

## REPORT OF CONFERENCE COMMITTEE

**MADAM PRESIDENT AND MR. SPEAKER:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 3172: Bonds; increase amount of bond issued from Emerging Crops Fund for minority economic development.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.
2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

18           **SECTION 1.** Section 69-2-13, Mississippi Code of 1972, is  
19 amended as follows:

20           69-2-13. (1) There is hereby established in the State  
21 Treasury a fund to be known as the "Emerging Crops Fund," which  
22 shall be used to pay the interest on loans made to farmers for  
23 nonland capital costs of establishing production of emerging crops  
24 on land in Mississippi, and to make loans and grants which are  
25 authorized under this section to be made from the fund. The fund  
26 shall be administered by the Mississippi Development Authority. A  
27 board comprised of the directors of the authority, the Mississippi  
28 Cooperative Extension Service, the Mississippi Small Farm  
29 Development Center and the Mississippi Agricultural and Forestry  
30 Experiment Station, or their designees, shall develop definitions,  
31 guidelines and procedures for the implementation of this chapter.  
32 Funds for the Emerging Crops Fund shall be provided from the  
33 issuance of bonds or notes under Sections 69-2-19 through 69-2-37  
34 and from repayment of interest loans made from the fund.

35           (2) (a) The Mississippi Development Authority shall develop  
36 a program which gives fair consideration to making loans for the  
37 processing and manufacturing of goods and services by  
38 agribusiness, greenhouse production horticulture, and small

39 business concerns. It is the policy of the State of Mississippi  
40 that the Mississippi Development Authority shall give due  
41 recognition to and shall aid, counsel, assist and protect, insofar  
42 as is possible, the interests of agribusiness, greenhouse  
43 production horticulture, and small business concerns. To ensure  
44 that the purposes of this subsection are carried out, the  
45 Mississippi Development Authority shall loan not more than One  
46 Million Dollars (\$1,000,000.00) to finance any single  
47 agribusiness, greenhouse production horticulture, or small  
48 business concern. Loans made pursuant to this subsection shall be  
49 made in accordance with the criteria established in Section  
50 57-71-11.

51 (b) The Mississippi Development Authority may, out of  
52 the total amount of bonds authorized to be issued under this  
53 chapter, make available funds to any planning and development  
54 district in accordance with the criteria established in Section  
55 57-71-11. Planning and development districts which receive monies  
56 pursuant to this provision shall use such monies to make loans to  
57 private companies for purposes consistent with this subsection.

58 (c) The Mississippi Development Authority is hereby  
59 authorized to engage legal services, financial advisors,  
60 appraisers and consultants if needed to review and close loans  
61 made hereunder and to establish and assess reasonable fees,  
62 including, but not limited to, liquidation expenses.

63 (3) (a) The Mississippi Development Authority shall, in  
64 addition to the other programs described in this section, provide  
65 for a program of loans to be made to agribusiness or greenhouse  
66 production horticulture enterprises for the purpose of encouraging  
67 thereby the extension of conventional financing and the issuance  
68 of letters of credit to such agribusiness or greenhouse production  
69 horticulture enterprises by private institutions. Monies to make  
70 such loans by the Mississippi Development Authority shall be drawn

71 from the Emerging Crops Fund. The amount of a loan to any single  
72 agribusiness or greenhouse production horticulture enterprise  
73 under this paragraph (a) shall not exceed twenty percent (20%) of  
74 the total cost of the project for which financing is sought or Two  
75 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
76 interest shall be charged on such loans, and only the amount  
77 actually loaned shall be required to be repaid. Repayments shall  
78 be deposited into the Emerging Crops Fund. The Mississippi  
79 Development Authority also may make loans under this paragraph (a)  
80 to agribusinesses engaged in poultry production operations for the  
81 purpose of assisting such agribusinesses to make upgrades,  
82 renovations, repairs and other improvements to their equipment,  
83 facilities and operations, which shall not exceed a total cost of  
84 Two Hundred Thousand Dollars (\$200,000.00) of the ending cash  
85 balance, and the amount of a loan to any single agribusiness for  
86 the retrofitting of poultry houses shall not exceed thirty percent  
87 (30%) of the total cost of the project for which financing is  
88 sought. No interest shall be charged on such loans, and only the  
89 amount actually loaned shall be required to be repaid.

90 (b) The Mississippi Development Authority shall, in  
91 addition to the other programs described in this section, provide  
92 for a program of loans or loan guaranties, or both, to be made to  
93 or on behalf of any agribusiness enterprise engaged in beef  
94 processing for the purpose of encouraging thereby the extension of  
95 conventional financing and the issuance of letters of credit to  
96 such agribusiness enterprises by private institutions. Monies to  
97 make such loans or loan guaranties, or both, by the Mississippi  
98 Development Authority shall be drawn from the Emerging Crops Fund  
99 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
100 in the aggregate. The amount of a loan to any single agribusiness  
101 enterprise or loan guaranty on behalf of such agribusiness  
102 enterprise, or both, under this paragraph (b) shall not exceed the

103 total cost of the project for which financing is sought or  
104 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
105 The interest charged on a loan made under this paragraph (b) shall  
106 be at a rate determined by the Mississippi Development Authority.  
107 All repayments of any loan made under this paragraph (b) shall be  
108 deposited into the Emerging Crops Fund. Assistance received by an  
109 agribusiness enterprise under this paragraph (b) shall not  
110 disqualify the agribusiness enterprise from obtaining any other  
111 assistance under this chapter.

112 (4) (a) Through June 30, 2010, the Mississippi Development  
113 Authority may loan or grant to qualified planning and development  
114 districts, and to small business investment corporations,  
115 bank-based community development corporations, the Recruitment and  
116 Training Program, Inc., the City of Jackson Business Development  
117 Loan Fund, the Lorman Southwest Mississippi Development  
118 Corporation, the West Jackson Community Development Corporation,  
119 the East Mississippi Development Corporation, and other entities  
120 meeting the criteria established by the Mississippi Development  
121 Authority (all referred to hereinafter as "qualified entities"),  
122 funds for the purpose of establishing loan revolving funds to  
123 assist in providing financing for minority economic development.  
124 The monies loaned or granted by the Mississippi Development  
125 Authority shall be drawn from the Emerging Crops Fund and shall  
126 not exceed Twenty-seven Million Dollars (\$27,000,000.00) in the  
127 aggregate. Planning and development districts or qualified  
128 entities which receive monies pursuant to this provision shall use  
129 such monies to make loans to minority business enterprises  
130 consistent with criteria established by the Mississippi  
131 Development Authority. Such criteria shall include, at a minimum,  
132 the following:

133 (i) The business enterprise must be a private,  
134 for-profit enterprise.

135                   (ii) If the business enterprise is a  
136 proprietorship, the borrower must be a resident citizen of the  
137 State of Mississippi; if the business enterprise is a corporation  
138 or partnership, at least fifty percent (50%) of the owners must be  
139 resident citizens of the State of Mississippi.

140                   (iii) The borrower must have at least five percent  
141 (5%) equity interest in the business enterprise.

142                   (iv) The borrower must demonstrate ability to  
143 repay the loan.

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

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

151                   (vii) Loan proceeds shall not be used to pay off  
152 existing debt for loan consolidation purposes; to finance the  
153 acquisition, construction, improvement or operation of real  
154 property which is to be held primarily for sale or investment; to  
155 provide for, or free funds, for speculation in any kind of  
156 property; or as a loan to owners, partners or stockholders of the  
157 applicant which do not change ownership interest by the applicant.  
158 However, this does not apply to ordinary compensation for services  
159 rendered in the course of business.

160                   (viii) The maximum amount that may be loaned to  
161 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars  
162 (\$250,000.00).

163                   (ix) The Mississippi Development Authority shall  
164 review each loan before it is made, and no loan shall be made to  
165 any borrower until the loan has been reviewed and approved by the  
166 Mississippi Development Authority.

167           (b) For the purpose of this subsection, the term  
168 "minority business enterprise" means a socially and economically  
169 disadvantaged small business concern, organized for profit,  
170 performing a commercially useful function which is owned and  
171 controlled by one or more minorities or minority business  
172 enterprises certified by the Mississippi Development Authority, at  
173 least fifty percent (50%) of whom are resident citizens of the  
174 State of Mississippi. Except as otherwise provided, for purposes  
175 of this subsection, the term "socially and economically  
176 disadvantaged small business concern" shall have the meaning  
177 ascribed to such term under the Small Business Act (15 USCS,  
178 Section 637(a)), or women, and the term "owned and controlled"  
179 means a business in which one or more minorities or minority  
180 business enterprises certified by the Mississippi Development  
181 Authority own sixty percent (60%) or, in the case of a  
182 corporation, sixty percent (60%) of the voting stock, and control  
183 sixty percent (60%) of the management and daily business  
184 operations of the business. However, an individual whose personal  
185 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)  
186 shall not be considered to be an economically disadvantaged  
187 individual.

188           From and after July 1, 2010, monies not loaned or granted by  
189 the Mississippi Development Authority to planning and development  
190 districts or qualified entities under this subsection, and monies  
191 not loaned by planning and development districts or qualified  
192 entities, shall be deposited to the credit of the sinking fund  
193 created and maintained in the State Treasury for the retirement of  
194 bonds issued under Section 69-2-19.

195           (c) Notwithstanding any other provision of this  
196 subsection to the contrary, if federal funds are not available for  
197 commitments made by a planning and development district to provide  
198 assistance under any federal loan program administered by the

199 planning and development district in coordination with the  
200 Appalachian Regional Commission or Economic Development  
201 Administration, or both, a planning and development district may  
202 use funds in its loan revolving fund, which have not been  
203 committed otherwise to provide assistance, for the purpose of  
204 providing temporary funding for such commitments. If a planning  
205 and development district uses uncommitted funds in its loan  
206 revolving fund to provide such temporary funding, the district  
207 shall use funds repaid to the district under the temporarily  
208 funded federal loan program to replenish the funds used to provide  
209 the temporary funding. Funds used by a planning and development  
210 district to provide temporary funding under this paragraph (c)  
211 must be repaid to the district's loan revolving fund no later than  
212 twelve (12) months after the date the district provides the  
213 temporary funding. A planning and development district may not  
214 use uncommitted funds in its loan revolving fund to provide  
215 temporary funding under this paragraph (c) on more than two (2)  
216 occasions during a calendar year. A planning and development  
217 district may provide temporary funding for multiple commitments on  
218 each such occasion. The maximum aggregate amount of uncommitted  
219 funds in a loan revolving fund that may be used for such purposes  
220 during a calendar year shall not exceed seventy percent (70%) of  
221 the uncommitted funds in the loan revolving fund on the date the  
222 district first provides temporary funding during the calendar  
223 year.

224 (d) If the Mississippi Development Authority determines  
225 that a planning and development district or qualified entity has  
226 provided loans to minority businesses in a manner inconsistent  
227 with the provisions of this subsection, then the amount of such  
228 loans so provided shall be withheld by the Mississippi Development  
229 Authority from any additional grant funds to which the planning  
230 and development district or qualified entity becomes entitled

231 under this subsection. If the Mississippi Development Authority  
232 determines, after notifying such planning and development district  
233 or qualified entity twice in writing and providing such planning  
234 and development district or qualified entity a reasonable  
235 opportunity to comply, that a planning and development district or  
236 qualified entity has consistently failed to comply with this  
237 subsection, the Mississippi Development Authority may declare such  
238 planning and development district or qualified entity in default  
239 under this subsection and, upon receipt of notice thereof from the  
240 Mississippi Development Authority, such planning and development  
241 district or qualified entity shall immediately cease providing  
242 loans under this subsection, shall refund to the Mississippi  
243 Development Authority for distribution to other planning and  
244 development districts or qualified entities all funds held in its  
245 revolving loan fund and, if required by the Mississippi  
246 Development Authority, shall convey to the Mississippi Development  
247 Authority all administrative and management control of loans  
248 provided by it under this subsection.

249 (e) If the Mississippi Development Authority  
250 determines, after notifying a planning and development district or  
251 qualified entity twice in writing and providing copies of such  
252 notification to each member of the Legislature in whose district  
253 or in a part of whose district such planning and development  
254 district or qualified entity is located and providing such  
255 planning and development district or qualified entity a reasonable  
256 opportunity to take corrective action, that a planning and  
257 development district or qualified entity administering a revolving  
258 loan fund under the provisions of this subsection is not actively  
259 engaged in lending as defined by the rules and regulations of the  
260 Mississippi Development Authority, the Mississippi Development  
261 Authority may declare such planning and development district or  
262 qualified entity in default under this subsection and, upon



263 receipt of notice thereof from the Mississippi Development  
264 Authority, such planning and development district or qualified  
265 entity shall immediately cease providing loans under this  
266 subsection, shall refund to the Mississippi Development Authority  
267 for distribution to other planning and development districts or  
268 qualified entities all funds held in its revolving loan fund and,  
269 if required by the Mississippi Development Authority, shall convey  
270 to the Mississippi Development Authority all administrative and  
271 management control of loans provided by it under this subsection.

272 (5) The Mississippi Development Authority shall develop a  
273 program which will assist minority business enterprises by  
274 guaranteeing bid, performance and payment bonds which such  
275 minority businesses are required to obtain in order to contract  
276 with federal agencies, state agencies or political subdivisions of  
277 the state. The Mississippi Development Authority may secure  
278 letters of credit, as determined necessary by the authority, to  
279 guarantee bid, performance and payment bonds pursuant to this  
280 subsection. Monies for such program shall be drawn from the  
281 monies allocated under subsection (4) of this section to assist  
282 the financing of minority economic development and shall not  
283 exceed Three Million Dollars (\$3,000,000.00) in the aggregate.  
284 The Mississippi Development Authority may promulgate rules and  
285 regulations for the operation of the program established pursuant  
286 to this subsection. For the purpose of this subsection (5) the  
287 term "minority business enterprise" has the meaning assigned such  
288 term in subsection (4) of this section.

289 (6) The Mississippi Development Authority may loan or grant  
290 to public entities and to nonprofit corporations funds to defray  
291 the expense of financing (or to match any funds available from  
292 other public or private sources for the expense of financing)  
293 projects in this state which are devoted to the study, teaching  
294 and/or promotion of regional crafts and which are deemed by the

295 authority to be significant tourist attractions. The monies  
296 loaned or granted shall be drawn from the Emerging Crops Fund and  
297 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
298 in the aggregate.

299 (7) Through June 30, 2006, the Mississippi Development  
300 Authority shall make available to the Mississippi Department of  
301 Agriculture and Commerce funds for the purpose of establishing  
302 loan revolving funds and other methods of financing for  
303 agribusiness programs administered under the Mississippi  
304 Agribusiness Council Act of 1993. The monies made available by  
305 the Mississippi Development Authority shall be drawn from the  
306 Emerging Crops Fund and shall not exceed One Million Two Hundred  
307 Thousand Dollars (\$1,200,000.00) in the aggregate. The  
308 Mississippi Department of Agriculture and Commerce shall establish  
309 control and auditing procedures for use of these funds. These  
310 funds will be used primarily for quick payment to farmers for  
311 vegetable and fruit crops processed and sold through vegetable  
312 processing plants associated with the Department of Agriculture  
313 and Commerce and the Mississippi State Extension Service.

314 (8) From and after July 1, 1996, the Mississippi Development  
315 Authority shall make available to the Mississippi Small Farm  
316 Development Center One Million Dollars (\$1,000,000.00) to be used  
317 by the center to assist small entrepreneurs as provided in Section  
318 37-101-25, Mississippi Code of 1972. The monies made available by  
319 the Mississippi Development Authority shall be drawn from the  
320 Emerging Crops Fund.

321 (9) The Mississippi Development Authority shall make  
322 available to the Agribusiness and Natural Resource Development  
323 Center through Alcorn State University an amount not to exceed Two  
324 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
325 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal  
326 year 2002 from the cash balance of the Emerging Crops Fund to

327 support the development of a cooperative program for agribusiness  
328 development, marketing and natural resources development. This  
329 subsection (9) shall stand repealed on June 30, 2006.

330 (10) The Mississippi Development Authority shall make  
331 available to the Small Farm Development Center at Alcorn State  
332 University funds in an aggregate amount not to exceed Three  
333 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
334 balance of the Emerging Crops Fund. The Small Farm Development  
335 Center at Alcorn State University shall use such funds to make  
336 loans to producers of sweet potatoes and cooperatives anywhere in  
337 the State of Mississippi owned by sweet potato producers to assist  
338 in the planting of sweet potatoes and the purchase of sweet potato  
339 production and harvesting equipment. A report of the loans made  
340 under this subsection shall be furnished by January 15 of each  
341 year to the Chairman of the Senate Agriculture Committee and the  
342 Chairman of the House Agriculture Committee.

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

348 (12) The Mississippi Development Authority shall make  
349 available to the Mississippi Department of Agriculture and  
350 Commerce an amount not to exceed One Hundred Fifty Thousand  
351 Dollars (\$150,000.00) to be drawn from the cash balance of the  
352 Emerging Crops Fund to be used for the rehabilitation and  
353 maintenance of the Mississippi Farmers Central Market in Jackson,  
354 Mississippi.

355 (13) The Mississippi Development Authority shall make  
356 available to the Mississippi Department of Agriculture and  
357 Commerce an amount not to exceed Twenty-five Thousand Dollars  
358 (\$25,000.00) to be drawn from the cash balance of the Emerging

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

361 (14) (a) The Mississippi Development Authority shall, in  
362 addition to the other programs described in this section, provide  
363 for a program of loan guaranties to be made on behalf of any  
364 nonprofit entity qualified under Section 501(c)(3) of the Internal  
365 Revenue Code and certified by the United States Department of the  
366 Treasury as a community development financial institution for the  
367 purpose of encouraging the extension of financing to such an  
368 entity which financing the entity will use to make funds available  
369 to other entities for the purpose of making loans available in  
370 low-income communities in Mississippi. Monies to make such loan  
371 guaranties by the Mississippi Development Authority shall be drawn  
372 from the Emerging Crops Fund and shall not exceed Two Million  
373 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan  
374 guaranty on behalf of such an entity under this subsection (14)  
375 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance  
376 received by an entity under this subsection (14) shall not  
377 disqualify the entity from obtaining any other assistance under  
378 this chapter.

379 (b) An entity desiring assistance under this subsection  
380 (14) must submit an application to the Mississippi Development  
381 Authority. The application must include any information required  
382 by the Mississippi Development Authority.

383 (c) The Mississippi Development Authority shall have  
384 all powers necessary to implement and administer the program  
385 established under this subsection (14), and the Mississippi  
386 Development Authority shall promulgate rules and regulations, in  
387 accordance with the Mississippi Administrative Procedures Law,  
388 necessary for the implementation of this subsection (14).

389 **SECTION 2.** Section 69-2-19, Mississippi Code of 1972, is  
390 amended as follows:

391           69-2-19. (1) The Mississippi Development Authority is  
392 authorized, at one time, or from time to time, to declare by  
393 resolution the necessity for issuance of negotiable general  
394 obligation bonds of the State of Mississippi to provide funds for  
395 the Emerging Crops Fund established in Section 69-2-13. Upon the  
396 adoption of a resolution by the board, declaring the necessity for  
397 the issuance of any part or all of the general obligation bonds  
398 authorized by Sections 69-2-19 through 69-2-39, the authority  
399 shall deliver a certified copy of its resolution or resolutions to  
400 the State Bond Commission. Upon receipt of same, the State Bond  
401 Commission, in its discretion, shall act as the issuing agent,  
402 prescribe the form of the bonds, advertise for and accept bids,  
403 issue and sell the bonds so authorized to be sold, and do any and  
404 all other things necessary and advisable in connection with the  
405 issuance and sale of such bonds. The amount of bonds issued under  
406 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Six  
407 Million Dollars (\$106,000,000.00) in the aggregate; however:

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

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

418           (2) No bonds may be issued under Sections 69-2-19 through  
419 69-2-39 after October 1, 2019.

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

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

1 AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO MAKE LOANS TO  
3 AGRIBUSINESS ENTERPRISES ENGAGED IN POULTRY OPERATION FOR THE  
4 PURPOSE OF MAKING UPGRADED REPAIRS AND OTHER IMPROVEMENTS TO THEIR  
5 EQUIPMENT, FACILITIES AND OPERATIONS; TO INCREASE FROM  
6 \$26,000,000.00 TO \$27,000,000.00 THE AMOUNT THAT MAY BE DRAWN FROM  
7 THE EMERGING CROPS FUND BY THE MISSISSIPPI DEVELOPMENT AUTHORITY  
8 TO PROVIDE LOANS OR GRANTS TO ASSIST IN PROVIDING FINANCING FOR  
9 MINORITY ECONOMIC DEVELOPMENT; TO AUTHORIZE THE MISSISSIPPI  
10 DEVELOPMENT AUTHORITY TO SECURE LETTERS OF CREDIT TO GUARANTEE  
11 BID, PERFORMANCE AND PAYMENT BONDS THAT MINORITY BUSINESS  
12 ENTERPRISES ARE REQUIRED TO OBTAIN IN ORDER TO CONTRACT WITH  
13 GOVERNMENTAL ENTITIES; TO AMEND SECTION 69-2-19, MISSISSIPPI CODE  
14 OF 1972, TO INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS THAT  
15 MAY BE ISSUED FOR THE EMERGING CROPS FUND FROM \$105,000,000.00 TO  
16 \$106,000,000.00; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

CONFEREES FOR THE HOUSE

X (SIGNED)  
Robertson

X (SIGNED)  
Eaton

X (SIGNED)  
Brown

X (SIGNED)  
Gibbs

X (SIGNED)  
Horhn

X (SIGNED)  
Calhoun