362 amount to the designated place or places of payment of such bonds
363 in ample time to discharge such bonds, or the interest thereon, on
364 the due dates thereof.

365 **SECTION 22.** Sections 7 through 22 of this act shall be
366 deemed to be full and complete authority for the exercise of the
367 powers therein granted, but Sections 7 through 22 of this act
368 shall not be deemed to repeal or to be in derogation of any
369 existing law of this state.

370 **SECTION 23.** This act shall take effect and be in force from
371 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 A DISASTER FOR WHICH
4 THE GOVERNOR HAS ISSUED A DISASTER DECLARATION TO ASSIST SMALL
5 BUSINESSES IN RETURNING TO BUSINESS AS SOON AS POSSIBLE; TO
6 PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL
7 ADMINISTER THE LOAN PROGRAM AND SHALL HAVE THE AUTHORITY TO
8 ESTABLISH THE DISASTER LOAN PROGRAM WITH FEDERALLY INSURED
9 FINANCIAL INSTITUTIONS AND OTHER LENDING INSTITUTIONS APPROVED BY
10 THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO PROVIDE THE MINIMUM AND
11 MAXIMUM AMOUNT OF LOANS AUTHORIZED UNDER THIS ACT; TO PROVIDE THE
12 TERM OF SUCH LOANS; TO ESTABLISH CERTAIN ELIGIBILITY REQUIREMENTS
13 FOR THE RECEIPT OF SUCH LOANS; TO PROVIDE THAT UPON THE ISSUANCE
14 OF A DISASTER DECLARATION BY THE GOVERNOR AND A DETERMINATION OF
15 NEED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY, THE STATE BOND
16 COMMISSION IS AUTHORIZED TO OBTAIN A LINE OF CREDIT IN AN AMOUNT
17 NOT TO EXCEED \$25,000,000.00 FOR ANY ONE DISASTER, FROM A
18 COMMERCIAL LENDER, INVESTMENT BANKING GROUP OR A CONSORTIUM OF
19 EITHER OR BOTH, FOR THE PURPOSE OF FUNDING THE LOAN PROGRAM; TO
20 ESTABLISH A DISASTER HOME FLOOD GRANT PROGRAM TO PROVIDE GRANTS TO
21 INDIVIDUALS WHO SUSTAINED PHYSICAL DAMAGE TO HOMES DUE TO FLOODING
22 OR STORM SURGE AS A RESULT OF HURRICANE KATRINA AND WHO HAD NO
23 FLOOD INSURANCE OR OTHER INSURANCE PROVIDING COVERAGE FOR SUCH
24 DAMAGE; TO PROVIDE THAT THE DEPARTMENT OF FINANCE AND
25 ADMINISTRATION SHALL ADMINISTER THE GRANT PROGRAM; TO PROVIDE THE
26 MAXIMUM AMOUNT OF GRANTS AUTHORIZED UNDER THE GRANT PROGRAM; TO
27 ESTABLISH CERTAIN ELIGIBILITY REQUIREMENTS FOR THE RECEIPT OF SUCH
28 GRANTS; TO AUTHORIZE THE ISSUANCE OF \$100,000,000.00 WORTH OF
29 STATE GENERAL OBLIGATION BONDS FOR THE PURPOSE OF PROVIDING FUNDS
30 FOR THE GRANT PROGRAM; AND FOR RELATED PURPOSES.