

By: Representatives Turner, Jackson,  
Faulkner, Hulum

To: Banking and Financial  
Services; Appropriations

HOUSE BILL NO. 882

1 AN ACT TO ESTABLISH THE RENAISSANCE ASSISTANCE PROGRAM TO  
2 INITIATE DEVELOPMENT TO PROVIDE FINANCING FOR THE STARTUP OR  
3 EXPANSION OF SMALL BUSINESSES, IN CONJUNCTION WITH TRADITIONAL  
4 COMMERCIAL BANK LENDING; TO CREATE A SPECIAL FUND TO BE KNOWN AS  
5 THE RENAISSANCE ASSISTANCE PROGRAM TO INITIATE DEVELOPMENT  
6 REVOLVING LOAN FUND, WHICH SHALL BE ADMINISTERED BY A QUALIFIED  
7 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION UNDER THE OVERSIGHT OF  
8 THE DEPARTMENT OF FINANCE AND ADMINISTRATION, AND EXPENDED FOR THE  
9 PURPOSE OF PROVIDING LOANS TO SMALL BUSINESSES UNDER THE  
10 PROVISIONS OF THIS ACT; TO PROVIDE THAT THE DEPARTMENT SHALL  
11 DETERMINE THE TERMS AND CONDITIONS OF THE LOANS AND SPECIFY  
12 CERTAIN REQUIREMENTS FOR THE LOANS; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) As used in this act, the following terms  
15 have the meanings as defined in this section, unless the context  
16 clearly indicates otherwise:

17 (a) "Department" means the Mississippi Department of  
18 Finance and Administration; and

19 (b) "Fund" means the Renaissance Assistance Program to  
20 Initiate Development (RAPID) Revolving Loan Fund.

21 (2) The Renaissance Assistance Program to Initiate  
22 Development (RAPID) is established to provide financing for the



23 startup or expansion of a small business, in conjunction with  
24 traditional commercial bank lending.

25 (3) (a) There is created in the State Treasury a special  
26 fund to be known as the Renaissance Assistance Program to Initiate  
27 Development (RAPID) Revolving Loan Fund, which shall be  
28 administered by a qualified community development financial  
29 institution (CDFI) under the oversight of the department.

30 The fund shall consist of legislative appropriations, federal  
31 funds, contributions, donations, gifts and monies from any other  
32 source that are made available for deposit into the fund. Monies  
33 in the fund shall be expended by the department upon appropriation  
34 of the Legislature for the sole purpose of providing loans to  
35 small businesses under the provisions of this section. Monies  
36 remaining in the fund at the end of a fiscal year shall not lapse  
37 into the State General Fund, and any interest earned from the  
38 investment of monies in the fund shall be deposited to the credit  
39 of the fund.

40 (b) The State Fiscal Officer shall transfer from the  
41 Capital Expense Fund to the Renaissance Assistance Program to  
42 Initiate Development Revolving Loan Fund, as created in subsection  
43 (3) (a) of this section, the sum of Ten Million Dollars  
44 (\$10,000,000.00) during fiscal year 2024.

45 (4) The proceeds of such loans authorized under this act  
46 shall be used by small businesses only for the following purposes:

47 (a) Permanent working capital;



- 48 (b) Building purchases;
- 49 (c) Land acquisition and construction;
- 50 (d) Facility expansion;
- 51 (e) Machinery and equipment purchases;
- 52 (f) Leasehold improvements;
- 53 (g) Closing costs;
- 54 (h) Business acquisitions.

55 (5) The department shall determine the terms and conditions  
56 of each loan, including the repayment of the loan, which shall be  
57 subject to the following provisions:

58 (a) To be eligible, a small business must meet the  
59 Small Business Administration (SBA) guidelines for small  
60 businesses;

61 (b) The borrower must be qualified as a small business  
62 based on SBA standards;

63 (c) The primary bank must provide not less than fifty  
64 percent (50%) of the total financing to the small business;

65 (d) The maximum RAPID loan amount shall be not more  
66 than fifty percent (50%) of the primary loan to the small  
67 business;

68 (e) At least one (1) job must be created or retained  
69 for every Twenty-five Thousand Dollars (\$25,000.00) in RAPID  
70 funding;

71 (f) A small business may obtain only one (1) RAPID  
72 loan;



73 (g) If such deal involves real estate, no less than  
74 fifty-one percent (51%) of such real estate shall be occupied by  
75 the small business;

76 (h) The RAPID loan shall require no collateral, and  
77 shall require only a personal guarantee from the borrower;

78 (i) Repayments of such loan shall be collected by  
79 member institutions, including, but not limited to, a bank, credit  
80 union, or planning and development district;

81 (j) A small business shall not be penalized for  
82 prepayment of a RAPID loan.

83 (6) The program administrator shall offer technical  
84 assistance to all RAPID loan borrowers, and shall manage not less  
85 than sixty percent (60%) of the portfolio to meet CDFI  
86 requirements.

87 (7) For each RAPID loan, there shall be a five percent (5%)  
88 administration fee, and a three percent (3%) technical assistant  
89 grant fee for the Renaissance Community Loan Fund (RCLF) to  
90 provide business coaching to all RAPID loan borrowers.

91 (8) Beginning in the third year, three percent (3%) of the  
92 interest on the loan from the borrower's repayments shall be  
93 disbursed as follows:

94 (a) One and one-half percent (1.5%) to be reinvested  
95 into the revolving loan fund; and

96 (b) One and one-half percent (1.5%) to be reinvested  
97 into the RCLF technical assistance account.



98           **SECTION 2.** This act shall take effect and be in force from  
99 and after July 1, 2023.

