

By: Senator(s) Robertson, Butler, Dearing,  
Horhn, Jordan, Morgan, Thomas, Walls

To: Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2497

1 AN ACT TO AMEND SECTION 57-93-1, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE LOANS  
3 TO COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE EXISTING  
4 INDUSTRY PRODUCTIVITY LOAN PROGRAM TO ASSIST CERTAIN EXISTING  
5 INDUSTRIES IN DEPLOYING LONG-TERM FIXED ASSETS THAT THROUGH NEW  
6 TECHNOLOGY WILL IMPROVE PRODUCTIVITY AND COMPETITIVENESS; TO  
7 REQUIRE THAT REPAYMENTS OF LOANS AUTHORIZED UNDER THIS SECTION  
8 SHALL BE UTILIZED TO PAY THE PRINCIPAL AND INTEREST ON BONDS USED  
9 TO FUND SUCH LOANS; TO PROVIDE THE MANNER OF SECURING LOANS MADE  
10 TO COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE PROGRAM; TO  
11 AMEND SECTION 57-95-1, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
12 MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE LOANS AND GRANTS TO  
13 COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE MISSISSIPPI JOB  
14 PROTECTION ACT TO PROVIDE ASSISTANCE TO AT-RISK INDUSTRIES TO BE  
15 USED FOR JOB RETENTION AND TO IMPROVE PRODUCTIVITY AND  
16 COMPETITIVENESS; TO REQUIRE THAT REPAYMENTS OF LOANS AUTHORIZED  
17 UNDER THIS SECTION SHALL BE UTILIZED TO PAY THE PRINCIPAL AND  
18 INTEREST ON BONDS USED TO FUND SUCH LOANS; TO PROVIDE THE MANNER  
19 OF SECURING LOANS MADE TO COUNTIES AND INCORPORATED MUNICIPALITIES  
20 UNDER THE ACT; AND FOR RELATED PURPOSES.

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

22 SECTION 1. Section 57-93-1, Mississippi Code of 1972, is  
23 amended as follows:

24 [Through June 30, 2010, this section shall read as follows:]

25 57-93-1. (1) As used in this section:

26 (a) "Existing industry" means a manufacturing  
27 enterprise that has been operating in this state for not less than  
28 two (2) consecutive years that meets minimum criteria established  
29 by the Mississippi Development Authority.

30 (b) "Long-term fixed assets" means assets that:

31 (i) Through new technology will improve an  
32 enterprise's productivity and competitiveness; and

33 (ii) Meet criteria established by the Mississippi  
34 Development Authority.

35 (c) "MDA" means the Mississippi Development Authority.

36 (2) (a) There is established the Mississippi Existing

37 Industry Productivity Loan Program to be administered by the MDA  
38 for the purpose of providing loans to:

39 (i) Existing industries to deploy long-term fixed  
40 assets that through new technology will improve productivity and  
41 competitiveness; and

42 (ii) Counties or incorporated municipalities to  
43 assist existing industries in deploying long-term fixed assets  
44 that through new technology will improve productivity and  
45 competitiveness.

46 (b) (i) An existing industry that accepts a loan under  
47 this program shall not reduce employment by more than twenty  
48 percent (20%) through the use of the long-term fixed assets for  
49 which the loan is granted.

50 (ii) An existing industry that accepts assistance  
51 from a county or incorporated municipality through a loan made  
52 under this program shall not reduce employment by more than twenty  
53 percent (20%) through the use of the long-term fixed assets for  
54 which the assistance is granted.

55 (c) An existing industry desiring a loan under this  
56 section must submit an application to the MDA. The application  
57 shall include:

58 (i) A description of the purpose for which the  
59 loan is requested;

60 (ii) The amount of the loan requested;

61 (iii) The estimated total cost of the project;

62 (iv) A two-year business plan for the project;

63 (v) Financial statements or tax returns for the  
64 existing industry for the two (2) years immediately prior to the  
65 application;

66 (vi) Credit reports on all persons or entities  
67 with a twenty percent (20%) or greater interest in the enterprise;  
68 and

69 (vii) Any other information required by the MDA.

70           (d) A county or incorporated municipality desiring a  
71 loan under this section must submit an application to the MDA.

72 The application shall include:

73           (i) A description of the purpose for which the  
74 loan is requested;

75           (ii) The amount of the loan requested;

76           (iii) The estimated total cost of the project;

77           (iv) A statement showing the sources of funding  
78 for the project;

79           (v) A two-year business plan for the project;

80           (vi) Financial statements or tax returns for the  
81 existing industry for the two (2) years immediately prior to the  
82 application;

83           (vii) Credit reports on all persons or entities  
84 with a twenty percent (20%) or greater interest in the existing  
85 industry;

86           (viii) Any commitment by the existing industry to  
87 pay rental on, or to make loan repayments related to, the  
88 assistance; and

89           (ix) Any other information required by the MDA.

90           (e) The MDA shall require that binding commitments be  
91 entered into requiring that:

92           (i) The minimum requirements of this section and  
93 such other requirements as the MDA considers proper shall be met;  
94 and

95           (ii) If such requirements are not met, all or a  
96 portion of the funds provided by this section as determined by the  
97 MDA shall be repaid.

98           (f) The amount of a loan under this section shall not  
99 exceed fifty percent (50%) of the total cost of the project or  
100 Five Hundred Thousand Dollars (\$500,000.00), whichever is less.

101           (g) The rate of interest on loans under this section  
102 shall be at the true interest cost on the most recent issue of

103 twenty-year state general obligation bonds occurring prior to the  
104 date the loan is made.

105           (h) The MDA shall have all powers necessary to  
106 implement and administer the program established under this  
107 section, and the MDA shall promulgate rules and regulations, in  
108 accordance with the Mississippi Administrative Procedures Law,  
109 necessary for the implementation of this section. However, in  
110 making loans under this section, the MDA shall attempt to provide  
111 for an equitable distribution of such loans among each of the  
112 congressional districts of this state in order to promote economic  
113 development across the entire state.

114           (3) (a) There is created in the State Treasury a special  
115 fund to be designated as the "Mississippi Existing Industry  
116 Productivity Loan Fund," which shall consist of funds appropriated  
117 or otherwise made available by the Legislature in any manner and  
118 funds from any other source designated for deposit into such fund.  
119 Unexpended amounts remaining in the fund at the end of a fiscal  
120 year shall not lapse into the State General Fund, and any  
121 investment earnings or interest earned on amounts in the fund  
122 shall be deposited to the credit of the fund. Monies in the fund  
123 shall be used by the MDA for the purposes described in this  
124 section.

125           (b) Monies in the fund which are derived from the  
126 proceeds of general obligation bonds may be used to reimburse  
127 reasonable actual and necessary costs incurred by the MDA in  
128 providing loans under this section through the use of general  
129 obligation bonds. An accounting of actual costs incurred for  
130 which reimbursement is sought shall be maintained for each loan by  
131 the MDA. Reimbursement of reasonable actual and necessary costs  
132 shall not exceed three percent (3%) of the proceeds of bonds  
133 issued under Sections 2 through 17 of Chapter 1, Laws of 2005  
134 Third Extraordinary Session. Monies authorized for a particular  
135 loan may not be used to reimburse administrative costs for

136 unrelated loans. Reimbursements made under this subsection shall  
137 satisfy any applicable federal tax law requirements.

138 (c) (i) There is hereby created the Mississippi  
139 Existing Industry Productivity Loan Program Bond Sinking Fund from  
140 which the principal and interest on bonds whose proceeds are  
141 deposited into the Mississippi Existing Industry Productivity Loan  
142 Fund and utilized to provide loans authorized under this section,  
143 shall be repaid. Unexpended amounts remaining in the bond sinking  
144 fund at the end of a fiscal year shall not lapse into the State  
145 General Fund, and any interest earned or investment earnings on  
146 amounts in the bond sinking fund shall be deposited into the bond  
147 sinking fund. At any time when the funds required to pay the  
148 principal and interest on bonds whose proceeds are deposited into  
149 the Mississippi Existing Industry Productivity Loan Fund and are  
150 utilized to provide loans under this section are more than the  
151 amount available in the bond sinking fund, the Legislature shall  
152 appropriate the balance of the funds necessary to pay the  
153 principal and interest on such bonds.

154 (ii) Money repaid on loans authorized under this  
155 section that are derived from the proceeds of bonds deposited into  
156 the Mississippi Existing Industry Productivity Loan Fund shall be  
157 deposited into the Mississippi Existing Industry Productivity Loan  
158 Program Bond Sinking Fund.

159 (4) (a) A county that receives a loan under this section  
160 shall pledge for repayment of the loan any part of the homestead  
161 exemption annual tax loss reimbursement to which it may be  
162 entitled under Section 27-33-77. An incorporated municipality  
163 that receives a loan under this section shall pledge for repayment  
164 of the loan any part of the sales tax revenue distribution to  
165 which it may be entitled under Section 27-65-75. Each loan  
166 agreement shall provide for monthly payments, semiannual payments  
167 or other periodic payments, the annual total of which shall not  
168 exceed the annual total for any other year of the loan by more

169 than fifteen percent (15%). The loan agreement shall provide for  
170 the repayment of all funds received within not more than twenty  
171 (20) years from the date of project completion.

172 (b) The State Auditor, upon request of the MDA, shall  
173 audit the receipts and expenditures of a county or an incorporated  
174 municipality whose loan payments appear to be in arrears, and if  
175 he finds that the county or municipality is in arrears in such  
176 payments, he shall immediately notify the Executive Director of  
177 the Department of Finance and Administration who shall withhold  
178 all future payments to the county of homestead exemption  
179 reimbursements under Section 27-33-77 and all sums allocated to  
180 the county or the municipality under Section 27-65-75 until such  
181 time as the county or the municipality is again current in its  
182 loan payments as certified by the MDA.

183 (c) Evidences of indebtedness which are issued pursuant  
184 to this chapter shall not be deemed indebtedness within the  
185 meaning specified in Section 21-33-303 with regard to cities or  
186 incorporated towns, and in Section 19-9-5 with regard to counties.

187 **[From and after July 1, 2010, this section shall read as**  
188 **follows:]**

189 57-93-1. (1) As used in this section:

190 (a) "Existing industry" means a manufacturing  
191 enterprise that has been operating in this state for not less than  
192 two (2) consecutive years that meets minimum criteria established  
193 by the Mississippi Development Authority.

194 (b) "Long-term fixed assets" means assets that:

195 (i) Through new technology will improve an  
196 enterprise's productivity and competitiveness; and

197 (ii) Meet criteria established by the Mississippi  
198 Development Authority.

199 (c) "MDA" means the Mississippi Development Authority.

200 (2) (a) There is established the Mississippi Existing  
201 Industry Productivity Loan Program to be administered by the MDA

202 for the purpose of providing loans to existing industries to  
203 deploy long-term fixed assets that through new technology will  
204 improve productivity and competitiveness. An existing industry  
205 that accepts a loan under this program shall not reduce employment  
206 by more than twenty percent (20%) through the use of the long-term  
207 fixed assets for which the loan is granted.

208 (b) An enterprise desiring a loan under this section  
209 must submit an application to the MDA. The application shall  
210 include:

211 (i) A description of the purpose for which the  
212 loan is requested;

213 (ii) The amount of the loan requested;

214 (iii) The estimated total cost of the project;

215 (iv) A two-year business plan for the project;

216 (v) Financial statements or tax returns for the  
217 two (2) years immediately prior to the application;

218 (vi) Credit reports on all persons or entities  
219 with a twenty percent (20%) or greater interest in the enterprise;  
220 and

221 (vii) Any other information required by the MDA.

222 (c) The MDA shall require that binding commitments be  
223 entered into requiring that:

224 (i) The minimum requirements of this section and  
225 such other requirements as the MDA considers proper shall be met;  
226 and

227 (ii) If such requirements are not met, all or a  
228 portion of the funds provided by this section as determined by the  
229 MDA shall be repaid.

230 (d) The amount of a loan under this section shall not  
231 exceed fifty percent (50%) of the total cost of the project or  
232 Five Hundred Thousand Dollars (\$500,000.00), whichever is less.

233 (e) The rate of interest on loans under this section  
234 shall be at the true interest cost on the most recent issue of

235 twenty-year state general obligation bonds occurring prior to the  
236 date the loan is made.

237 (f) The MDA shall have all powers necessary to  
238 implement and administer the program established under this  
239 section, and the MDA shall promulgate rules and regulations, in  
240 accordance with the Mississippi Administrative Procedures Law,  
241 necessary for the implementation of this section. However, in  
242 making loans under this section, the MDA shall attempt to provide  
243 for an equitable distribution of such loans among each of the  
244 congressional districts of this state in order to promote economic  
245 development across the entire state.

246 (3) (a) There is created in the State Treasury a special  
247 fund to be designated as the "Mississippi Existing Industry  
248 Productivity Loan Fund," which shall consist of funds appropriated  
249 or otherwise made available by the Legislature in any manner and  
250 funds from any other source designated for deposit into such fund.  
251 Unexpended amounts remaining in the fund at the end of a fiscal  
252 year shall not lapse into the State General Fund, and any  
253 investment earnings or interest earned on amounts in the fund  
254 shall be deposited to the credit of the fund. Monies in the fund  
255 shall be used by the MDA for the purposes described in this  
256 section.

257 (b) Monies in the fund which are derived from the  
258 proceeds of general obligation bonds may be used to reimburse  
259 reasonable actual and necessary costs incurred by the MDA in  
260 providing loans under this section through the use of general  
261 obligation bonds. An accounting of actual costs incurred for  
262 which reimbursement is sought shall be maintained for each loan by  
263 the MDA. Reimbursement of reasonable actual and necessary costs  
264 shall not exceed three percent (3%) of the proceeds of bonds  
265 issued under Sections 2 through 17 of Chapter 1, Laws of 2005  
266 Third Extraordinary Session. Monies authorized for a particular  
267 loan may not be used to reimburse administrative costs for

268 unrelated loans. Reimbursements made under this subsection shall  
269 satisfy any applicable federal tax law requirements.

270 **SECTION 2.** Section 57-95-1, Mississippi Code of 1972, is  
271 amended as follows:

272 **[Through June 30, 2010, this section shall read as follows:]**

273 57-95-1. (1) As used in this section:

274 (a) "At-risk industry" means any enterprise that has  
275 been operating in this state for not less than three (3)  
276 consecutive years that has lost jobs or is at-risk to lose jobs  
277 because such jobs have been outsourced.

278 (b) "MDA" means the Mississippi Development Authority.

279 (c) "Outsource" means to send out work or jobs of a  
280 certain provider or manufacturer of the State of Mississippi to an  
281 overseas provider or manufacturer or a provider or manufacturer  
282 located outside the boundaries of the United States or any  
283 territory of the United States.

284 (2) (a) There is established the Mississippi Job Protection  
285 Act to be administered by the MDA for the purpose of providing  
286 grants and loans to:

287 (i) At-risk industries to be used for job  
288 retention and to improve productivity and competitiveness; and

289 (ii) Counties and incorporated municipalities to  
290 provide assistance to at-risk industries to be used for job  
291 retention and to improve productivity and competitiveness.

292 (b) (i) An at-risk industry that accepts a grant or  
293 loan under this program shall not reduce employment by more than  
294 twenty percent (20%).

295 (ii) An at-risk industry that accepts assistance  
296 from a county or incorporated municipality through a loan or grant  
297 made under this section shall not reduce employment by more than  
298 twenty percent (20%).

299           (c) An at-risk industry desiring a grant or loan under  
300 this section must submit an application to the MDA. The  
301 application shall include:

302                   (i) A description of the purpose for which the  
303 grant or loan is requested;

304                   (ii) The amount of the grant or loan requested;

305                   (iii) The estimated total cost of the project;

306                   (iv) A two-year business plan for the project;

307                   (v) Financial statements or tax returns for the  
308 at-risk industry for the two (2) years immediately prior to the  
309 application;

310                   (vi) Credit reports on all persons or entities  
311 with a twenty percent (20%) or greater interest in the at-risk  
312 industry; and

313                   (vii) Any other information required by the MDA.

314           (d) A county or incorporated municipality desiring a  
315 grant or loan under this section must submit an application to the  
316 MDA. The application shall include:

317                   (i) A description of the purpose for which the  
318 loan is requested;

319                   (ii) The amount of the grant or loan requested;

320                   (iii) The estimated total cost of the project;

321                   (iv) A statement showing the sources of funding  
322 for the project;

323                   (v) A two-year business plan for the project;

324                   (vi) Financial statements or tax returns for the  
325 at-risk industry for the two (2) years immediately prior to the  
326 application;

327                   (vii) Credit reports on all persons or entities  
328 with a twenty percent (20%) or greater interest in the at-risk  
329 industry;

330                   (viii) Any commitment by the at-risk industry to  
331 pay rental on, or to make loan repayments related to, the  
332 assistance; and

333                   (ix) Any other information required by the MDA.

334           (e) The MDA shall require that binding commitments be  
335 entered into requiring that:

336                   (i) The minimum requirements of this section and  
337 such other requirements as the MDA considers proper shall be met;  
338 and

339                   (ii) If such requirements are not met, all or a  
340 portion of the funds provided by this section as determined by the  
341 MDA shall be repaid.

342           (f) The amount of a grant or loan under this section  
343 shall not exceed fifty percent (50%) of the total cost of the  
344 project.

345           (g) The MDA shall have all powers necessary to  
346 implement and administer the program established under this  
347 section, and the MDA shall promulgate rules and regulations, in  
348 accordance with the Mississippi Administrative Procedures Law,  
349 necessary for the implementation of this section.

350           (3) Grants \* \* \* under this section shall not exceed Two  
351 Hundred Thousand Dollars (\$200,000.00).

352           (4) (a) There is created in the State Treasury a special  
353 fund to be designated as the "Mississippi Job Protection Act  
354 Fund," which shall consist of funds appropriated or otherwise made  
355 available by the Legislature in any manner and funds from any  
356 other source designated for deposit into such fund. Unexpended  
357 amounts remaining in the fund at the end of a fiscal year shall  
358 not lapse into the State General Fund, and any investment earnings  
359 or interest earned on amounts in the fund shall be deposited to  
360 the credit of the fund. Monies in the fund shall be used by the  
361 MDA for the purposes described in this section.

362 (b) Monies in the fund which are derived from the  
363 proceeds of general obligation bonds may be used to reimburse  
364 reasonable actual and necessary costs incurred by the MDA in  
365 providing grants or loans under this section through the use of  
366 general obligation bonds. An accounting of actual costs incurred  
367 for which reimbursement is sought shall be maintained for each  
368 grant or loan by the MDA. Reimbursement of reasonable actual and  
369 necessary costs shall not exceed three percent (3%) of the  
370 proceeds of bonds issued under Sections 40 through 55 of Chapter  
371 1, Laws of Third Extraordinary Session of 2005. Monies authorized  
372 for a particular grant or loan may not be used to reimburse  
373 administrative costs for unrelated grants or loans.  
374 Reimbursements made under this subsection shall satisfy any  
375 applicable federal tax law requirements.

376 (c) (i) There is hereby created the Mississippi Job  
377 Protection Act Sinking Bond Fund from which the principal and  
378 interest on bonds whose proceeds are deposited into the  
379 Mississippi Job Protection Act Fund and utilized to provide loans  
380 authorized under this section, shall be repaid. Unexpended  
381 amounts remaining in the bond sinking fund at the end of a fiscal  
382 year shall not lapse into the State General Fund, and any interest  
383 earned or investment earnings on amounts in the bond sinking fund  
384 shall be deposited into the bond sinking fund. At any time when  
385 the funds required to pay the principal and interest on bonds  
386 whose proceeds are deposited into the Mississippi Job Protection  
387 Act Fund and are utilized to provide loans under this section are  
388 more than the amount available in the bond sinking fund, the  
389 Legislature shall appropriate the balance of the funds necessary  
390 to pay the principal and interest on such bonds.

391 (ii) Money repaid on loans authorized under this  
392 section that are derived from the proceeds of bonds deposited into  
393 the Mississippi Job Protection Act Fund shall be deposited into  
394 the Mississippi Job Protection Act Bond Sinking Fund.

395       (5) (a) A county that receives a loan under this section  
396 shall pledge for repayment of the loan any part of the homestead  
397 exemption annual tax loss reimbursement to which it may be  
398 entitled under Section 27-33-77. An incorporated municipality  
399 that receives a loan under this section shall pledge for repayment  
400 of the loan any part of the sales tax revenue distribution to  
401 which it may be entitled under Section 27-65-75. Each loan  
402 agreement shall provide for monthly payments, semiannual payments  
403 or other periodic payments, the annual total of which shall not  
404 exceed the annual total for any other year of the loan by more  
405 than fifteen percent (15%). The loan agreement shall provide for  
406 the repayment of all funds received within not more than twenty  
407 (20) years from the date of project completion.

408       (b) The State Auditor, upon request of the MDA, shall  
409 audit the receipts and expenditures of a county or an incorporated  
410 municipality whose loan payments appear to be in arrears, and if  
411 he finds that the county or municipality is in arrears in such  
412 payments, he shall immediately notify the Executive Director of  
413 the Department of Finance and Administration who shall withhold  
414 all future payments to the county of homestead exemption  
415 reimbursements under Section 27-33-77 and all sums allocated to  
416 the county or the municipality under Section 27-65-75 until such  
417 time as the county or the municipality is again current in its  
418 loan payments as certified by the MDA.

419       (c) Evidences of indebtedness which are issued pursuant  
420 to this section shall not be deemed indebtedness within the  
421 meaning specified in Section 21-33-303 with regard to cities or  
422 incorporated towns, and in Section 19-9-5 with regard to counties.

423       **[From and after July 1, 2010, this section shall read as**  
424 **follows:]**

425       57-95-1. (1) As used in this section:

426           (a) "At-risk industry" means any enterprise that has  
427 been operating in this state for not less than three (3)

428 consecutive years that has lost jobs or is at-risk to lose jobs  
429 because such jobs have been outsourced.

430 (b) "MDA" means the Mississippi Development Authority.

431 (c) "Outsource" means to send out work or jobs of a  
432 certain provider or manufacturer of the State of Mississippi to an  
433 overseas provider or manufacturer or a provider or manufacturer  
434 located outside the boundaries of the United States or any  
435 territory of the United States.

436 (2) (a) There is established the Mississippi Job Protection  
437 Act to be administered by the MDA for the purpose of providing  
438 grants and loans to at-risk industries to be used for job  
439 retention and to improve productivity and competitiveness. An  
440 at-risk industry that accepts a grant or loan under this program  
441 shall not reduce employment by more than twenty percent (20%).

442 (b) An enterprise desiring a grant or loan under this  
443 section must submit an application to the MDA. The application  
444 shall include:

445 (i) A description of the purpose for which the  
446 grant or loan is requested;

447 (ii) The amount of the grant or loan requested;

448 (iii) The estimated total cost of the project;

449 (iv) A two-year business plan for the project;

450 (v) Financial statements or tax returns for the  
451 two (2) years immediately prior to the application;

452 (vi) Credit reports on all persons or entities  
453 with a twenty percent (20%) or greater interest in the enterprise;  
454 and

455 (vii) Any other information required by the MDA.

456 (c) The MDA shall require that binding commitments be  
457 entered into requiring that:

458 (i) The minimum requirements of this section and  
459 such other requirements as the MDA considers proper shall be met;  
460 and

461                   (ii) If such requirements are not met, all or a  
462 portion of the funds provided by this section as determined by the  
463 MDA shall be repaid.

464                   (d) The amount of a grant or loan under this section  
465 shall not exceed fifty percent (50%) of the total cost of the  
466 project.

467                   (e) The MDA shall have all powers necessary to  
468 implement and administer the program established under this  
469 section, and the MDA shall promulgate rules and regulations, in  
470 accordance with the Mississippi Administrative Procedures Law,  
471 necessary for the implementation of this section.

472                   (3) Grants to at-risk industries under this section shall  
473 not exceed Two Hundred Thousand Dollars (\$200,000.00).

474                   (4) (a) There is created in the State Treasury a special  
475 fund to be designated as the "Mississippi Job Protection Act  
476 Fund," which shall consist of funds appropriated or otherwise made  
477 available by the Legislature in any manner and funds from any  
478 other source designated for deposit into such fund. Unexpended  
479 amounts remaining in the fund at the end of a fiscal year shall  
480 not lapse into the State General Fund, and any investment earnings  
481 or interest earned on amounts in the fund shall be deposited to  
482 the credit of the fund. Monies in the fund shall be used by the  
483 MDA for the purposes described in this section.

484                   (b) Monies in the fund which are derived from the  
485 proceeds of general obligation bonds may be used to reimburse  
486 reasonable actual and necessary costs incurred by the MDA in  
487 providing grants or loans under this section through the use of  
488 general obligation bonds. An accounting of actual costs incurred  
489 for which reimbursement is sought shall be maintained for each  
490 grant or loan by the MDA. Reimbursement of reasonable actual and  
491 necessary costs shall not exceed three percent (3%) of the  
492 proceeds of bonds issued under Sections 40 through 55 of Chapter  
493 1, Laws of Third Extraordinary Session of 2005. Monies authorized

494 for a particular grant or loan may not be used to reimburse  
495 administrative costs for unrelated grants or loans.  
496 Reimbursements made under this subsection shall satisfy any  
497 applicable federal tax law requirements.

498         **SECTION 3.** This act shall take effect and be in force from  
499 and after July 1, 2007.