

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
(As Sent to Governor)

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, as
85 amended by Senate Bill No. 2535, 2007 Regular Session, is amended
86 as follows:

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

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

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 This subsection (2) shall be repealed from and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

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

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

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

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

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

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

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

166 (c) Under the Capital Access Program a participating
167 financial institution may make a loan that is secured by the
168 assignment of the proceeds of a contract between the borrower and
169 a public entity if the Mississippi Development Authority
170 determines the loan to be qualified under the rules and
171 regulations adopted by the authority. Under such rules and
172 regulations as may be adopted by the Mississippi Development
173 Authority, a participating financial institution may submit an
174 application to the authority requesting that a loan secured
175 pursuant to this paragraph be funded under the Capital Access
176 Program.

177 (d) Notwithstanding any provision of this chapter to
178 the contrary, the Mississippi Development Authority may utilize
179 not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00)
180 out of the proceeds of bonds authorized to be issued in this
181 chapter for the purpose of making payments to loan loss reserve
182 accounts established at financial institutions that participate in
183 the Capital Access Program established by the Mississippi
184 Development Authority; however, any portion of the bond proceeds
185 authorized to be utilized by this paragraph that are not utilized
186 for making payments to loss reserve accounts may be utilized by
187 the Mississippi Development Authority to advance funds to
188 financial institutions that participate in the Capital Access
189 Program pursuant to paragraph (c) of this subsection.

190 (6) Notwithstanding any provision of this chapter to the
191 contrary, the Mississippi Development Authority shall utilize not
192 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
193 proceeds of bonds authorized to be issued in this chapter for the
194 purpose of assisting Warren County, Mississippi, in the
195 continuation and completion of the study for the proposed Kings
196 Point Levee.

197 (7) Notwithstanding any provision of this chapter to the
198 contrary, the Mississippi Development Authority shall utilize not
199 more than One Hundred Thousand Dollars (\$100,000.00) out of the
200 proceeds of bonds authorized to be issued in this chapter for the
201 purpose of developing a long-range plan for coordinating the
202 resources of the state institutions of higher learning, the
203 community and junior colleges, the Mississippi Development
204 Authority and other state agencies in order to promote economic
205 development in the state.

206 (8) Notwithstanding any other provision of this chapter to
207 the contrary, the Mississippi Development Authority shall use not
208 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
209 the proceeds of bonds authorized to be issued in this chapter for
210 the purpose of providing assistance to municipalities that have
211 received Community Development Block Grant funds for repair,
212 renovation and other improvements to buildings for use as
213 community centers. Assistance provided to a municipality under
214 this subsection shall be used by the municipality to match such
215 Community Development Block Grant funds. The maximum amount of
216 assistance that may be provided to a municipality under this
217 subsection shall not exceed Seventy-five Thousand Dollars
218 (\$75,000.00) in the aggregate.

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