

House Amendments to Senate Bill No. 2497

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

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

22 **SECTION 1.** Section 57-93-1, Mississippi Code of 1972, is
23 amended as follows:

24 57-93-1. (1) As used in this section:

25 (a) "Existing industry" means a manufacturing
26 enterprise that has been operating in this state for not less than
27 two (2) consecutive years that meets minimum criteria established
28 by the Mississippi Development Authority.

29 (b) "Long-term fixed assets" means assets that:

30 (i) Through new technology will improve an
31 enterprise's productivity and competitiveness; and

32 (ii) Meet criteria established by the Mississippi
33 Development Authority.

34 (c) "MDA" means the Mississippi Development Authority.

35 (2) (a) There is established the Mississippi Existing
36 Industry Productivity Loan Program to be administered by the MDA
37 for the purpose of providing loans to:

38 (i) Existing industries to deploy long-term fixed
39 assets that through new technology will improve productivity and
40 competitiveness; and

41 (ii) Counties or incorporated municipalities to
42 assist existing industries in deploying long-term fixed assets
43 that through new technology will improve productivity and
44 competitiveness.

45 (b) (i) An existing industry that accepts a loan under
46 this program shall not reduce employment by more than twenty

percent (20%) through the use of the long-term fixed assets for which the loan is granted.

(ii) An existing industry that accepts assistance from a county or incorporated municipality through a loan made under this program shall not reduce employment by more than twenty percent (20%) through the use of the long-term fixed assets for which the assistance is granted.

(c) An existing industry desiring a loan under this section must submit an application to the MDA. The application shall include:

(i) A description of the purpose for which the loan is requested;

(ii) The amount of the loan requested;

(iii) The estimated total cost of the project;

(iv) A two-year business plan for the project;

(v) Financial statements or tax returns for the existing industry for the two (2) years immediately prior to the application;

(vi) Credit reports on all persons or entities with a twenty percent (20%) or greater interest in the enterprise; and

(vii) Any other information required by the MDA.

(d) A county or incorporated municipality desiring a loan under this section must submit an application to the MDA.

The application shall include:

(i) A description of the purpose for which the loan is requested;

(ii) The amount of the loan requested;

(iii) The estimated total cost of the project;

(iv) A statement showing the sources of funding for the project;

(v) A two-year business plan for the project;

(vi) Financial statements or tax returns for the existing industry for the two (2) years immediately prior to the application;

(vii) Credit reports on all persons or entities with a twenty percent (20%) or greater interest in the existing industry;

(viii) Any commitment by the existing industry to pay rental on, or to make loan repayments related to, the assistance; and

(ix) Any other information required by the MDA.

(e) The MDA shall require that binding commitments be entered into requiring that:

(i) The minimum requirements of this section and such other requirements as the MDA considers proper shall be met; and

(ii) If such requirements are not met, all or a portion of the funds provided by this section as determined by the MDA shall be repaid.

(f) The amount of a loan under this section shall not exceed fifty percent (50%) of the total cost of the project or Five Hundred Thousand Dollars (\$500,000.00), whichever is less.

(g) The rate of interest on loans under this section shall be at the true interest cost on the most recent issue of twenty-year state general obligation bonds occurring prior to the date the loan is made.

(h) The MDA shall have all powers necessary to implement and administer the program established under this section, and the MDA shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this section. However, in making loans under this section, the MDA shall attempt to provide for an equitable distribution of such loans among each of the congressional districts of this state in order to promote economic development across the entire state.

(3) (a) There is created in the State Treasury a special fund to be designated as the "Mississippi Existing Industry Productivity Loan Fund," which shall consist of funds appropriated or otherwise made available by the Legislature in any manner and

funds from any other source designated for deposit into such fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or interest earned on amounts in the fund shall be deposited to the credit of the fund. Monies in the fund shall be used by the MDA for the purposes described in this section.

(b) Monies in the fund which are derived from the proceeds of general obligation bonds may be used to reimburse reasonable actual and necessary costs incurred by the MDA in providing loans under this section through the use of general obligation bonds. An accounting of actual costs incurred for which reimbursement is sought shall be maintained for each loan by the MDA. Reimbursement of reasonable actual and necessary costs shall not exceed three percent (3%) of the proceeds of bonds issued under Sections 2 through 17 of Chapter 1, Laws of 2005 Third Extraordinary Session. Monies authorized for a particular loan may not be used to reimburse administrative costs for unrelated loans. Reimbursements made under this subsection shall satisfy any applicable federal tax law requirements.

(c) (i) There is hereby created the Mississippi Existing Industry Productivity Loan Program Bond Sinking Fund from which the principal and interest on bonds whose proceeds are deposited into the Mississippi Existing Industry Productivity Loan Fund and utilized to provide loans authorized under this section, shall be repaid. Unexpended amounts remaining in the bond sinking fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the bond sinking fund shall be deposited into the bond sinking fund. At any time when the funds required to pay the principal and interest on bonds whose proceeds are deposited into the Mississippi Existing Industry Productivity Loan Fund and are utilized to provide loans under this section are more than the amount available in the bond sinking fund, the Legislature shall

appropriate the balance of the funds necessary to pay the principal and interest on such bonds.

(ii) Money repaid on loans authorized under this section that are derived from the proceeds of bonds deposited into the Mississippi Existing Industry Productivity Loan Fund shall be deposited into the Mississippi Existing Industry Productivity Loan Program Bond Sinking Fund.

(4) (a) A county that receives a loan under this section shall pledge for repayment of the loan any part of the homestead exemption annual tax loss reimbursement to which it may be entitled under Section 27-33-77. An incorporated municipality that receives a loan under this section shall pledge for repayment of the loan any part of the sales tax revenue distribution to which it may be entitled under Section 27-65-75. Each loan agreement shall provide for monthly payments, semiannual payments or other periodic payments, the annual total of which shall not exceed the annual total for any other year of the loan by more than fifteen percent (15%). The loan agreement shall provide for the repayment of all funds received within not more than twenty (20) years from the date of project completion.

(b) The State Auditor, upon request of the MDA, shall audit the receipts and expenditures of a county or an incorporated municipality whose loan payments appear to be in arrears, and if he finds that the county or municipality is in arrears in such payments, he shall immediately notify the Executive Director of the Department of Finance and Administration who shall withhold all future payments to the county of homestead exemption reimbursements under Section 27-33-77 and all sums allocated to the county or the municipality under Section 27-65-75 until such time as the county or the municipality is again current in its loan payments as certified by the MDA.

(c) Evidences of indebtedness which are issued pursuant to this chapter shall not be deemed indebtedness within the meaning specified in Section 21-33-303 with regard to cities or incorporated towns, and in Section 19-9-5 with regard to counties.

186 **SECTION 2.** Section 57-95-1, Mississippi Code of 1972, is
187 amended as follows:

188 57-95-1. (1) As used in this section:

189 (a) "At-risk industry" means any enterprise that has
190 been operating in this state for not less than three (3)
191 consecutive years that has lost jobs or is at-risk to lose jobs
192 because such jobs have been outsourced.

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

194 (c) "Outsource" means to send out work or jobs of a
195 certain provider or manufacturer of the State of Mississippi to an
196 overseas provider or manufacturer or a provider or manufacturer
197 located outside the boundaries of the United States or any
198 territory of the United States.

199 (2) (a) There is established the Mississippi Job Protection
200 Act to be administered by the MDA for the purpose of providing
201 grants and loans to:

202 (i) At-risk industries to be used for job
203 retention and to improve productivity and competitiveness; and

204 (ii) Counties and incorporated municipalities to
205 provide assistance to at-risk industries to be used for job
206 retention and to improve productivity and competitiveness.

207 (b) (i) An at-risk industry that accepts a grant or
208 loan under this program shall not reduce employment by more than
209 twenty percent (20%).

210 (ii) An at-risk industry that accepts assistance
211 from a county or incorporated municipality through a loan or grant
212 made under this section shall not reduce employment by more than
213 twenty percent (20%).

214 (c) An at-risk industry desiring a grant or loan under
215 this section must submit an application to the MDA. The
216 application shall include:

217 (i) A description of the purpose for which the
218 grant or loan is requested;

219 (ii) The amount of the grant or loan requested;

220 (iii) The estimated total cost of the project;

221 (iv) A two-year business plan for the project;
222 (v) Financial statements or tax returns for the
223 at-risk industry for the two (2) years immediately prior to the
224 application;
225 (vi) Credit reports on all persons or entities
226 with a twenty percent (20%) or greater interest in the at-risk
227 industry; and
228 (vii) Any other information required by the MDA.
229 (d) A county or incorporated municipality desiring a
230 grant or loan under this section must submit an application to the
231 MDA. The application shall include:
232 (i) A description of the purpose for which the
233 loan is requested;
234 (ii) The amount of the grant or loan requested;
235 (iii) The estimated total cost of the project;
236 (iv) A statement showing the sources of funding
237 for the project;
238 (v) A two-year business plan for the project;
239 (vi) Financial statements or tax returns for the
240 at-risk industry for the two (2) years immediately prior to the
241 application;
242 (vii) Credit reports on all persons or entities
243 with a twenty percent (20%) or greater interest in the at-risk
244 industry;
245 (viii) Any commitment by the at-risk industry to
246 pay rental on, or to make loan repayments related to, the
247 assistance; and
248 (ix) Any other information required by the MDA.
249 (e) The MDA shall require that binding commitments be
250 entered into requiring that:
251 (i) The minimum requirements of this section and
252 such other requirements as the MDA considers proper shall be met;
253 and

254 (ii) If such requirements are not met, all or a
255 portion of the funds provided by this section as determined by the
256 MDA shall be repaid.

257 (f) The amount of a grant or loan under this section
258 shall not exceed fifty percent (50%) of the total cost of the
259 project.

260 (g) The MDA shall have all powers necessary to
261 implement and administer the program established under this
262 section, and the MDA shall promulgate rules and regulations, in
263 accordance with the Mississippi Administrative Procedures Law,
264 necessary for the implementation of this section.

265 (3) Grants * * * under this section shall not exceed Two
266 Hundred Thousand Dollars (\$200,000.00).

267 (4) (a) There is created in the State Treasury a special
268 fund to be designated as the "Mississippi Job Protection Act
269 Fund," which shall consist of funds appropriated or otherwise made
270 available by the Legislature in any manner and funds from any
271 other source designated for deposit into such fund. Unexpended
272 amounts remaining in the fund at the end of a fiscal year shall
273 not lapse into the State General Fund, and any investment earnings
274 or interest earned on amounts in the fund shall be deposited to
275 the credit of the fund. Monies in the fund shall be used by the
276 MDA for the purposes described in this section.

277 (b) Monies in the fund which are derived from the
278 proceeds of general obligation bonds may be used to reimburse
279 reasonable actual and necessary costs incurred by the MDA in
280 providing grants or loans under this section through the use of
281 general obligation bonds. An accounting of actual costs incurred
282 for which reimbursement is sought shall be maintained for each
283 grant or loan by the MDA. Reimbursement of reasonable actual and
284 necessary costs shall not exceed three percent (3%) of the
285 proceeds of bonds issued under Sections 40 through 55 of Chapter
286 1, Laws of Third Extraordinary Session of 2005. Monies authorized
287 for a particular grant or loan may not be used to reimburse
288 administrative costs for unrelated grants or loans.

Reimbursements made under this subsection shall satisfy any applicable federal tax law requirements.

(c) (i) There is hereby created the Mississippi Job Protection Act Bond Sinking Fund from which the principal and interest on bonds whose proceeds are deposited into the Mississippi Job Protection Act Fund and utilized to provide loans authorized under this section, shall be repaid. Unexpended amounts remaining in the bond sinking fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the bond sinking fund shall be deposited into the bond sinking fund. At any time when the funds required to pay the principal and interest on bonds whose proceeds are deposited into the Mississippi Job Protection Act Fund and are utilized to provide loans under this section are more than the amount available in the bond sinking fund, the Legislature shall appropriate the balance of the funds necessary to pay the principal and interest on such bonds.

(ii) Money repaid on loans authorized under this section that are derived from the proceeds of bonds deposited into the Mississippi Job Protection Act Fund shall be deposited into the Mississippi Job Protection Act Bond Sinking Fund.

(5) (a) A county that receives a loan under this section shall pledge for repayment of the loan any part of the homestead exemption annual tax loss reimbursement to which it may be entitled under Section 27-33-77. An incorporated municipality that receives a loan under this section shall pledge for repayment of the loan any part of the sales tax revenue distribution to which it may be entitled under Section 27-65-75. Each loan agreement shall provide for monthly payments, semiannual payments or other periodic payments, the annual total of which shall not exceed the annual total for any other year of the loan by more than fifteen percent (15%). The loan agreement shall provide for the repayment of all funds received within not more than twenty (20) years from the date of project completion.

323 (b) The State Auditor, upon request of the MDA, shall
324 audit the receipts and expenditures of a county or an incorporated
325 municipality whose loan payments appear to be in arrears, and if
326 he finds that the county or municipality is in arrears in such
327 payments, he shall immediately notify the Executive Director of
328 the Department of Finance and Administration who shall withhold
329 all future payments to the county of homestead exemption
330 reimbursements under Section 27-33-77 and all sums allocated to
331 the county or the municipality under Section 27-65-75 until such
332 time as the county or the municipality is again current in its
333 loan payments as certified by the MDA.

334 (c) Evidences of indebtedness which are issued pursuant
335 to this section shall not be deemed indebtedness within the
336 meaning specified in Section 21-33-303 with regard to cities or
337 incorporated towns, and in Section 19-9-5 with regard to counties.

338 **SECTION 3.** This act shall take effect and be in force from
339 and after July 1, 2007.

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

1 AN ACT TO AMEND SECTION 57-93-1, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE LOANS
3 TO COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE EXISTING
4 INDUSTRY PRODUCTIVITY LOAN PROGRAM TO ASSIST CERTAIN EXISTING
5 INDUSTRIES IN DEPLOYING LONG-TERM FIXED ASSETS THAT THROUGH NEW
6 TECHNOLOGY WILL IMPROVE PRODUCTIVITY AND COMPETITIVENESS; TO
7 REQUIRE THAT REPAYMENTS OF LOANS AUTHORIZED UNDER THIS SECTION
8 SHALL BE UTILIZED TO PAY THE PRINCIPAL AND INTEREST ON BONDS USED
9 TO FUND SUCH LOANS; TO PROVIDE THE MANNER OF SECURING LOANS MADE
10 TO COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE PROGRAM; TO
11 AMEND SECTION 57-95-1, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
12 MISSISSIPPI DEVELOPMENT AUTHORITY TO PROVIDE LOANS AND GRANTS TO
13 COUNTIES AND INCORPORATED MUNICIPALITIES UNDER THE MISSISSIPPI JOB
14 PROTECTION ACT TO PROVIDE ASSISTANCE TO AT-RISK INDUSTRIES TO BE
15 USED FOR JOB RETENTION AND TO IMPROVE PRODUCTIVITY AND
16 COMPETITIVENESS; TO REQUIRE THAT REPAYMENTS OF LOANS AUTHORIZED
17 UNDER THIS SECTION SHALL BE UTILIZED TO PAY THE PRINCIPAL AND
18 INTEREST ON BONDS USED TO FUND SUCH LOANS; TO PROVIDE THE MANNER
19 OF SECURING LOANS MADE TO COUNTIES AND INCORPORATED MUNICIPALITIES
20 UNDER THE ACT; AND FOR RELATED PURPOSES.

HR40\SB2497A.J

Don Richardson
Clerk of the House of Representatives