

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3099

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
 2 BONDS IN THE AMOUNT OF \$5,000,000.00 TO PROVIDE FUNDS FOR THE
 3 SMALL MUNICIPALITIES AND LIMITED POPULATION COUNTIES FUND; TO
 4 AMEND SECTION 57-1-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
 5 PORTION OF THE PROCEEDS OF CERTAIN BONDS MAY BE UTILIZED BY THE
 6 MISSISSIPPI DEVELOPMENT AUTHORITY TO REIMBURSE CERTAIN COSTS
 7 RELATED TO THE ADMINISTRATION OF THE FUND; TO AMEND SECTION
 8 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM
 9 \$306,000,000.00 TO \$307,000,000.00 THE AMOUNT OF GENERAL
 10 OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS
 11 INVESTMENT ACT; TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF
 12 1972, TO INCREASE FROM \$17,500,000.00 TO \$18,500,000.00 THE AMOUNT
 13 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
 14 UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE
 15 LOANS OR GRANTS TO COUNTIES AND MUNICIPALITIES THROUGH AN
 16 EQUIPMENT AND PUBLIC FACILITIES GRANT AND LOAN FUND TO AID IN
 17 INFRASTRUCTURE-RELATED IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND
 18 IN THE PURCHASE, CONSTRUCTION OR REPAIR AND RENOVATION OF PUBLIC
 19 FACILITIES; TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO
 20 INCREASE FROM \$26,000,000.00 TO \$27,000,000.00 THE AMOUNT THAT MAY
 21 BE DRAWN FROM THE EMERGING CROPS FUND BY THE MISSISSIPPI
 22 DEVELOPMENT AUTHORITY TO PROVIDE LOANS OR GRANTS TO ASSIST IN
 23 PROVIDING FINANCING FOR MINORITY ECONOMIC DEVELOPMENT; TO AMEND
 24 SECTION 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT
 25 OF GENERAL OBLIGATION BONDS THAT MAY BE ISSUED FOR THE EMERGING
 26 CROPS FUND FROM \$105,000,000.00 TO \$106,000,000.00; AND FOR
 27 RELATED PURPOSES.

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

29 **SECTION 1.** (1) As used in this section, the following words
 30 shall have the meanings ascribed herein unless the context clearly
 31 requires otherwise:

32 (a) "Accreted value" of any bonds means, as of any date
 33 of computation, an amount equal to the sum of (i) the stated
 34 initial value of such bond, plus (ii) the interest accrued thereon
 35 from the issue date to the date of computation at the rate,
 36 compounded semiannually, that is necessary to produce the
 37 approximate yield to maturity shown for bonds of the same
 38 maturity.

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

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

41 (2) (a) The Mississippi Development Authority, at one time,
42 or from time to time, may declare by resolution the necessity for
43 issuance of general obligation bonds of the State of Mississippi
44 to provide funds for the grant program authorized in Section
45 57-1-18. Upon the adoption of a resolution by the Mississippi
46 Development Authority, declaring the necessity for the issuance of
47 any part or all of the general obligation bonds authorized by this
48 subsection, the Mississippi Development Authority shall deliver a
49 certified copy of its resolution or resolutions to the commission.
50 Upon receipt of such resolution, the commission, in its
51 discretion, may act as the issuing agent, prescribe the form of
52 the bonds, advertise for and accept bids, issue and sell the bonds
53 so authorized to be sold and do any and all other things necessary
54 and advisable in connection with the issuance and sale of such
55 bonds. The total amount of bonds issued under this section shall
56 not exceed Five Million Dollars (\$5,000,000.00). No bonds
57 authorized under this section shall be issued after July 1, 2011.

58 (b) The proceeds of bonds issued pursuant to this
59 section shall be deposited into the Small Municipalities and
60 Limited Population Counties Fund created pursuant to Section
61 57-1-18. Any investment earnings on bonds issued pursuant to this
62 section shall be used to pay debt service on bonds issued under
63 this section, in accordance with the proceedings authorizing
64 issuance of such bonds.

65 (3) The principal of and interest on the bonds authorized
66 under this section shall be payable in the manner provided in this
67 subsection. Such bonds shall bear such date or dates, be in such
68 denomination or denominations, bear interest at such rate or rates
69 (not to exceed the limits set forth in Section 75-17-101,
70 Mississippi Code of 1972), be payable at such place or places
71 within or without the State of Mississippi, shall mature
72 absolutely at such time or times not to exceed twenty-five (25)

73 years from date of issue, be redeemable before maturity at such
74 time or times and upon such terms, with or without premium, shall
75 bear such registration privileges, and shall be substantially in
76 such form, all as shall be determined by resolution of the
77 commission.

78 (4) The bonds authorized by this section shall be signed by
79 the chairman of the commission, or by his facsimile signature, and
80 the official seal of the commission shall be affixed thereto,
81 attested by the secretary of the commission. The interest
82 coupons, if any, to be attached to such bonds may be executed by
83 the facsimile signatures of such officers. Whenever any such
84 bonds shall have been signed by the officials designated to sign
85 the bonds who were in office at the time of such signing but who
86 may have ceased to be such officers before the sale and delivery
87 of such bonds, or who may not have been in office on the date such
88 bonds may bear, the signatures of such officers upon such bonds
89 and coupons shall nevertheless be valid and sufficient for all
90 purposes and have the same effect as if the person so officially
91 signing such bonds had remained in office until their delivery to
92 the purchaser, or had been in office on the date such bonds may
93 bear. However, notwithstanding anything herein to the contrary,
94 such bonds may be issued as provided in the Registered Bond Act of
95 the State of Mississippi.

96 (5) All bonds and interest coupons issued under the
97 provisions of this section have all the qualities and incidents of
98 negotiable instruments under the provisions of the Uniform
99 Commercial Code, and in exercising the powers granted by this
100 section, the commission shall not be required to and need not
101 comply with the provisions of the Uniform Commercial Code.

102 (6) The commission shall act as the issuing agent for the
103 bonds authorized under this section, prescribe the form of the
104 bonds, advertise for and accept bids, issue and sell the bonds so
105 authorized to be sold, pay all fees and costs incurred in such

106 issuance and sale, and do any and all other things necessary and
107 advisable in connection with the issuance and sale of such bonds.
108 The commission is authorized and empowered to pay the costs that
109 are incident to the sale, issuance and delivery of the bonds
110 authorized under this section from the proceeds derived from the
111 sale of such bonds. The commission shall sell such bonds on
112 sealed bids at public sale, and for such price as it may determine
113 to be for the best interest of the State of Mississippi, but no
114 such sale shall be made at a price less than par plus accrued
115 interest to the date of delivery of the bonds to the purchaser.
116 All interest accruing on such bonds so issued shall be payable
117 semiannually or annually; however, the first interest payment may
118 be for any period of not more than one (1) year.

119 Notice of the sale of any such bonds shall be published at
120 least one time, not less than ten (10) days before the date of
121 sale, and shall be so published in one or more newspapers
122 published or having a general circulation in the City of Jackson,
123 Mississippi, and in one or more other newspapers or financial
124 journals with a national circulation, to be selected by the
125 commission.

126 The commission, when issuing any bonds under the authority of
127 this section, may provide that bonds, at the option of the State
128 of Mississippi, may be called in for payment and redemption at the
129 call price named therein and accrued interest on such date or
130 dates named therein.

131 (7) The bonds issued under the provisions of this section
132 are general obligations of the State of Mississippi, and for the
133 payment thereof the full faith and credit of the State of
134 Mississippi is irrevocably pledged. If the funds appropriated by
135 the Legislature are insufficient to pay the principal of and the
136 interest on such bonds as they become due, then the deficiency
137 shall be paid by the State Treasurer from any funds in the State
138 Treasury not otherwise appropriated. All such bonds shall contain

139 recitals on their faces substantially covering the provisions of
140 this section.

141 (8) Upon the issuance and sale of bonds under the provisions
142 of this section, the commission shall transfer the proceeds of any
143 such sale or sales to the Small Municipalities and Limited
144 Population Counties Fund created in Section 57-1-18. The proceeds
145 of such bonds shall be disbursed solely upon the order of the
146 Mississippi Development Authority under such restrictions, if any,
147 as may be contained in the resolution providing for the issuance
148 of the bonds.

149 (9) The bonds authorized under this section may be issued
150 without any other proceedings or the happening of any other
151 conditions or things other than those proceedings, conditions and
152 things which are specified or required by this section. Any
153 resolution providing for the issuance of bonds under the
154 provisions of this section shall become effective immediately upon
155 its adoption by the commission, and any such resolution may be
156 adopted at any regular or special meeting of the commission by a
157 majority of its members.

158 (10) The bonds authorized under the authority of this
159 section may be validated in the Chancery Court of the First
160 Judicial District of Hinds County, Mississippi, in the manner and
161 with the force and effect provided by Chapter 13, Title 31,
162 Mississippi Code of 1972, for the validation of county, municipal,
163 school district and other bonds. The notice to taxpayers required
164 by such statutes shall be published in a newspaper published or
165 having a general circulation in the City of Jackson, Mississippi.

166 (11) Any holder of bonds issued under the provisions of this
167 section or of any of the interest coupons pertaining thereto may,
168 either at law or in equity, by suit, action, mandamus or other
169 proceeding, protect and enforce any and all rights granted under
170 this section, or under such resolution, and may enforce and compel
171 performance of all duties required by this section to be

172 performed, in order to provide for the payment of bonds and
173 interest thereon.

174 (12) All bonds issued under the provisions of this section
175 shall be legal investments for trustees and other fiduciaries, and
176 for savings banks, trust companies and insurance companies
177 organized under the laws of the State of Mississippi, and such
178 bonds shall be legal securities which may be deposited with and
179 shall be received by all public officers and bodies of this state
180 and all municipalities and political subdivisions for the purpose
181 of securing the deposit of public funds.

182 (13) Bonds issued under the provisions of this section and
183 income therefrom shall be exempt from all taxation in the State of
184 Mississippi.

185 (14) The proceeds of the bonds issued under this section
186 shall be used solely for the purposes therein provided, including
187 the costs incident to the issuance and sale of such bonds.

188 (15) The State Treasurer is authorized, without further
189 process of law, to certify to the Department of Finance and
190 Administration the necessity for warrants, and the Department of
191 Finance and Administration is authorized and directed to issue
192 such warrants, in such amounts as may be necessary to pay when due
193 the principal of, premium, if any, and interest on, or the
194 accreted value of, all bonds issued under this section; and the
195 State Treasurer shall forward the necessary amount to the
196 designated place or places of payment of such bonds in ample time
197 to discharge such bonds, or the interest thereon, on the due dates
198 thereof.

199 (16) This section shall be deemed to be full and complete
200 authority for the exercise of the powers therein granted, but this
201 section shall not be deemed to repeal or to be in derogation of
202 any existing law of this state.

203 **SECTION 2.** Section 57-1-18, Mississippi Code of 1972, is
204 amended as follows:

205 57-1-18. (1) For the purposes of this section, the
206 following terms shall have the meanings ascribed in this section
207 unless the context clearly indicates otherwise:

208 (a) "Limited population county" means a county in the
209 State of Mississippi with a population of thirty thousand (30,000)
210 or less according to the most recent federal decennial census at
211 the time the county submits its application to the MDA under this
212 section.

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

214 (c) "Project" means highways, streets and other
215 roadways, bridges, sidewalks, utilities, airfields, airports,
216 acquisition of equipment, acquisition of real property,
217 development of real property, improvements to real property, and
218 any other project approved by the MDA.

219 (d) "Small municipality" means a municipality in the
220 State of Mississippi with a population of ten thousand (10,000) or
221 less according to the most recent federal decennial census at the
222 time the municipality submits its application to the MDA under
223 this section.

224 (2) (a) There is hereby created in the State Treasury a
225 special fund to be designated as the "Small Municipalities and
226 Limited Population Counties Fund," which shall consist of funds
227 appropriated or otherwise made available by the Legislature in any
228 manner and funds from any other source designated for deposit into
229 such fund. Unexpended amounts remaining in the fund at the end of
230 a fiscal year shall not lapse into the State General Fund, and any
231 investment earnings or interest earned on amounts in the fund
232 shall be deposited to the credit of the fund. Monies in the fund
233 shall be used to make grants to small municipalities and limited
234 population counties or natural gas districts created by law and
235 contained therein to assist in completing projects under this
236 section.

237 (b) Monies in the fund which are derived from proceeds
238 of bonds issued under Sections 1 through 16 of Chapter 538, Laws
239 of 2002, Sections 1 through 16 of Chapter 508, Laws of 2003,
240 Sections 55 through 70 of Chapter 1, Laws of 2004 Third
241 Extraordinary Session, Sections 1 through 16 of Chapter 482, Laws
242 of 2006, or Section 1 of Senate Bill No. 3099, 2007 Regular
243 Session, may be used to reimburse reasonable actual and necessary
244 costs incurred by the MDA in providing assistance related to a
245 project for which funding is provided under this section from the
246 use of proceeds of such bonds. An accounting of actual costs
247 incurred for which reimbursement is sought shall be maintained for
248 each project by the MDA. Reimbursement of reasonable actual and
249 necessary costs for a project shall not exceed three percent (3%)
250 of the proceeds of bonds issued for such project. Monies
251 authorized for a particular project may not be used to reimburse
252 administrative costs for unrelated projects. Reimbursements under
253 this subsection shall satisfy any applicable federal tax law
254 requirements.

255 (3) The MDA shall establish a grant program to make grants
256 to small municipalities and limited population counties from the
257 Small Municipalities and Limited Population Counties Fund. Grants
258 made under this section to a small municipality or a limited
259 population county shall not exceed Two Hundred Fifty Thousand
260 Dollars (\$250,000.00) during any grant period established by the
261 MDA. A small municipality or limited population county may apply
262 to the MDA for a grant under this section in the manner provided
263 for in this section.

264 (4) A small municipality or limited population county
265 desiring assistance under this section must submit an application
266 to the MDA. The application must include a description of the
267 project for which assistance is requested, the cost of the project
268 for which assistance is requested, the amount of assistance
269 requested and any other information required by the MDA.

270 (5) The MDA shall have all powers necessary to implement and
271 administer the program established under this section, and the
272 department shall promulgate rules and regulations, in accordance
273 with the Mississippi Administrative Procedures Law, necessary for
274 the implementation of this section.

275 (6) The MDA shall file an annual report with the Governor,
276 Secretary of the Senate and the Clerk of the House of
277 Representatives not later than December 1 of each year, describing
278 all assistance provided under this section.

279 **SECTION 3.** Section 57-61-25, Mississippi Code of 1972, is
280 amended as follows:

281 57-61-25. (1) The seller is authorized to borrow, on the
282 credit of the state upon receipt of a resolution from the
283 Mississippi Development Authority requesting the same, money not
284 exceeding the aggregate sum of Three Hundred Seven Million Dollars
285 (\$307,000,000.00), not including money borrowed to refund
286 outstanding bonds, notes or replacement notes, as may be necessary
287 to carry out the purposes of this chapter. The rate of interest
288 on any such bonds or notes which are not subject to taxation shall
289 not exceed the rates set forth in Section 75-17-101, Mississippi
290 Code of 1972, for general obligation bonds.

291 (2) As evidence of indebtedness authorized in this chapter,
292 general or limited obligation bonds of the state shall be issued
293 from time to time, to provide monies necessary to carry out the
294 purposes of this chapter for such total amounts, in such form, in
295 such denominations payable in such currencies (either domestic or
296 foreign or both) and subject to such terms and conditions of
297 issue, redemption and maturity, rate of interest and time of
298 payment of interest as the seller directs, except that such bonds
299 shall mature or otherwise be retired in annual installments
300 beginning not more than five (5) years from date thereof and
301 extending not more than thirty (30) years from date thereof.

302 (3) All bonds and notes issued under authority of this
303 chapter shall be signed by the chairman of the seller, or by his
304 facsimile signature, and the official seal of the seller shall be
305 affixed thereto, attested by the secretary of the seller.

306 (4) All bonds and notes issued under authority of this
307 chapter may be general or limited obligations of the state, and
308 the full faith and credit of the State of Mississippi as to
309 general obligation bonds, or the revenues derived from projects
310 assisted as to limited obligation bonds, are hereby pledged for
311 the payment of the principal of and interest on such bonds and
312 notes.

313 (5) Such bonds and notes and the income therefrom shall be
314 exempt from all taxation in the State of Mississippi.

315 (6) The bonds may be issued as coupon bonds or registered as
316 to both principal and interest, as the seller may determine. If
317 interest coupons are attached, they shall contain the facsimile
318 signature of the chairman and secretary of the seller.

319 (7) The seller is authorized to provide, by resolution, for
320 the issuance of refunding bonds for the purpose of refunding any
321 debt issued under the provision of this chapter and then
322 outstanding, either by voluntary exchange with the holders of the
323 outstanding debt or to provide funds to redeem and the costs of
324 issuance and retirement of the debt, at maturity or at any call
325 date. The issuance of the refunding bonds, the maturities and
326 other details thereof, the rights of the holders thereof and the
327 duties of the issuing officials in respect to the same shall be
328 governed by the provisions of this section, insofar as they may be
329 applicable.

330 (8) As to bonds issued hereunder and designated as taxable
331 bonds by the seller, any immunity of the state to taxation by the
332 United States government of interest on bonds or notes issued by
333 the state is hereby waived.

334 (9) The proceeds of bonds issued under this chapter after
335 April 9, 2002, may be used to reimburse reasonable actual and
336 necessary costs incurred by the Mississippi Development Authority
337 in administering a program or providing assistance related to a
338 project, or both, for which funding is provided from the use of
339 proceeds of such bonds. An accounting of actual costs incurred
340 for which reimbursement is sought shall be maintained for each
341 project by the Mississippi Development Authority. Reimbursement
342 of reasonable actual and necessary costs for a program or project
343 shall not exceed three percent (3%) of the proceeds of bonds
344 issued for such program or project. Monies authorized for a
345 particular program or project may not be used to reimburse
346 administrative costs for unrelated programs or projects.
347 Reimbursements under this subsection shall satisfy any applicable
348 federal tax law requirements.

349 **SECTION 4.** Section 57-61-36, Mississippi Code of 1972, is
350 amended as follows:

351 57-61-36. (1) Notwithstanding any provision of this chapter
352 to the contrary, the Mississippi Development Authority shall
353 utilize not more than Twelve Million Five Hundred Thousand Dollars
354 (\$12,500,000.00) out of the proceeds of bonds authorized to be
355 issued in this chapter for the purpose of making grants to
356 municipalities through a Development Infrastructure Grant Fund to
357 complete infrastructure related to new or expanded industry.

358 (2) Notwithstanding any provision of this chapter to the
359 contrary, the Mississippi Development Authority may utilize not
360 more than Seven Million Dollars (\$7,000,000.00) out of the
361 proceeds of bonds authorized to be issued in this chapter for the
362 purpose of making interest-bearing loans to any agency,
363 department, institution, instrumentality or political subdivision
364 of the state; or any agency, department, institution or
365 instrumentality of any political subdivision of the state; or any
366 business, organization, corporation, association or other legal

367 entity meeting criteria established by the department, through a
368 Housing Development Revolving Loan Fund, to construct or repair
369 housing for low or moderate income earners; provided, however,
370 that the department may not utilize any bond proceeds authorized
371 under this chapter for the purpose of making any loans to the
372 Mississippi Home Corporation for any purpose whatsoever. No more
373 than forty percent (40%) of the additional bonds authorized by
374 Chapter 559, Laws of 1998, may be used for multiple family housing
375 activities. Funds authorized under this subsection may be
376 deposited in the Mississippi Affordable Housing Development Fund
377 authorized in Section 43-33-759 and used for purposes authorized
378 by that section. This subsection (2) shall be repealed from and
379 after July 1, 2010.

380 (3) Notwithstanding any provision of this chapter to the
381 contrary, the Mississippi Development Authority shall utilize not
382 more than Eighteen Million Five Hundred Thousand Dollars
383 (\$18,500,000.00) out of the proceeds of bonds authorized to be
384 issued in this chapter for the purpose of making grants or loans
385 to municipalities through an equipment and public facilities grant
386 and loan fund to aid in infrastructure-related improvements as
387 determined by the Mississippi Development Authority, the purchase
388 of equipment and in the purchase, construction or repair and
389 renovation of public facilities. Any bonds previously issued for
390 the Development Infrastructure Revolving Loan Program which have
391 not been loaned or applied for are eligible to be administered as
392 grants or loans. In making grants and loans under this section,
393 the Mississippi Development Authority shall attempt to provide for
394 an equitable distribution of such grants and loans among each of
395 the congressional districts of this state in order to promote
396 economic development across the entire state.

397 The requirements of Section 57-61-9 shall not apply to any
398 grant made under this subsection. The Mississippi Development

399 Authority may establish criteria and guidelines to govern grants
400 made pursuant to this subsection.

401 (4) Notwithstanding any provision of this chapter to the
402 contrary, the Mississippi Development Authority may utilize not
403 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
404 of the proceeds of bonds authorized to be issued in this chapter
405 in order to match federal funds available from the United States
406 Department of Agriculture for the purpose of establishing an
407 Intermediary Relending Program to be administered by the
408 Mississippi Development Authority. The Mississippi Development
409 Authority may establish criteria and guidelines to govern loans
410 made under such program. This subsection (4) shall be repealed
411 from and after April 9, 2002.

412 (5) The Mississippi Development Authority may establish a
413 Capital Access Program and may contract with any financial
414 institution to participate in the program upon such terms and
415 conditions as the authority shall consider necessary and proper.
416 The Mississippi Development Authority may establish loss reserve
417 accounts at financial institutions that participate in the program
418 and require payments by the financial institution and the borrower
419 to such loss reserve accounts. All money in such loss reserve
420 accounts is the property of the Mississippi Development Authority.

421 Under the Capital Access Program a participating financial
422 institution may make a loan to any borrower the Mississippi
423 Development Authority determines to be qualified under rules and
424 regulations adopted by the authority and be protected against
425 losses from such loans as provided in the program. Under such
426 rules and regulations as may be adopted by the Mississippi
427 Development Authority, a participating financial institution may
428 submit claims for the reimbursement for losses incurred as a
429 result of default on loans by qualified borrowers.

430 Notwithstanding any provision of this chapter to the
431 contrary, the Mississippi Development Authority may utilize not

432 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
433 of the proceeds of bonds authorized to be issued in this chapter
434 for the purpose of making payments to loan loss reserve accounts
435 established at financial institutions that participate in the
436 Capital Access Program established by the Mississippi Development
437 Authority.

438 (6) Notwithstanding any provision of this chapter to the
439 contrary, the Mississippi Development Authority shall utilize not
440 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
441 proceeds of bonds authorized to be issued in this chapter for the
442 purpose of assisting Warren County, Mississippi, in the
443 continuation and completion of the study for the proposed Kings
444 Point Levee.

445 (7) Notwithstanding any provision of this chapter to the
446 contrary, the Mississippi Development Authority shall utilize not
447 more than One Hundred Thousand Dollars (\$100,000.00) out of the
448 proceeds of bonds authorized to be issued in this chapter for the
449 purpose of developing a long-range plan for coordinating the
450 resources of the state institutions of higher learning, the
451 community and junior colleges, the Mississippi Development
452 Authority and other state agencies in order to promote economic
453 development in the state.

454 (8) Notwithstanding any other provision of this chapter to
455 the contrary, the Mississippi Development Authority shall use not
456 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
457 the proceeds of bonds authorized to be issued in this chapter for
458 the purpose of providing assistance to municipalities that have
459 received Community Development Block Grant funds for repair,
460 renovation and other improvements to buildings for use as
461 community centers. Assistance provided to a municipality under
462 this subsection shall be used by the municipality to match such
463 Community Development Block Grant funds. The maximum amount of
464 assistance that may be provided to a municipality under this

465 subsection shall not exceed Seventy-five Thousand Dollars
466 (\$75,000.00) in the aggregate.

467 **SECTION 5.** Section 69-2-13, Mississippi Code of 1972, is
468 amended as follows:

469 69-2-13. (1) There is hereby established in the State
470 Treasury a fund to be known as the "Emerging Crops Fund," which
471 shall be used to pay the interest on loans made to farmers for
472 nonland capital costs of establishing production of emerging crops
473 on land in Mississippi, and to make loans and grants which are
474 authorized under this section to be made from the fund. The fund
475 shall be administered by the Mississippi Development Authority. A
476 board comprised of the directors of the authority, the Mississippi
477 Cooperative Extension Service, the Mississippi Small Farm
478 Development Center and the Mississippi Agricultural and Forestry
479 Experiment Station, or their designees, shall develop definitions,
480 guidelines and procedures for the implementation of this chapter.
481 Funds for the Emerging Crops Fund shall be provided from the
482 issuance of bonds or notes under Sections 69-2-19 through 69-2-37
483 and from repayment of interest loans made from the fund.

484 (2) (a) The Mississippi Development Authority shall develop
485 a program which gives fair consideration to making loans for the
486 processing and manufacturing of goods and services by
487 agribusiness, greenhouse production horticulture, and small
488 business concerns. It is the policy of the State of Mississippi
489 that the Mississippi Development Authority shall give due
490 recognition to and shall aid, counsel, assist and protect, insofar
491 as is possible, the interests of agribusiness, greenhouse
492 production horticulture, and small business concerns. To ensure
493 that the purposes of this subsection are carried out, the
494 Mississippi Development Authority shall loan not more than One
495 Million Dollars (\$1,000,000.00) to finance any single
496 agribusiness, greenhouse production horticulture, or small
497 business concern. Loans made pursuant to this subsection shall be

498 made in accordance with the criteria established in Section
499 57-71-11.

500 (b) The Mississippi Development Authority may, out of
501 the total amount of bonds authorized to be issued under this
502 chapter, make available funds to any planning and development
503 district in accordance with the criteria established in Section
504 57-71-11. Planning and development districts which receive monies
505 pursuant to this provision shall use such monies to make loans to
506 private companies for purposes consistent with this subsection.

507 (c) The Mississippi Development Authority is hereby
508 authorized to engage legal services, financial advisors,
509 appraisers and consultants if needed to review and close loans
510 made hereunder and to establish and assess reasonable fees,
511 including, but not limited to, liquidation expenses.

512 (3) (a) The Mississippi Development Authority shall, in
513 addition to the other programs described in this section, provide
514 for a program of loans to be made to agribusiness or greenhouse
515 production horticulture enterprises for the purpose of encouraging
516 thereby the extension of conventional financing and the issuance
517 of letters of credit to such agribusiness or greenhouse production
518 horticulture enterprises by private institutions. Monies to make
519 such loans by the Mississippi Development Authority shall be drawn
520 from the Emerging Crops Fund. The amount of a loan to any single
521 agribusiness or greenhouse production horticulture enterprise
522 under this paragraph (a) shall not exceed twenty percent (20%) of
523 the total cost of the project for which financing is sought or Two
524 Hundred Thousand Dollars (\$200,000.00), whichever is less. No
525 interest shall be charged on such loans, and only the amount
526 actually loaned shall be required to be repaid. Repayments shall
527 be deposited into the Emerging Crops Fund.

528 (b) The Mississippi Development Authority shall, in
529 addition to the other programs described in this section, provide
530 for a program of loans or loan guaranties, or both, to be made to

531 or on behalf of any agribusiness enterprise engaged in beef
532 processing for the purpose of encouraging thereby the extension of
533 conventional financing and the issuance of letters of credit to
534 such agribusiness enterprises by private institutions. Monies to
535 make such loans or loan guaranties, or both, by the Mississippi
536 Development Authority shall be drawn from the Emerging Crops Fund
537 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)
538 in the aggregate. The amount of a loan to any single agribusiness
539 enterprise or loan guaranty on behalf of such agribusiness
540 enterprise, or both, under this paragraph (b) shall not exceed the
541 total cost of the project for which financing is sought or
542 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.
543 The interest charged on a loan made under this paragraph (b) shall
544 be at a rate determined by the Mississippi Development Authority.
545 All repayments of any loan made under this paragraph (b) shall be
546 deposited into the Emerging Crops Fund. Assistance received by an
547 agribusiness enterprise under this paragraph (b) shall not
548 disqualify the agribusiness enterprise from obtaining any other
549 assistance under this chapter.

550 (4) (a) Through June 30, 2010, the Mississippi Development
551 Authority may loan or grant to qualified planning and development
552 districts, and to small business investment corporations,
553 bank-based community development corporations, the Recruitment and
554 Training Program, Inc., the City of Jackson Business Development
555 Loan Fund, the Lorman Southwest Mississippi Development
556 Corporation, the West Jackson Community Development Corporation,
557 the East Mississippi Development Corporation, and other entities
558 meeting the criteria established by the Mississippi Development
559 Authority (all referred to hereinafter as "qualified entities"),
560 funds for the purpose of establishing loan revolving funds to
561 assist in providing financing for minority economic development.
562 The monies loaned or granted by the Mississippi Development
563 Authority shall be drawn from the Emerging Crops Fund and shall

564 not exceed Twenty-seven Million Dollars (\$27,000,000.00) in the
565 aggregate. Planning and development districts or qualified
566 entities which receive monies pursuant to this provision shall use
567 such monies to make loans to minority business enterprises
568 consistent with criteria established by the Mississippi
569 Development Authority. Such criteria shall include, at a minimum,
570 the following:

571 (i) The business enterprise must be a private,
572 for-profit enterprise.

573 (ii) If the business enterprise is a
574 proprietorship, the borrower must be a resident citizen of the
575 State of Mississippi; if the business enterprise is a corporation
576 or partnership, at least fifty percent (50%) of the owners must be
577 resident citizens of the State of Mississippi.

578 (iii) The borrower must have at least five percent
579 (5%) equity interest in the business enterprise.

580 (iv) The borrower must demonstrate ability to
581 repay the loan.

582 (v) The borrower must not be in default of any
583 previous loan from the state or federal government.

584 (vi) Loan proceeds may be used for financing all
585 project costs associated with development or expansion of a new
586 small business, including fixed assets, working capital, start-up
587 costs, rental payments, interest expense during construction and
588 professional fees related to the project.

589 (vii) Loan proceeds shall not be used to pay off
590 existing debt for loan consolidation purposes; to finance the
591 acquisition, construction, improvement or operation of real
592 property which is to be held primarily for sale or investment; to
593 provide for, or free funds, for speculation in any kind of
594 property; or as a loan to owners, partners or stockholders of the
595 applicant which do not change ownership interest by the applicant.

596 However, this does not apply to ordinary compensation for services
597 rendered in the course of business.

598 (viii) The maximum amount that may be loaned to
599 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
600 (\$250,000.00).

601 (ix) The Mississippi Development Authority shall
602 review each loan before it is made, and no loan shall be made to
603 any borrower until the loan has been reviewed and approved by the
604 Mississippi Development Authority.

605 (b) For the purpose of this subsection, the term
606 "minority business enterprise" means a socially and economically
607 disadvantaged small business concern, organized for profit,
608 performing a commercially useful function which is owned and
609 controlled by one or more minorities or minority business
610 enterprises certified by the Mississippi Development Authority, at
611 least fifty percent (50%) of whom are resident citizens of the
612 State of Mississippi. Except as otherwise provided, for purposes
613 of this subsection, the term "socially and economically
614 disadvantaged small business concern" shall have the meaning
615 ascribed to such term under the Small Business Act (15 USCS,
616 Section 637(a)), or women, and the term "owned and controlled"
617 means a business in which one or more minorities or minority
618 business enterprises certified by the Mississippi Development
619 Authority own sixty percent (60%) or, in the case of a
620 corporation, sixty percent (60%) of the voting stock, and control
621 sixty percent (60%) of the management and daily business
622 operations of the business. However, an individual whose personal
623 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)
624 shall not be considered to be an economically disadvantaged
625 individual.

626 From and after July 1, 2010, monies not loaned or granted by
627 the Mississippi Development Authority to planning and development
628 districts or qualified entities under this subsection, and monies

629 not loaned by planning and development districts or qualified
630 entities, shall be deposited to the credit of the sinking fund
631 created and maintained in the State Treasury for the retirement of
632 bonds issued under Section 69-2-19.

633 (c) Notwithstanding any other provision of this
634 subsection to the contrary, if federal funds are not available for
635 commitments made by a planning and development district to provide
636 assistance under any federal loan program administered by the
637 planning and development district in coordination with the
638 Appalachian Regional Commission or Economic Development
639 Administration, or both, a planning and development district may
640 use funds in its loan revolving fund, which have not been
641 committed otherwise to provide assistance, for the purpose of
642 providing temporary funding for such commitments. If a planning
643 and development district uses uncommitted funds in its loan
644 revolving fund to provide such temporary funding, the district
645 shall use funds repaid to the district under the temporarily
646 funded federal loan program to replenish the funds used to provide
647 the temporary funding. Funds used by a planning and development
648 district to provide temporary funding under this paragraph (c)
649 must be repaid to the district's loan revolving fund no later than
650 twelve (12) months after the date the district provides the
651 temporary funding. A planning and development district may not
652 use uncommitted funds in its loan revolving fund to provide
653 temporary funding under this paragraph (c) on more than two (2)
654 occasions during a calendar year. A planning and development
655 district may provide temporary funding for multiple commitments on
656 each such occasion. The maximum aggregate amount of uncommitted
657 funds in a loan revolving fund that may be used for such purposes
658 during a calendar year shall not exceed seventy percent (70%) of
659 the uncommitted funds in the loan revolving fund on the date the
660 district first provides temporary funding during the calendar
661 year.

662 (d) If the Mississippi Development Authority determines
663 that a planning and development district or qualified entity has
664 provided loans to minority businesses in a manner inconsistent
665 with the provisions of this subsection, then the amount of such
666 loans so provided shall be withheld by the Mississippi Development
667 Authority from any additional grant funds to which the planning
668 and development district or qualified entity becomes entitled
669 under this subsection. If the Mississippi Development Authority
670 determines, after notifying such planning and development district
671 or qualified entity twice in writing and providing such planning
672 and development district or qualified entity a reasonable
673 opportunity to comply, that a planning and development district or
674 qualified entity has consistently failed to comply with this
675 subsection, the Mississippi Development Authority may declare such
676 planning and development district or qualified entity in default
677 under this subsection and, upon receipt of notice thereof from the
678 Mississippi Development Authority, such planning and development
679 district or qualified entity shall immediately cease providing
680 loans under this subsection, shall refund to the Mississippi
681 Development Authority for distribution to other planning and
682 development districts or qualified entities all funds held in its
683 revolving loan fund and, if required by the Mississippi
684 Development Authority, shall convey to the Mississippi Development
685 Authority all administrative and management control of loans
686 provided by it under this subsection.

687 (e) If the Mississippi Development Authority
688 determines, after notifying a planning and development district or
689 qualified entity twice in writing and providing copies of such
690 notification to each member of the Legislature in whose district
691 or in a part of whose district such planning and development
692 district or qualified entity is located and providing such
693 planning and development district or qualified entity a reasonable
694 opportunity to take corrective action, that a planning and

695 development district or qualified entity administering a revolving
696 loan fund under the provisions of this subsection is not actively
697 engaged in lending as defined by the rules and regulations of the
698 Mississippi Development Authority, the Mississippi Development
699 Authority may declare such planning and development district or
700 qualified entity in default under this subsection and, upon
701 receipt of notice thereof from the Mississippi Development
702 Authority, such planning and development district or qualified
703 entity shall immediately cease providing loans under this
704 subsection, shall refund to the Mississippi Development Authority
705 for distribution to other planning and development districts or
706 qualified entities all funds held in its revolving loan fund and,
707 if required by the Mississippi Development Authority, shall convey
708 to the Mississippi Development Authority all administrative and
709 management control of loans provided by it under this subsection.

710 (5) The Mississippi Development Authority shall develop a
711 program which will assist minority business enterprises by
712 guaranteeing bid, performance and payment bonds which such
713 minority businesses are required to obtain in order to contract
714 with federal agencies, state agencies or political subdivisions of
715 the state. Monies for such program shall be drawn from the monies
716 allocated under subsection (4) of this section to assist the
717 financing of minority economic development and shall not exceed
718 Three Million Dollars (\$3,000,000.00) in the aggregate. The
719 Mississippi Development Authority may promulgate rules and
720 regulations for the operation of the program established pursuant
721 to this subsection. For the purpose of this subsection (5) the
722 term "minority business enterprise" has the meaning assigned such
723 term in subsection (4) of this section.

724 (6) The Mississippi Development Authority may loan or grant
725 to public entities and to nonprofit corporations funds to defray
726 the expense of financing (or to match any funds available from
727 other public or private sources for the expense of financing)

728 projects in this state which are devoted to the study, teaching
729 and/or promotion of regional crafts and which are deemed by the
730 authority to be significant tourist attractions. The monies
731 loaned or granted shall be drawn from the Emerging Crops Fund and
732 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
733 in the aggregate.

734 (7) Through June 30, 2006, the Mississippi Development
735 Authority shall make available to the Mississippi Department of
736 Agriculture and Commerce funds for the purpose of establishing
737 loan revolving funds and other methods of financing for
738 agribusiness programs administered under the Mississippi
739 Agribusiness Council Act of 1993. The monies made available by
740 the Mississippi Development Authority shall be drawn from the
741 Emerging Crops Fund and shall not exceed One Million Two Hundred
742 Thousand Dollars (\$1,200,000.00) in the aggregate. The
743 Mississippi Department of Agriculture and Commerce shall establish
744 control and auditing procedures for use of these funds. These
745 funds will be used primarily for quick payment to farmers for
746 vegetable and fruit crops processed and sold through vegetable
747 processing plants associated with the Department of Agriculture
748 and Commerce and the Mississippi State Extension Service.

749 (8) From and after July 1, 1996, the Mississippi Development
750 Authority shall make available to the Mississippi Small Farm
751 Development Center One Million Dollars (\$1,000,000.00) to be used
752 by the center to assist small entrepreneurs as provided in Section
753 37-101-25, Mississippi Code of 1972. The monies made available by
754 the Mississippi Development Authority shall be drawn from the
755 Emerging Crops Fund.

756 (9) The Mississippi Development Authority shall make
757 available to the Agribusiness and Natural Resource Development
758 Center through Alcorn State University an amount not to exceed Two
759 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001
760 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal

761 year 2002 from the cash balance of the Emerging Crops Fund to
762 support the development of a cooperative program for agribusiness
763 development, marketing and natural resources development. This
764 subsection (9) shall stand repealed on June 30, 2006.

765 (10) The Mississippi Development Authority shall make
766 available to the Small Farm Development Center at Alcorn State
767 University funds in an aggregate amount not to exceed Three
768 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
769 balance of the Emerging Crops Fund. The Small Farm Development
770 Center at Alcorn State University shall use such funds to make
771 loans to producers of sweet potatoes and cooperatives anywhere in
772 the State of Mississippi owned by sweet potato producers to assist
773 in the planting of sweet potatoes and the purchase of sweet potato
774 production and harvesting equipment. A report of the loans made
775 under this subsection shall be furnished by January 15 of each
776 year to the Chairman of the Senate Agriculture Committee and the
777 Chairman of the House Agriculture Committee.

778 (11) The Mississippi Development Authority shall make
779 available to the Mississippi Department of Agriculture and
780 Commerce "Make Mine Mississippi" program an amount not to exceed
781 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
782 the cash balance of the Emerging Crops Fund.

783 (12) The Mississippi Development Authority shall make
784 available to the Mississippi Department of Agriculture and
785 Commerce an amount not to exceed One Hundred Fifty Thousand
786 Dollars (\$150,000.00) to be drawn from the cash balance of the
787 Emerging Crops Fund to be used for the rehabilitation and
788 maintenance of the Mississippi Farmers Central Market in Jackson,
789 Mississippi.

790 (13) The Mississippi Development Authority shall make
791 available to the Mississippi Department of Agriculture and
792 Commerce an amount not to exceed Twenty-five Thousand Dollars
793 (\$25,000.00) to be drawn from the cash balance of the Emerging

794 Crops Fund to be used for advertising purposes related to the
795 Mississippi Farmers Central Market in Jackson, Mississippi.

796 (14) (a) The Mississippi Development Authority shall, in
797 addition to the other programs described in this section, provide
798 for a program of loan guaranties to be made on behalf of any
799 nonprofit entity qualified under Section 501(c)(3) of the Internal
800 Revenue Code and certified by the United States Department of the
801 Treasury as a community development financial institution for the
802 purpose of encouraging the extension of financing to such an
803 entity which financing the entity will use to make funds available
804 to other entities for the purpose of making loans available in
805 low-income communities in Mississippi. Monies to make such loan
806 guaranties by the Mississippi Development Authority shall be drawn
807 from the Emerging Crops Fund and shall not exceed Two Million
808 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan
809 guaranty on behalf of such an entity under this subsection (14)
810 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance
811 received by an entity under this subsection (14) shall not
812 disqualify the entity from obtaining any other assistance under
813 this chapter.

814 (b) An entity desiring assistance under this subsection
815 (14) must submit an application to the Mississippi Development
816 Authority. The application must include any information required
817 by the Mississippi Development Authority.

818 (c) The Mississippi Development Authority shall have
819 all powers necessary to implement and administer the program
820 established under this subsection (14), and the Mississippi
821 Development Authority shall promulgate rules and regulations, in
822 accordance with the Mississippi Administrative Procedures Law,
823 necessary for the implementation of this subsection (14).

824 **SECTION 6.** Section 69-2-19, Mississippi Code of 1972, is
825 amended as follows:

826 69-2-19. (1) The Mississippi Development Authority is
827 authorized, at one time, or from time to time, to declare by
828 resolution the necessity for issuance of negotiable general
829 obligation bonds of the State of Mississippi to provide funds for
830 the Emerging Crops Fund established in Section 69-2-13. Upon the
831 adoption of a resolution by the board, declaring the necessity for
832 the issuance of any part or all of the general obligation bonds
833 authorized by Sections 69-2-19 through 69-2-39, the authority
834 shall deliver a certified copy of its resolution or resolutions to
835 the State Bond Commission. Upon receipt of same, the State Bond
836 Commission, in its discretion, shall act as the issuing agent,
837 prescribe the form of the bonds, advertise for and accept bids,
838 issue and sell the bonds so authorized to be sold, and do any and
839 all other things necessary and advisable in connection with the
840 issuance and sale of such bonds. The amount of bonds issued under
841 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Six
842 Million Dollars (\$106,000,000.00) in the aggregate; however:

843 (a) An additional amount of bonds may be issued under
844 Sections 69-2-19 through 69-2-39 in an amount not to exceed
845 Thirty-five Million Dollars (\$35,000,000.00), and the proceeds of
846 any such additional bonds shall be used solely for the purposes
847 described in Section 69-2-13(3)(b); and

848 (b) An additional amount of bonds may be issued under
849 Sections 69-2-19 through 69-2-39 in an amount not to exceed Two
850 Million Dollars (\$2,000,000.00), and the proceeds of any such
851 additional bonds shall be used solely for the purposes described
852 in Section 69-2-13(14).

853 (2) No bonds may be issued under Sections 69-2-19 through
854 69-2-39 after October 1, 2019.

855 **SECTION 7.** This act shall take effect and be in force from
856 and after its passage.