

By: Senator(s) McCaughn, Suber, Tate,
Seymour, Whaley, Hickman

To: Forestry; Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2525

1 AN ACT TO CREATE THE MISSISSIPPI FORESTRY FACILITY GRANT FUND
2 AND PROGRAM TO BE USED FOR UTILITY, INFRASTRUCTURE AND
3 TRANSPORTATION PROJECTS WITH A \$10,000,000.00 INVESTMENT; TO
4 PROVIDE THAT SUCH FUNDS SHALL BE ADMINISTERED BY THE MISSISSIPPI
5 DEVELOPMENT AUTHORITY; TO PRESCRIBE CERTAIN CONDITIONS ON
6 ALLOCATIONS FROM THE FUND; TO PRESCRIBE ELIGIBLE COSTS FROM WHICH
7 MONIES FROM THE FUND MAY BE ALLOCATED; TO AUTHORIZE COOPERATIVE
8 AGREEMENTS FOR THE IMPLEMENTATION OF SUCH GRANTS; TO AMEND SECTION
9 57-1-55, MISSISSIPPI CODE OF 1972, IN CONFORMITY WITH THE
10 PRECEDING PROVISIONS; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** This act shall be known and may be cited as the
13 "Forestry Facility Grant Program." The Forestry Facility Grant
14 Program will authorize the Mississippi Development Authority,
15 through appropriations by the Legislature, to make grants
16 available to designated forestry facility projects that lead to
17 the expansion of Mississippi's forestry products industry.

18 **SECTION 2.** (1) For the purposes of this section:

19 (a) "Under public control" means held or controlled by
20 the public, or held by a public option.

21 (b) "Growth-to-drain" means a one and five (1.5) growth
22 to one (1) drain ratio of trees within a fifty-mile radius of the



23 facility, which can be verified by the Mississippi Forestry
24 Commission.

25 (c) "Eligible recipients" shall mean a forestry
26 facility project that satisfies the criteria as outlined in this
27 section, and has applied for grant funding to install utility,
28 infrastructure and transportation projects only. A recipient will
29 be found to be ineligible for a grant, if their project seeks to
30 use grant funding for construction of their facility or project.

31 (d) "The committee" means a committee consisting of the
32 Executive Director of the Mississippi Development Authority, Chief
33 of Economic Development, the MDA Forest Products expert, an
34 appointee from the Governor's office and an appointee from the
35 Lieutenant Governor's office, that is tasked with approving grant
36 recipients in accordance with this section.

37 (2) Eligible applicants include municipalities, county
38 governments, existing forestry product facilities and regional
39 economic development entities. To apply, applicants must submit
40 their proposals to the Mississippi Development Authority (MDA).
41 The MDA shall accept applications from eligible recipients,
42 prioritize these applications and submit suggested recipients to
43 the committee by no later than December 1. Beginning July 1,
44 2024, and each year thereafter, the committee shall review the
45 submitted list and choose to award grants to the eligible
46 recipients through the Mississippi Development Authority. The MDA



47 will consider and prioritize projects in relation to the following
48 criteria:

49 (a) The project has a minimum investment of Ten Million
50 Dollars (\$10,000,000.00);

51 (b) The project site utilizes at least fifty (50) acres
52 of land under public control;

53 (c) Applicant proposes to use funds for the purpose of
54 utility, infrastructure and/or transportation development;

55 (d) The project produces a high level of public
56 benefit;

57 (e) The project demonstrates best practices and
58 complies with the required growth-to-drain ratio;

59 (f) The project will comply with and expand upon
60 existing infrastructure in the community;

61 (g) The distribution of geographic size and location of
62 the project; and

63 (h) The applicant can demonstrate the ability of the
64 proposed project to be completed on time.

65 (3) The Mississippi Development Authority shall provide
66 grant funds to the forestry facility projects as approved by the
67 committee upon completion of the project. Award amounts shall not
68 exceed seventy-five percent (75%) of the total infrastructure
69 project cost. Grantees shall not receive compensation for
70 expenses related to the construction of their project.



71 (4) Eligible costs of grant funds include the acquisition of
72 land and any improvements thereon, the installation of power
73 lines, gas lines, water systems, sewage systems, roads, railroads
74 and other infrastructure-related projects that are necessary for
75 project completion and/or expansion, and complying with existing
76 community needs and infrastructure.

77 (5) Grants may be awarded for both existing projects and
78 development of prospective sites. In the latter case, the project
79 shall be made to help establish or complete a forestry products
80 project.

81 (6) Public grantees must adhere to Mississippi state
82 procedures and guidelines as it relates to the implementation and
83 financing of the approved project. Grantees must also submit any
84 and all audit financial statements as required by the State of
85 Mississippi.

86 (7) There is created in the State Treasury a special fund to
87 be known as the "Forestry Facility Grant Program Fund," from which
88 shall be established with a sum of Ten Million Dollars
89 (\$10,000,000.00). Awards authorized under the Forestry Facility
90 Grant Program shall be disbursed by the Mississippi Development
91 Authority. The fund shall consist of monies appropriated by the
92 Legislature and funds received as grants, endowments or gifts from
93 the federal government, its agencies and instrumentalities and
94 funds from any other available sources, public or private. Any
95 unexpended monies remaining in the fund, including interest



96 thereon, at the end of each fiscal year, shall not lapse to the
97 State General Fund, but shall remain in the fund.

98 (8) The Director of the Mississippi Development Authority
99 shall establish, administer, manage, and make expenditures and
100 allocations of grant funds and shall establish guidelines for
101 applications, evaluations and awards of grant funds. The MDA
102 shall utilize no more than two percent (2%) of funds awarded to
103 the program for administrative expenses.

104 (9) To carry out this act, the Mississippi Development
105 Authority may enter into cooperative agreements with entities in
106 the public and private sectors, including:

107 (a) Primary forestry product mills and residual forest
108 products facilities;

109 (b) Companies in a recognized forestry-related
110 industry;

111 (c) State and local agencies; and

112 (d) Nonprofit organizations for economic development.

113 (10) The Mississippi Development Authority may require that
114 recipients seek and secure technical assistance from the
115 Mississippi Forestry Commission. The Mississippi Forestry
116 Commission will provide administrative support to local forestry
117 project grantees to ensure proper growth-to-drain criteria as
118 defined herein.

119 **SECTION 3.** Section 57-1-55, Mississippi Code of 1972, is
120 amended as follows:



121 57-1-55. (1) The * * * Mississippi Development Authority
122 shall have the following general powers and duties: To develop
123 and manage programs which enhance the climate for economic growth
124 through assistance to private sector businesses, local communities
125 and individuals, and through an extensive national and
126 international marketing effort.

127 (2) The * * * Mississippi Development Authority shall have
128 the following general powers and duties with respect to economic
129 development:

130 (a) To plan, supervise and direct an active program of
131 solicitation of industries to locate within the state;

132 (b) To prepare, maintain and disseminate information
133 which is needed by companies in evaluating site locations;

134 (c) To consult with, advise and assist prospective
135 industries wishing to locate within the state;

136 (d) To encourage new or expanding industries, which
137 will add to the economy, to locate within the state;

138 (e) To maintain a coordinated liaison function with
139 other development groups, including state and federal agencies,
140 and planning and development districts, utility companies,
141 chambers of commerce and railroads;

142 (f) To assist communities and counties within the state
143 in preparation for economic growth;

144 (g) To assist new and existing business and industry
145 and encourage their development and expansion;



146 (h) To plan and conduct a nationwide advertising
147 program promoting the state to prospective industry. Any contract
148 entered into for such purposes shall be advertised, bid and
149 accepted in accordance with the same procedure as prescribed for
150 the advertisement and acceptance of bids for the purchase of
151 commodities and contracts for public purchases under Chapter 7,
152 Title 31, Mississippi Code of 1972;

153 (i) To work with economic development agencies of the
154 federal government in areas of industrial development and provide
155 information to industrial prospects regarding the availability of
156 federal funds and assistance;

157 (j) To work with the Department of Corrections,
158 pursuant to the provisions of Section 47-5-501 et seq., in
159 identifying and evaluating acceptable industries and businesses
160 and in acting as an agent of the Department of Corrections by
161 communicating with such concerns and aggressively soliciting their
162 participation in the Correctional Industries Work Program;

163 (k) To perform related work as required;

164 (l) To disseminate information about financial and
165 other programs of the * * * Mississippi Development Authority that
166 will assist in the creation or expansion of industries processing
167 wood products in this state;

168 (m) To market processed and raw agricultural products
169 domestically and abroad;



170 (n) To aid in the establishment of business incubation
171 centers by private business interests, not_for_profit
172 corporations, and/or governmental entities. The department may
173 provide funds by contract for the establishment of business
174 incubation centers and may contract for space in which business
175 incubation centers will be located. Business incubation centers
176 are defined as facilities and support services that encourage the
177 establishment of successful small businesses by providing a
178 short-term sheltered environment. The department may solicit and
179 accept grants and other financial aid or support from private or
180 public sources to aid in the development of business incubation
181 centers. In addition, advice and assistance to established
182 business incubation centers may be provided by the
183 department; * * *

184 (o) To employ licensed real estate brokers and
185 appraisers necessary for the industrial development of any real
186 estate under the ownership or control of the * * * Mississippi
187 Development Authority. Any contract entered into for such
188 purposes shall be advertised, bid and accepted in accordance with
189 the same procedure as prescribed for the advertisement and
190 acceptance of bids for the purchase of commodities and contracts
191 for public purchases under Chapter 7, Title 31, Mississippi Code
192 of 1972 * * *; and

193 (p) The Mississippi Development Authority will
194 establish, administer, manage, make expenditures and allocations



195 from the Forestry Facility Grant Program under the provisions of
196 Section 2 of this act.

197 **SECTION 4.** This act shall take effect and be in force from
198 and after July 1, 2023.

