

By: Senator(s) McCaughn

To: Forestry

## SENATE BILL NO. 2019

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



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

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

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

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

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

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

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

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

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

(3) The Mississippi Development Authority shall provide grant funds to the forestry facility projects as approved by the committee upon completion of the project. Award amounts shall not exceed seventy-five percent (75%) of the total infrastructure project cost. Grantees shall not receive compensation for 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," which may  
86 be established with a sum of up to 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



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

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

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

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

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

(c) State and local agencies; and

(d) Nonprofit organizations for economic development.

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



118           **SECTION 3.** This act shall take effect and be in force from  
119 and after July 1, 2025.

