

By: Senator(s) McCaughn

To: Forestry

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2019

1 AN ACT TO BRING FORWARD SECTION 57-1-781, MISSISSIPPI CODE OF
2 1972, THE FORESTRY FACILITY GRANT PROGRAM, FOR THE PURPOSE OF
3 POSSIBLE AMENDMENT; TO AMEND SECTION 57-1-783, MISSISSIPPI CODE OF
4 1972, TO EXPAND WHICH PROJECTS MAY BE CONSIDERED FOR A GRANT; TO
5 AMEND THE FUNDS THAT THE LEGISLATURE SHALL DEPOSIT INTO THE FUND;
6 AND FOR RELATED PURPOSES.

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

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

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

17 **SECTION 2.** Section 57-1-783, Mississippi Code of 1972, is
18 amended as follows:

19 57-1-783. (1) For the purposes of this section:



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

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

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

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

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



2024, and each year thereafter, the committee shall review the 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 * * * twenty-five (25) acres of land under public control or an existing wood-use facility;

(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



70 exceed seventy-five percent (75%) of the total infrastructure
71 project cost. Grantees shall not receive compensation for
72 expenses related to the construction of their project.

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

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

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

88 (7) There is created in the State Treasury a special fund to
89 be known as the "Forestry Facility Grant Program Fund," which may
90 be established * * * based on funds provided by the State
91 Legislature. Awards authorized under the Forestry Facility Grant
92 Program shall be disbursed by the Mississippi Development
93 Authority. The fund shall consist of monies appropriated by the
94 Legislature and funds received as grants, endowments or gifts from



the federal government, its agencies and instrumentalities and funds from any other available sources, public or private. Any 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



120 project grantees to ensure proper growth-to-drain criteria as
121 defined herein.

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

