

By: Senator(s) Robertson, Albritton, Butler, Chaney, Chassaniol, Dawkins, Dearing, Fillingane, Frazier, Gollott, Gordon, Harden, Horhn, Jackson (11th), Jackson (32nd), Jordan, King, Lee (35th), Little, Mettetal, Morgan, Thames, Thomas, Walley, Walls, White, Wilemon

To: Finance

SENATE BILL NO. 3170

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
 2 TO INCREASE FROM \$306,000,000.00 TO \$307,000,000.00 THE AMOUNT OF
 3 GENERAL OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI
 4 BUSINESS INVESTMENT ACT; TO AMEND SECTION 57-61-36, MISSISSIPPI
 5 CODE OF 1972, TO INCREASE FROM \$17,500,000.00 TO \$18,500,000.00
 6 THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT
 7 AUTHORITY MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT
 8 ACT TO MAKE LOANS OR GRANTS TO COUNTIES AND MUNICIPALITIES THROUGH
 9 AN EQUIPMENT AND PUBLIC FACILITIES GRANT AND LOAN FUND TO AID IN
 10 INFRASTRUCTURE-RELATED IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND
 11 IN THE PURCHASE, CONSTRUCTION OR REPAIR AND RENOVATION OF PUBLIC
 12 FACILITIES; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is
 15 amended as follows:

16 57-61-25. (1) The seller is authorized to borrow, on the
 17 credit of the state upon receipt of a resolution from the
 18 Mississippi Development Authority requesting the same, money not
 19 exceeding the aggregate sum of Three Hundred Seven Million Dollars
 20 (\$307,000,000.00), not including money borrowed to refund
 21 outstanding bonds, notes or replacement notes, as may be necessary
 22 to carry out the purposes of this chapter. The rate of interest
 23 on any such bonds or notes which are not subject to taxation shall
 24 not exceed the rates set forth in Section 75-17-101, Mississippi
 25 Code of 1972, for general obligation bonds.

26 (2) As evidence of indebtedness authorized in this chapter,
 27 general or limited obligation bonds of the state shall be issued
 28 from time to time, to provide monies necessary to carry out the
 29 purposes of this chapter for such total amounts, in such form, in
 30 such denominations payable in such currencies (either domestic or
 31 foreign or both) and subject to such terms and conditions of
 32 issue, redemption and maturity, rate of interest and time of

33 payment of interest as the seller directs, except that such bonds
34 shall mature or otherwise be retired in annual installments
35 beginning not more than five (5) years from date thereof and
36 extending not more than thirty (30) years from date thereof.

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

41 (4) All bonds and notes issued under authority of this
42 chapter may be general or limited obligations of the state, and
43 the full faith and credit of the State of Mississippi as to
44 general obligation bonds, or the revenues derived from projects
45 assisted as to limited obligation bonds, are hereby pledged for
46 the payment of the principal of and interest on such bonds and
47 notes.

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

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

54 (7) The seller is authorized to provide, by resolution, for
55 the issuance of refunding bonds for the purpose of refunding any
56 debt issued under the provision of this chapter and then
57 outstanding, either by voluntary exchange with the holders of the
58 outstanding debt or to provide funds to redeem and the costs of
59 issuance and retirement of the debt, at maturity or at any call
60 date. The issuance of the refunding bonds, the maturities and
61 other details thereof, the rights of the holders thereof and the
62 duties of the issuing officials in respect to the same shall be
63 governed by the provisions of this section, insofar as they may be
64 applicable.

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

69 (9) The proceeds of bonds issued under this chapter after
70 April 9, 2002, may be used to reimburse reasonable actual and
71 necessary costs incurred by the Mississippi Development Authority
72 in administering a program or providing assistance related to a
73 project, or both, for which funding is provided from the use of
74 proceeds of such bonds. An accounting of actual costs incurred
75 for which reimbursement is sought shall be maintained for each
76 project by the Mississippi Development Authority. Reimbursement
77 of reasonable actual and necessary costs for a program or project
78 shall not exceed three percent (3%) of the proceeds of bonds
79 issued for such program or project. Monies authorized for a
80 particular program or project may not be used to reimburse
81 administrative costs for unrelated programs or projects.
82 Reimbursements under this subsection shall satisfy any applicable
83 federal tax law requirements.

84 **SECTION 2.** Section 57-61-36, Mississippi Code of 1972, is
85 amended as follows:

86 57-61-36. (1) Notwithstanding any provision of this chapter
87 to the contrary, the Mississippi Development Authority shall
88 utilize not more than Twelve Million Five Hundred Thousand Dollars
89 (\$12,500,000.00) out of the proceeds of bonds authorized to be
90 issued in this chapter for the purpose of making grants to
91 municipalities through a Development Infrastructure Grant Fund to
92 complete infrastructure related to new or expanded industry.

93 (2) Notwithstanding any provision of this chapter to the
94 contrary, the Mississippi Development Authority may utilize not
95 more than Seven Million Dollars (\$7,000,000.00) out of the
96 proceeds of bonds authorized to be issued in this chapter for the
97 purpose of making interest-bearing loans to any agency,

98 department, institution, instrumentality or political subdivision
99 of the state; or any agency, department, institution or
100 instrumentality of any political subdivision of the state; or any
101 business, organization, corporation, association or other legal
102 entity meeting criteria established by the department, through a
103 Housing Development Revolving Loan Fund, to construct or repair
104 housing for low or moderate income earners; provided, however,
105 that the department may not utilize any bond proceeds authorized
106 under this chapter for the purpose of making any loans to the
107 Mississippi Home Corporation for any purpose whatsoever. No more
108 than forty percent (40%) of the additional bonds authorized by
109 Chapter 559, Laws of 1998, may be used for multiple family housing
110 activities. Funds authorized under this subsection may be
111 deposited in the Mississippi Affordable Housing Development Fund
112 authorized in Section 43-33-759 and used for purposes authorized
113 by that section. This subsection (2) shall be repealed from and
114 after July 1, 2010.

115 (3) Notwithstanding any provision of this chapter to the
116 contrary, the Mississippi Development Authority shall utilize not
117 more than Eighteen Million Five Hundred Thousand Dollars
118 (\$18,500,000.00) out of the proceeds of bonds authorized to be
119 issued in this chapter for the purpose of making grants or loans
120 to municipalities through an equipment and public facilities grant
121 and loan fund to aid in infrastructure-related improvements as
122 determined by the Mississippi Development Authority, the purchase
123 of equipment and in the purchase, construction or repair and
124 renovation of public facilities. Any bonds previously issued for
125 the Development Infrastructure Revolving Loan Program which have
126 not been loaned or applied for are eligible to be administered as
127 grants or loans. In making grants and loans under this section,
128 the Mississippi Development Authority shall attempt to provide for
129 an equitable distribution of such grants and loans among each of

130 the congressional districts of this state in order to promote
131 economic development across the entire state.

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

136 (4) Notwithstanding any provision of this chapter to the
137 contrary, the Mississippi Development Authority may utilize not
138 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
139 of the proceeds of bonds authorized to be issued in this chapter
140 in order to match federal funds available from the United States
141 Department of Agriculture for the purpose of establishing an
142 Intermediary Relending Program to be administered by the
143 Mississippi Development Authority. The Mississippi Development
144 Authority may establish criteria and guidelines to govern loans
145 made under such program. This subsection (4) shall be repealed
146 from and after April 9, 2002.

147 (5) The Mississippi Development Authority may establish a
148 Capital Access Program and may contract with any financial
149 institution to participate in the program upon such terms and
150 conditions as the authority shall consider necessary and proper.
151 The Mississippi Development Authority may establish loss reserve
152 accounts at financial institutions that participate in the program
153 and require payments by the financial institution and the borrower
154 to such loss reserve accounts. All money in such loss reserve
155 accounts is the property of the Mississippi Development Authority.

156 Under the Capital Access Program a participating financial
157 institution may make a loan to any borrower the Mississippi
158 Development Authority determines to be qualified under rules and
159 regulations adopted by the authority and be protected against
160 losses from such loans as provided in the program. Under such
161 rules and regulations as may be adopted by the Mississippi
162 Development Authority, a participating financial institution may

163 submit claims for the reimbursement for losses incurred as a
164 result of default on loans by qualified borrowers.

165 Notwithstanding any provision of this chapter to the
166 contrary, the Mississippi Development Authority may utilize not
167 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
168 of the proceeds of bonds authorized to be issued in this chapter
169 for the purpose of making payments to loan loss reserve accounts
170 established at financial institutions that participate in the
171 Capital Access Program established by the Mississippi Development
172 Authority.

173 (6) Notwithstanding any provision of this chapter to the
174 contrary, the Mississippi Development Authority shall utilize not
175 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
176 proceeds of bonds authorized to be issued in this chapter for the
177 purpose of assisting Warren County, Mississippi, in the
178 continuation and completion of the study for the proposed Kings
179 Point Levee.

180 (7) Notwithstanding any provision of this chapter to the
181 contrary, the Mississippi Development Authority shall utilize not
182 more than One Hundred Thousand Dollars (\$100,000.00) out of the
183 proceeds of bonds authorized to be issued in this chapter for the
184 purpose of developing a long-range plan for coordinating the
185 resources of the state institutions of higher learning, the
186 community and junior colleges, the Mississippi Development
187 Authority and other state agencies in order to promote economic
188 development in the state.

189 (8) Notwithstanding any other provision of this chapter to
190 the contrary, the Mississippi Development Authority shall use not
191 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
192 the proceeds of bonds authorized to be issued in this chapter for
193 the purpose of providing assistance to municipalities that have
194 received Community Development Block Grant funds for repair,
195 renovation and other improvements to buildings for use as

196 community centers. Assistance provided to a municipality under
197 this subsection shall be used by the municipality to match such
198 Community Development Block Grant funds. The maximum amount of
199 assistance that may be provided to a municipality under this
200 subsection shall not exceed Seventy-five Thousand Dollars
201 (\$75,000.00) in the aggregate.

202 **SECTION 3.** This act shall take effect and be in force from
203 and after its passage.