

By: Senator(s) McCaughn

To: Forestry

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2325

1 AN ACT TO BRING FORWARD SECTIONS 57-1-781 AND 57-1-783,
2 MISSISSIPPI CODE OF 1972, THE FORESTRY FACILITY GRANT PROGRAM, FOR
3 THE PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 57-1-781, Mississippi Code of 1972, is
6 brought forward as follows:

7 57-1-781. This section and Section 57-1-783 shall be known
8 and may be cited as the "Forestry Facility Grant Program." The
9 Forestry Facility Grant Program will authorize the Mississippi
10 Development Authority, through appropriations by the Legislature,
11 to make grants available to designated forestry facility projects
12 that lead to the expansion of Mississippi's forestry products
13 industry.

14 **SECTION 2.** Section 57-1-783, Mississippi Code of 1972, is
15 brought forward as follows:

16 57-1-783. (1) For the purposes of this section:

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



19 (b) "Growth-to-drain" means a one and five (1.5) growth
20 to one (1) drain ratio of trees within a fifty-mile radius of the
21 facility, which can be verified by the Mississippi Forestry
22 Commission.

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

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

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



44 recipients through the Mississippi Development Authority. The MDA
45 will consider and prioritize projects in relation to the following
46 criteria:

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

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

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

53 (d) The project produces a high level of public
54 benefit;

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

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

59 (g) The distribution of geographic size and location of
60 the project; and

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

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



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

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

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

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



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

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

102 (9) To carry out this section and Section 57-1-781, the
103 Mississippi Development Authority may enter into cooperative
104 agreements with entities in the public and private sectors,
105 including:

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

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

110 (c) State and local agencies; and

111 (d) Nonprofit organizations for economic development.

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



118 **SECTION 3.** This act shall take effect and be in force from
119 and after July 1, 2024, and shall stand repealed on June 30, 2024.

