

By: Senator(s) Robertson, Albritton, Butler, Chassaniol, Dearing, Horhn, Hyde-Smith, Jackson (11th), Jackson (32nd), Jordan, King, Lee (47th), Thames, Thomas, Walley, Williamson

To: Finance

SENATE BILL NO. 2558

1 AN ACT TO AMEND SECTION 57-61-15, MISSISSIPPI CODE OF 1972,
2 TO EXTEND UNTIL JULY 1, 2010, THE PROVISION THAT REQUIRES THAT A
3 MINIMUM OF 15% OF THE AGGREGATE FUNDS MADE AVAILABLE UNDER THE
4 MISSISSIPPI BUSINESS INVESTMENT ACT SHALL BE ALLOCATED TO SMALL
5 COMMUNITIES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 57-61-15, Mississippi Code of 1972, is
8 amended as follows:

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

10 57-61-15. (1) Except for grants authorized for state-owned
11 ports and for grants authorized under Section 57-61-32, Section
12 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more
13 than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00)
14 of the proceeds of bonds authorized to be issued under this
15 chapter shall be made available for grants to municipalities;
16 however, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
17 of such amount shall be made available for grants to small
18 communities.

19 (2) In no case shall any municipality receive more than one
20 (1) grant in any single fiscal year. This subsection shall not
21 apply to grants authorized under Section 57-61-36, Mississippi
22 Code of 1972.

23 (3) A minimum of fifteen percent (15%) of the aggregate
24 funds made available under this chapter shall be allocated to
25 small communities. For the purpose of determining the aggregate
26 funds available to make the allocation established in this
27 subsection, there shall be excluded from inclusion therein any
28 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)

29 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
30 57-61-41 and 57-75-27, Mississippi Code of 1972.

31 (4) No loan or grant shall be made without substantiation of
32 the provisions of Section 57-61-9, Mississippi Code of 1972.

33 (5) Except in the case of an application pursuant to Section
34 57-61-9(5)(a), Mississippi Code of 1972, funds loaned shall be
35 secured by a lien and/or collateralized consistent with Section
36 57-61-9(1)(d), Mississippi Code of 1972, if required by the
37 Mississippi Development Authority.

38 (6) Except in the case of an application pursuant to Section
39 57-61-9(5)(a), Mississippi Code of 1972, private companies which
40 fail to create and maintain the number of jobs specified in an
41 approved application shall be liable for, in the discretion of the
42 Mississippi Development Authority, (a) a penalty equal to two
43 percent (2%) greater than the current prime interest rate for the
44 remainder of the loan made for their benefit, or (b) prepayment of
45 the outstanding loan amount incurred by the municipality for their
46 benefit, unless the penalty or a portion thereof is waived by the
47 Mississippi Development Authority because the failure is due to
48 circumstances outside the control of the private company. The
49 penalty shall be payable in installments which the Mississippi
50 Development Authority deems appropriate. Immediate notice of
51 penalties and waivers of penalties, including the penalties in
52 Section 57-61-9(1)(d), Mississippi Code of 1972, with the reasons
53 thereof, shall be submitted by the Mississippi Development
54 Authority to the Governor and the Legislature along with the
55 Mississippi Development Authority's decision on the imposition of
56 penalties and the reasons for this decision.

57 (7) Except in the case of an application pursuant to Section
58 57-61-9(5)(a), Mississippi Code of 1972, municipalities receiving
59 loans which fail to meet their repayment obligations shall forfeit
60 the right to receive their sales tax allocation and/or homestead
61 exemption reimbursement in an amount sufficient to repay

62 obligations due until such time as their indebtedness has been
63 discharged or arrangements to discharge such indebtedness
64 satisfactory to the Mississippi Development Authority have been
65 made. Sales tax allocations and/or homestead exemption
66 reimbursements forfeited hereby shall, upon demand by the
67 Mississippi Development Authority made in writing upon the State
68 Tax Commission, be paid to the Mississippi Development Authority
69 and applied to the discharge of the obligation. The Mississippi
70 Development Authority may prescribe such other penalties it deems
71 necessary.

72 (8) Any municipality which has forfeited its sales tax
73 allocation and/or homestead exemption reimbursement for twelve
74 (12) months may levy an ad valorem tax on the taxable property
75 therein for the purpose of meeting its repayment obligation. The
76 revenue produced from the tax levy shall not be included within
77 the ten percent (10%) growth limitation on ad valorem tax receipts
78 for its general budget.

79 (9) This chapter is expressly not intended to encourage the
80 relocation of a company from one jurisdiction within the state to
81 another. Any request by a local sponsor for assistance to be
82 provided a firm which currently operates a similar business in the
83 state must be accompanied by a demonstration that the total net
84 increase in and maintenance of full-time equivalent jobs, using
85 the current number of jobs in all similar businesses operated by
86 the private company in the state as a base, shall be at least
87 twenty-five percent (25%). This requirement shall not apply to
88 private companies relocating from small business incubators.

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

91 57-61-15. (1) Except for grants authorized for state-owned
92 ports and for grants authorized under Section 57-61-32, Section
93 57-61-33 and Section 57-61-36, Mississippi Code of 1972, no more
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100 (2) In no case shall any municipality receive more than one
101 (1) grant in any single fiscal year. This subsection shall not
102 apply to grants authorized under Section 57-61-36, Mississippi
103 Code of 1972.

104 (3) A minimum of twenty-five percent (25%) of the aggregate
105 funds made available under this chapter shall be allocated to
106 small communities. For the purpose of determining the aggregate
107 funds available to make the allocation established in this
108 subsection, there shall be excluded from inclusion therein any
109 funds specifically dedicated pursuant to Sections 57-61-11(e)(iii)
110 and (v), 57-61-32, 57-61-33, 57-61-34, 57-61-36, 57-61-39,
111 57-61-41 and 57-75-27, Mississippi Code of 1972.

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127 benefit, unless the penalty or a portion thereof is waived by the

128 Mississippi Development Authority because the failure is due to
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131 Development Authority deems appropriate. Immediate notice of
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163 provided a firm which currently operates a similar business in the
164 state must be accompanied by a demonstration that the total net
165 increase in and maintenance of full-time equivalent jobs, using
166 the current number of jobs in all similar businesses operated by
167 the private company in the state as a base, shall be at least
168 twenty-five percent (25%). This requirement shall not apply to
169 private companies relocating from small business incubators.

170 **SECTION 2.** This act shall take effect and be in force from
171 and after its passage.