

By: Representatives Busby, Anderson, Baria, Barton, Bennett, DeLano, Guice, Haney, Ladner, Patterson, Read, Williams-Barnes, Willis, Zuber, Eure, Crawford, Dixon To: Appropriations

HOUSE BILL NO. 1512 (As Passed the House)

1 AN ACT TO CREATE ELEVEN SPECIAL FUNDS IN THE STATE TREASURY
2 WITH ONE FUND FOR THE GEOGRAPHICAL AREA OF EACH OF THE TEN
3 PLANNING AND DEVELOPMENT DISTRICTS EXCLUDING HANCOCK, HARRISON AND
4 JACKSON COUNTIES, AND ONE FUND FOR HANCOCK, HARRISON AND JACKSON
5 COUNTIES TO BE DESIGNATED AS THE "GULF COAST RESTORATION FUND"; TO
6 PROVIDE THAT THE MONIES IN EACH OF THE SPECIAL FUNDS SHALL BE
7 ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY (MDA) AND
8 SHALL BE USED BY MDA, UPON APPROPRIATION BY THE LEGISLATURE, TO
9 PROVIDE ASSISTANCE TO APPLICANTS FOR PROJECTS AUTHORIZED BY THIS
10 ACT; TO SPECIFY THE APPLICANTS WHO ARE ELIGIBLE FOR ASSISTANCE
11 UNDER THIS ACT; TO PROVIDE THAT MDA SHALL ESTABLISH CRITERIA,
12 RULES AND PROCEDURES FOR ACCEPTING, REVIEWING AND GRANTING OR
13 DENYING APPLICATIONS FOR ASSISTANCE UNDER THIS ACT; TO PROVIDE A
14 TIMELINE FOR SUBMISSIONS OF APPLICATIONS TO MDA, FOR REVIEW,
15 EVALUATION AND SCORING OF APPLICATIONS BY MDA, AND FOR
16 PRESENTATION OF THE APPLICATIONS TO THE APPROPRIATE LEGISLATIVE
17 ADVISORY COMMITTEE FOR ITS EVALUATION AND RECOMMENDATIONS; TO
18 PROVIDE THAT APPLICATIONS FOR ASSISTANCE UNDER THIS ACT WILL BE
19 RECEIVED THROUGH A WEB PORTAL SET UP BY MDA; TO ESTABLISH
20 LEGISLATIVE ADVISORY COMMITTEES FOR THE GEOGRAPHIC AREA OF EACH OF
21 THE TEN PLANNING AND DEVELOPMENT DISTRICTS AND FOR THE GULF COAST
22 RESTORATION FUND, WHICH WILL SERVE ONLY IN AN ADVISORY CAPACITY IN
23 REVIEWING AND EVALUATING APPLICATIONS FOR ASSISTANCE UNDER THIS
24 ACT; TO PROVIDE THAT THE LEGISLATIVE ADVISORY COMMITTEES WILL MEET
25 ANNUALLY TO REVIEW AND EVALUATE THE PROJECTS BEING CONSIDERED FOR
26 FUNDING BY MDA; TO PROVIDE THAT MDA WILL CALL THE MEETINGS OF THE
27 LEGISLATIVE ADVISORY COMMITTEE, NOTIFY THE COMMITTEE MEMBERS OF
28 THE MEETING AND CHAIR THE MEETING; TO PROVIDE THAT MDA WILL HAVE
29 THE FINAL DECISION REGARDING THE APPLICATION FOR ASSISTANCE; TO
30 PROHIBIT MDA FROM APPROVING ANY APPLICATION FOR ASSISTANCE OR
31 FUNDING ANY PROJECT UNTIL AFTER THE LEGISLATIVE ADVISORY COMMITTEE
32 HAS REVIEWED AND EVALUATED THE APPLICATION; TO AUTHORIZE MDA TO
33 MAKE LOANS, LOAN GUARANTEES, GRANTS AND ANY OTHER FINANCIAL
34 ASSISTANCE UNDER THIS ACT TO APPLICANTS WHOSE PROJECTS ARE



35 APPROVED FOR ASSISTANCE BY MDA; TO DIRECT MDA TO ESTABLISH A
36 SCORING PROCESS FOR THE SELECTION OF PROJECTS THAT HAVE THE
37 POTENTIAL TO GENERATE INCREASED ECONOMIC ACTIVITY IN THE COUNTIES
38 INVOLVED, AND TO SPECIFY THE TYPES OF PROJECTS FOR WHICH
39 ASSISTANCE MAY BE MADE; TO PROVIDE FOR FINANCIAL AUDITS AND
40 OPERATIONAL AUDITS OF RECIPIENTS OF ASSISTANCE UNDER THIS ACT; TO
41 DIRECT MDA TO FILE AN ANNUAL REPORT WITH THE GOVERNOR AND THE
42 LEGISLATURE THAT INCLUDES DETAILED INFORMATION REGARDING RECEIPTS
43 AND EXPENDITURES OF THE FUNDS RECEIVED AND PROVIDED AS ASSISTANCE
44 UNDER THIS ACT; AND FOR RELATED PURPOSES.

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

46 **SECTION 1.** (1) There are created in the State Treasury
47 eleven (11) special funds as follows: one (1) special fund for
48 the geographical area of each of the ten (10) planning and
49 development districts excluding Hancock, Harrison and Jackson
50 Counties, and one (1) special fund for Hancock, Harrison and
51 Jackson Counties to be designated as the "Gulf Coast Restoration
52 Fund." Each of the special funds shall consist of funds required
53 to be deposited into those funds by Section 27-103-302, funds
54 appropriated or otherwise made available by the Legislature in any
55 manner and funds from any other source designated for deposit into
56 those funds. One-half (1/2) of any funds under Section 27-103-302
57 that are not required to be deposited into the Gulf Coast
58 Restoration Fund shall be deposited into the other ten (10)
59 special funds in equal amounts, and the remaining one-half (1/2)
60 of those funds shall be deposited into the other ten (10) special
61 funds based on the proportion that the population in the
62 geographical area of the planning and development district
63 corresponding to the fund bears to the population of the entire



64 state excluding the population of Hancock, Harrison and Jackson
65 Counties.

66 (2) Unexpended amounts remaining in any of the special funds
67 at the end of a fiscal year shall not lapse into the State General
68 Fund, and any investment earnings or interest earned on amounts in
69 the special funds shall be deposited to the credit of each
70 respective fund.

71 (3) Monies in each of the special funds shall be
72 administered by the Mississippi Development Authority (MDA) and
73 shall be used by MDA, upon appropriation by the Legislature, to
74 provide assistance to applicants for projects authorized by this
75 act.

76 **SECTION 2.** (1) Applicants who are eligible for assistance
77 from MDA under this act include local units of government,
78 institutions of higher learning, community colleges, local ports
79 and airports, nongovernmental organizations, public-private
80 partnerships, and planning and development districts.

81 (2) MDA shall establish criteria, rules and procedures for
82 accepting, reviewing and granting or denying applications for
83 assistance under this act. Applications must be submitted to MDA
84 not later than October 31 of each year, and MDA shall review,
85 evaluate and score all timely received applications not later than
86 December 31 of the year. MDA then shall present the applications
87 to the appropriate legislative advisory committee not later than
88 December 31 of the year for its evaluation and recommendations.



89 (3) Applications for assistance under this act will be
90 received through a web portal set up by MDA. The application
91 packet shall be available on the web portal for download,
92 completion and submittal. Each applicant must include in the
93 application the "soft costs" and professional fees associated with
94 the proposed project, such as planning, design, internal project
95 management, financing, and legal, engineering and other
96 professional fees.

97 (4) The administration expenses of MDA in carrying out its
98 duties under this act shall not exceed one percent (1%) of the
99 amount of the funds administered by the MDA under this act.

100 **SECTION 3.** (1) For the geographical area of each of the ten
101 (10) planning and development districts, there is established a
102 legislative advisory committee comprised of the members of the
103 House of Representatives and the members of the Senate who
104 represent any part of the counties that are included within the
105 geographic area of the planning and development district, except
106 as follows: For the Southern Mississippi Planning and Development
107 District, the legislative advisory committee shall be comprised of
108 the members of the House of Representatives and the members of the
109 Senate who represent any part of the counties that are included
110 within the geographic area of the planning and development
111 district other than Hancock, Harrison and Jackson Counties. The
112 legislative advisory committees established in this subsection
113 shall serve only in an advisory capacity in reviewing and



114 evaluating applications for assistance from MDA under this act in
115 the geographical areas of the planning and development districts
116 and may not take any action to approve or disapprove a decision of
117 MDA regarding the providing or denying of assistance.

118 (2) For the Gulf Coast Restoration Fund, there is
119 established a legislative advisory committee comprised of the
120 members of the House of Representatives and the members of the
121 Senate who represent any part of Hancock, Harrison and Jackson
122 Counties. The legislative advisory committee established in this
123 subsection shall serve only in an advisory capacity in reviewing
124 and evaluating applications for assistance from MDA under this act
125 from the Gulf Coast Restoration Fund and may not take any action
126 to approve or disapprove a decision of MDA regarding the providing
127 or denying of assistance.

128 (3) The legislative advisory committees shall meet annually
129 to review and evaluate the projects being considered for funding
130 by MDA, after receiving applications from MDA as provided in
131 Section 2(2) of this act. MDA shall call the meetings of the
132 legislative advisory committee, which shall be held not earlier
133 than February 1 of the year, shall notify the committee members of
134 the date, time and place of the meeting at least seven (7) days
135 before the meeting, and shall chair the meeting. After reviewing
136 and evaluating applications for assistance from MDA under this
137 act, the legislative advisory committee shall return the
138 application for assistance with its recommendations to MDA not



139 later than ten (10) days after the meeting, and MDA shall have the
140 final decision regarding the application for assistance. MDA
141 shall not approve any application for assistance or fund any
142 project under this act until after the legislative advisory
143 committee has reviewed and evaluated the application and returned
144 the application with its recommendations to MDA, as provided in
145 this section.

146 **SECTION 4.** (1) MDA is empowered, on such terms and
147 conditions as it may determine, to make loans, loan guarantees,
148 grants and any other financial assistance under this act to
149 applicants whose projects are approved for assistance by MDA. For
150 providing assistance to projects under this section, MDA shall
151 establish criteria, rules and procedures for accepting, reviewing
152 and granting or denying applications, and for terms and conditions
153 of financial assistance under this act.

154 (2) MDA shall provide assistance in the Southern Mississippi
155 Planning and Development District only for projects that are
156 primarily located in the counties that are included in the
157 planning and development district other than Hancock, Harrison and
158 Jackson Counties. MDA shall provide assistance from the Gulf
159 Coast Restoration Fund only for projects that are primarily
160 located in Hancock, Harrison or Jackson County.

161 (3) MDA shall establish a scoring process for the selection
162 of projects that have the potential to generate increased economic
163 activity in the counties involved, giving priority to:



164 (a) Projects that will have a significant positive
165 impact on the tax base, private sector job creation and private
166 sector investment;

167 (b) Projects that support workforce development and
168 training programs that result in both private and public sector
169 job readiness;

170 (c) Projects that enhance the quality of life/place and
171 business environment of a community or region, including tourism
172 and recreational opportunities;

173 (d) Projects that expand high growth industries or
174 establish new high growth industries in the region;

175 (e) Projects that leverage or further enhance key
176 regional assets, including educational institutions, research
177 facilities, and military bases;

178 (f) Infrastructure projects in existing industrial
179 parks;

180 (g) Infrastructure projects for business retention and
181 development; and

182 (h) Local match requirements for federal and state
183 funded projects that enhance the economic competitiveness of a
184 community.

185 (4) Assistance provided under this act may not be used to
186 finance one hundred percent (100%) of any project.

187 (5) Contracts executed by MDA with recipients of assistance
188 under this act must include provisions requiring a performance



189 report on the contracted activities, must account for the proper
190 use of funds provided under the contract, and must include
191 provisions for recovery of assistance if the assistance was based
192 upon fraudulent information or the recipient of the assistance is
193 not meeting the performance requirements of the assistance.
194 Recipients of assistance under this act must regularly report to
195 MDA the status of the project on a schedule determined by MDA.

196 **SECTION 5.** (1) The scope of a financial audit of recipients
197 of assistance under this act shall include funds related to any
198 year in which the recipient receives assistance under this act.
199 The scope of review for these funds shall include, but is not
200 limited to, compliance with state and federal laws related to the
201 receipt and expenditure of those funds.

202 (2) Once every two (2) years, the State Auditor shall
203 conduct an operational audit of the recipients of assistance under
204 this act to evaluate the performance of the recipient in
205 administering laws, policies and procedures governing the
206 expenditure of the assistance in an efficient and effective
207 manner. The scope of review shall include, but is not limited to,
208 evaluating internal controls, internal audit functions, reporting
209 and performance requirements required for use of the assistance,
210 and compliance with state and federal law. The audit shall
211 include any funds that the recipient received from assistance
212 under this act.



213 (3) In addition to the rules of the State Auditor, the State
214 Auditor shall adopt rules for the form and conduct all financial
215 audits performed by independent certified public accountants and
216 for audits of recipients of assistance under this act.

217 (4) The State Auditor may report findings to the Secretary
218 of the Treasury of the United States in addition to the reporting
219 requirements under state law.

220 (5) The cost of the audits performed as provided in this
221 section may be paid from the special funds created in Section 1 of
222 this act, and those expenditures are not subject to the percentage
223 cap on administrative expenses set in Section 2(4) of this act.

224 **SECTION 6.** MDA shall file an annual report with the
225 Governor, the Secretary of the Senate and the Clerk of the House
226 of Representatives not later than December 1 of each year,
227 including detailed information regarding at least the following
228 specific areas:

229 (a) Receipts and expenditures of the funds received and
230 provided as assistance under this act;

231 (b) Overview of applications reviewed and a detailed
232 description of applications approved for assistance for the
233 current year; and

234 (c) Schedule of all applications for which assistance
235 was provided under this act detailing status of progress, start
236 date, anticipated completion date, benchmark achievements, and any



237 modifications to the original application after receipt of
238 assistance.

239 **SECTION 7.** This act shall take effect and be in force from
240 and after July 1, 2018.

