

By: Senator(s) Robertson, Butler, Dawkins,  
Dearing, Frazier, Horhn, Jackson (32nd),  
Jordan, Simmons, Thomas, Walls, Williamson

To: Finance

SENATE BILL NO. 2535

1 AN ACT TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE PARTICIPATING FINANCIAL INSTITUTIONS TO MAKE LOANS  
3 UNDER THE CAPITAL ACCESS PROGRAM THAT ARE SECURED BY THE  
4 ASSIGNMENT OF THE PROCEEDS OF CONTRACTS BETWEEN THE BORROWERS AND  
5 PUBLIC ENTITIES IF THE MISSISSIPPI DEVELOPMENT AUTHORITY  
6 DETERMINES THE LOAN TO BE QUALIFIED UNDER THE RULES AND  
7 REGULATIONS ADOPTED BY THE AUTHORITY; TO PROVIDE THAT A PORTION OF  
8 THE BOND PROCEEDS AUTHORIZED TO BE USED UNDER THE MISSISSIPPI  
9 BUSINESS INVESTMENT ACT FOR THE CAPITAL ACCESS PROGRAM MAY BE  
10 UTILIZED TO ADVANCE FUNDS TO PARTICIPATING FINANCIAL INSTITUTIONS;  
11 AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 57-61-36, Mississippi Code of 1972, is  
14 amended as follows:

15 57-61-36. (1) Notwithstanding any provision of this chapter  
16 to the contrary, the Mississippi Development Authority shall  
17 utilize not more than Twelve Million Five Hundred Thousand Dollars  
18 (\$12,500,000.00) out of the proceeds of bonds authorized to be  
19 issued in this chapter for the purpose of making grants to  
20 municipalities through a Development Infrastructure Grant Fund to  
21 complete infrastructure related to new or expanded industry.

22 (2) Notwithstanding any provision of this chapter to the  
23 contrary, the Mississippi Development Authority may utilize not  
24 more than Seven Million Dollars (\$7,000,000.00) out of the  
25 proceeds of bonds authorized to be issued in this chapter for the  
26 purpose of making interest-bearing loans to any agency,  
27 department, institution, instrumentality or political subdivision  
28 of the state; or any agency, department, institution or  
29 instrumentality of any political subdivision of the state; or any  
30 business, organization, corporation, association or other legal  
31 entity meeting criteria established by the department, through a

32 Housing Development Revolving Loan Fund, to construct or repair  
33 housing for low or moderate income earners; provided, however,  
34 that the department may not utilize any bond proceeds authorized  
35 under this chapter for the purpose of making any loans to the  
36 Mississippi Home Corporation for any purpose whatsoever. No more  
37 than forty percent (40%) of the additional bonds authorized by  
38 Chapter 559, Laws of 1998, may be used for multiple family housing  
39 activities. Funds authorized under this subsection may be  
40 deposited in the Mississippi Affordable Housing Development Fund  
41 authorized in Section 43-33-759 and used for purposes authorized  
42 by that section. This subsection (2) shall be repealed from and  
43 after July 1, 2010.

44 (3) Notwithstanding any provision of this chapter to the  
45 contrary, the Mississippi Development Authority shall utilize not  
46 more than Seventeen Million Five Hundred Thousand Dollars  
47 (\$17,500,000.00) out of the proceeds of bonds authorized to be  
48 issued in this chapter for the purpose of making grants or loans  
49 to municipalities through an equipment and public facilities grant  
50 and loan fund to aid in infrastructure-related improvements as  
51 determined by the Mississippi Development Authority, the purchase  
52 of equipment and in the purchase, construction or repair and  
53 renovation of public facilities. Any bonds previously issued for  
54 the Development Infrastructure Revolving Loan Program which have  
55 not been loaned or applied for are eligible to be administered as  
56 grants or loans. In making grants and loans under this section,  
57 the Mississippi Development Authority shall attempt to provide for  
58 an equitable distribution of such grants and loans among each of  
59 the congressional districts of this state in order to promote  
60 economic development across the entire state.

61 The requirements of Section 57-61-9 shall not apply to any  
62 grant made under this subsection. The Mississippi Development  
63 Authority may establish criteria and guidelines to govern grants  
64 made pursuant to this subsection.

65 (4) Notwithstanding any provision of this chapter to the  
66 contrary, the Mississippi Development Authority may utilize not  
67 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out  
68 of the proceeds of bonds authorized to be issued in this chapter  
69 in order to match federal funds available from the United States  
70 Department of Agriculture for the purpose of establishing an  
71 Intermediary Relending Program to be administered by the  
72 Mississippi Development Authority. The Mississippi Development  
73 Authority may establish criteria and guidelines to govern loans  
74 made under such program. This subsection (4) shall be repealed  
75 from and after April 9, 2002.

76 (5) (a) The Mississippi Development Authority may establish  
77 a Capital Access Program and may contract with any financial  
78 institution to participate in the program upon such terms and  
79 conditions as the authority shall consider necessary and proper.  
80 The Mississippi Development Authority may establish loss reserve  
81 accounts at financial institutions that participate in the program  
82 and require payments by the financial institution and the borrower  
83 to such loss reserve accounts. All money in such loss reserve  
84 accounts is the property of the Mississippi Development Authority.

85 (b) Under the Capital Access Program a participating  
86 financial institution may make a loan to any borrower the  
87 Mississippi Development Authority determines to be qualified under  
88 rules and regulations adopted by the authority and be protected  
89 against losses from such loans as provided in the program. Under  
90 such rules and regulations as may be adopted by the Mississippi  
91 Development Authority, a participating financial institution may  
92 submit claims for the reimbursement for losses incurred as a  
93 result of default on loans by qualified borrowers.

94 (c) Under the Capital Access Program a participating  
95 financial institution may make a loan that is secured by the  
96 assignment of the proceeds of a contract between the borrower and  
97 a public entity if the Mississippi Development Authority

98 determines the loan to be qualified under the rules and  
99 regulations adopted by the authority. Under such rules and  
100 regulations as may be adopted by the Mississippi Development  
101 Authority, a participating financial institution may submit an  
102 application to the authority requesting that a loan secured  
103 pursuant to this paragraph be funded under the Capital Access  
104 Program.

105           (d) Notwithstanding any provision of this chapter to  
106 the contrary, the Mississippi Development Authority may utilize  
107 not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00)  
108 out of the proceeds of bonds authorized to be issued in this  
109 chapter for the purpose of making payments to loan loss reserve  
110 accounts established at financial institutions that participate in  
111 the Capital Access Program established by the Mississippi  
112 Development Authority; however, any portion of the bond proceeds  
113 authorized to be utilized by this paragraph that are not utilized  
114 for making payments to loss reserve accounts may be utilized by  
115 the Mississippi Development Authority to advance funds to  
116 financial institutions that participate in the Capital Access  
117 Program pursuant to paragraph (c) of this subsection.

118           (6) Notwithstanding any provision of this chapter to the  
119 contrary, the Mississippi Development Authority shall utilize not  
120 more than Two Hundred Thousand Dollars (\$200,000.00) out of the  
121 proceeds of bonds authorized to be issued in this chapter for the  
122 purpose of assisting Warren County, Mississippi, in the  
123 continuation and completion of the study for the proposed Kings  
124 Point Levee.

125           (7) Notwithstanding any provision of this chapter to the  
126 contrary, the Mississippi Development Authority shall utilize not  
127 more than One Hundred Thousand Dollars (\$100,000.00) out of the  
128 proceeds of bonds authorized to be issued in this chapter for the  
129 purpose of developing a long-range plan for coordinating the  
130 resources of the state institutions of higher learning, the

131 community and junior colleges, the Mississippi Development  
132 Authority and other state agencies in order to promote economic  
133 development in the state.

134 (8) Notwithstanding any other provision of this chapter to  
135 the contrary, the Mississippi Development Authority shall use not  
136 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of  
137 the proceeds of bonds authorized to be issued in this chapter for  
138 the purpose of providing assistance to municipalities that have  
139 received Community Development Block Grant funds for repair,  
140 renovation and other improvements to buildings for use as  
141 community centers. Assistance provided to a municipality under  
142 this subsection shall be used by the municipality to match such  
143 Community Development Block Grant funds. The maximum amount of  
144 assistance that may be provided to a municipality under this  
145 subsection shall not exceed Seventy-five Thousand Dollars  
146 (\$75,000.00) in the aggregate.

147 **SECTION 2.** This act shall take effect and be in force from  
148 and after July 1, 2007.