

By: Representative Hines

To: Banking and Financial Services; Appropriations A

HOUSE BILL NO. 509

1 AN ACT TO ESTABLISH THE SMALL BUSINESS BRIDGE LOAN PROGRAM IN
 2 THE MISSISSIPPI DEPARTMENT OF BANKING AND CONSUMER FINANCE TO
 3 PROVIDE SHORT TERM BRIDGE LOANS TO SMALL BUSINESS OWNERS FOR THE
 4 PURPOSE OF PROVIDING FINANCIAL ASSISTANCE UNTIL THE OWNERS ARE
 5 ABLE TO SECURE OTHER FINANCING; TO CREATE A SPECIAL FUND TO BE
 6 KNOWN AS THE SMALL BUSINESS BRIDGE LOAN PROGRAM REVOLVING LOAN
 7 FUND, WHICH SHALL BE ADMINISTERED BY THE DEPARTMENT, AND EXPENDED
 8 FOR THE SOLE PURPOSE OF PROVIDING LOANS TO SMALL BUSINESS OWNERS
 9 UNDER THE PROVISIONS OF THIS ACT; TO PROVIDE THAT THE DEPARTMENT
 10 SHALL DETERMINE THE TERMS AND CONDITIONS OF THE LOANS AND SPECIFY
 11 CERTAIN REQUIREMENTS AND CONDITIONS FOR THE LOANS; AND FOR RELATED
 12 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 Banking and Consumer Finance;

19 (b) "Small business" has the meaning as defined in
 20 Section 57-10-155; and

21 (c) "Fund" means the Small Business Bridge Loan Program
 22 Revolving Loan Fund.



23 (2) The Small Business Bridge Loan Program is established to
24 provide short term bridge loans to small business owners for the
25 purpose of providing financial assistance until the owners are
26 able to secure other financing.

27 (3) (a) There is created in the State Treasury a special
28 fund to be known as the Small Business Bridge Loan Program
29 Revolving Loan Fund, which shall be administered by the
30 department. The fund shall consist of legislative appropriations,
31 federal funds, contributions, donations, gifts and monies from any
32 other source that are made available for deposit into the fund.
33 Monies in the fund shall be expended by the department upon
34 appropriation of the Legislature for the sole purpose of providing
35 loans to small businesses under the provisions of this section.
36 Monies remaining in the fund at the end of a fiscal year shall not
37 lapse into the State General Fund, and any interest earned from
38 the investment of monies in the fund shall be deposited to the
39 credit of the fund.

40 (b) The State Fiscal Officer shall transfer from the
41 Capital Expense Fund to the Small Business Bridge Loan Program
42 Revolving Loan Fund, as created in subsection (3) (a) of this
43 section, the sum of Three Million Dollars (\$3,000,000.00) during
44 fiscal year 2025; the sum of Two Million Dollars (\$2,000,000.00)
45 during fiscal year 2026; and the sum of One Million Dollars
46 (\$1,000,000.00) during fiscal year 2027.



47 (4) The department shall determine the terms and conditions
48 of each loan, including the repayment of the loan by small
49 businesses upon securing other financing to be deposited back in
50 the revolving loan fund for issuance of future loans to other
51 small businesses, which shall be subject to the following
52 provisions:

53 (a) To be eligible for a loan authorized under this
54 act, a small business must have been established in the state for
55 not less than one (1) year prior to the request for a loan.

56 (b) To qualify for a loan, a small business must
57 request funds for the purposes specified in subsection (2) of this
58 section, and a loan received by a small business shall be used
59 only for the requested purpose or purposes.

60 (c) The amount of a loan shall not be more than Two
61 Hundred Fifty Thousand Dollars (\$250,000.00).

62 (d) The term of any loan made under this section shall
63 be either ninety (90) days or one hundred eighty (180) days, as
64 determined by the department based upon the circumstances of the
65 business applying for the loan. However, the department may
66 extend the term of any loan made under this act up to an
67 additional one hundred eighty (180) days. The proceeds of the
68 loans authorized under this act shall be used only for the purpose
69 of providing short term financial assistance to small business
70 owners until the owners are able to secure other financing.



71 **SECTION 2.** This act shall take effect and be in force from
72 and after July 1, 2024.

