

By: Ford

To: Ways and Means

HOUSE BILL NO. 332

1 AN ACT TO AMEND SECTION 57-10-511, MISSISSIPPI CODE OF 1972,  
 2 TO EXTEND THE DATE OF THE REPEALER ON THE AUTHORITY OF THE  
 3 MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO  
 4 GRANT FUNDS TO PLANNING AND DEVELOPMENT OF DISTRICTS AND QUALIFIED  
 5 ENTITIES UNDER THE MISSISSIPPI SMALL BUSINESS ASSISTANCE ACT; AND  
 6 FOR RELATED PURPOSES.

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

8 SECTION 1. Section 57-10-511, Mississippi Code of 1972, is  
 9 amended as follows:

10 57-10-511. (1) DECD shall grant funds under this article to  
 11 a planning and development district or qualified entity in  
 12 accordance with the following terms and conditions:

13 (a) Grant funds received by a planning and development  
 14 district or qualified entity in accordance with this article shall  
 15 be used by the planning and development district or qualified  
 16 entity to establish a revolving assistance fund for the purpose of  
 17 providing assistance to small businesses in accordance with this  
 18 article. Except as otherwise allowed in this article, all  
 19 principal and interest payments by small businesses in repayment  
 20 of such assistance shall be eligible for and used by the planning  
 21 and development district or qualified entity for additional  
 22 assistance to small businesses in accordance with this article.

23 (b) Each planning and development district meeting the

24 criteria set forth in this article shall receive an initial grant  
25 of not to exceed One Million Dollars (\$1,000,000.00) for the  
26 purpose of establishing the program within its area in accordance  
27 with this article. Each qualified entity meeting the criteria set  
28 forth in this article shall be eligible to receive an initial  
29 grant of Five Hundred Thousand Dollars (\$500,000.00) for the  
30 purpose of establishing the program within the area it serves in  
31 accordance with this article. The total amount of initial grants  
32 to planning and development districts shall not exceed Ten Million  
33 Dollars (\$10,000,000.00) and the total amount of initial grants  
34 for qualified entities shall not exceed Two Million Dollars  
35 (\$2,000,000.00). Each planning and development district or  
36 qualified entity receiving an initial grant shall have twelve (12)  
37 months in which to make binding commitments to provide assistance  
38 to small businesses in the principal amount of the initial grant  
39 in accordance with this article. Grant funds not committed to  
40 provide assistance to small businesses at the end of twelve (12)  
41 months after receipt thereof by the planning and development  
42 district or qualified entity shall be returned to DECD for  
43 placement in a pool to be redistributed by DECD to planning and  
44 development districts or qualified entities which have binding  
45 commitments to distribute as assistance all their initial grant  
46 funds and have pending applications for additional assistance in  
47 accordance with this article. Any planning and development  
48 district or qualified entity returning any such grant funds to  
49 DECD shall be required at the time such initial grant funds are  
50 returned to deliver to the State Treasury, for deposit in the  
51 General Fund, interest on the amount of such returned funds at the  
52 same rate as any bonds or notes of the State of Mississippi issued  
53 pursuant to this article to provide such grant funds.

54 (c) After all of the initial grant funds have been

55 provided as assistance to small businesses in accordance with this  
56 article, DECD shall distribute additional grant funds to each  
57 planning and development district or qualified entity qualified  
58 under this article to receive and requesting such funds in  
59 whatever amounts DECD deems appropriate and when needed by such  
60 planning and development districts or qualified entities to  
61 provide additional assistance to small businesses in accordance  
62 with this article. The schedule for distributing such funds shall  
63 be determined by DECD. Funds distributed to planning and  
64 development districts and qualified entities pursuant to this  
65 paragraph shall be in addition to funds distributed to planning  
66 and development districts and qualified entities pursuant to  
67 paragraph (b) of this section. The total amount of grants issued  
68 pursuant to this paragraph shall not exceed Seventeen Million  
69 Dollars (\$17,000,000.00) for planning and development districts or  
70 qualified entities. Grant funds not committed to provide  
71 assistance to small businesses at the end of twelve (12) months  
72 after receipt thereof by the planning and development district or  
73 qualified entity shall be returned to DECD for placement in a pool  
74 to be redistributed by DECD to planning and development districts  
75 or qualified entities which have binding commitments to distribute  
76 as assistance all their initial grant funds and have pending  
77 applications for additional assistance in accordance with this  
78 article. Any planning and development district or qualified  
79 entity returning any such grant funds to DECD shall be required at  
80 the time such grant funds are returned to deliver to the State  
81 Treasury, for deposit in the General Fund, interest on the amount  
82 of such returned funds at the same rate as any bonds or notes of

83 the State of Mississippi issued pursuant to this article to  
84 provide such grant funds.

85 (d) A planning and development district or qualified  
86 entity participating in the program may utilize not more than  
87 fifty percent (50%) of interest earned on assistance provided to  
88 small businesses in accordance with this article for  
89 administration and management of the program, unless specifically  
90 authorized to utilize more by DECD; provided, however, any  
91 interest earned on grant funds held by a planning and development  
92 district or qualified entity prior to the utilization of such  
93 grant funds to provide assistance to small business shall be  
94 placed in the revolving assistance fund of the planning and  
95 development district or qualified entity and shall not be expended  
96 for administration or management costs. Planning and development  
97 districts and qualified entities may retain fifty percent (50%) of  
98 the interest earned on repayment funds that are being held on  
99 deposit in anticipation of relending to aid in the administration  
100 and management of the program. Each planning and development  
101 district and qualified entity shall file annually with the  
102 Secretary of the Senate and the Clerk of the House of  
103 Representatives not later than the first day of each regular  
104 legislative session a report which details any interest retained  
105 or utilized by the planning and development district or qualified  
106 entity pursuant to this paragraph (d).

107 (e) If a planning and development district or qualified  
108 entity participating in the program experiences losses from  
109 assistance provided pursuant to the program in excess of fifty  
110 percent (50%) of the amount of grant funds received by the

111 planning and development district or qualified entity, the  
112 planning and development district or qualified entity shall repay  
113 the State of Mississippi the amount of such losses in excess of  
114 fifty percent (50%) by delivering that amount to the State  
115 Treasury for deposit in the General Fund.

116 (f) DECD shall assist each planning and development  
117 district or qualified entity participating in the program in  
118 connection with such planning and development district's or  
119 qualified entity's compliance with this article.

120 (g) Each planning and development district or qualified  
121 entity participating in the program shall submit the following  
122 reports to the House Ways and Means Committee and the Senate  
123 Economic Development, Tourism and Parks Committee:

124 (i) An annual audit of grant funds received in  
125 connection with the program; and

126 (ii) A semiannual report on July 15 and January 15  
127 of each year, describing all assistance provided to small  
128 businesses pursuant to the program, such reports to include  
129 without limitation the following: a description of each small  
130 business receiving assistance; the project to be assisted and  
131 purpose of assistance; a description of each loan and equity  
132 investment, including the terms and conditions thereof and use of  
133 the funds assistance by the small business; history of the  
134 assistance pool, including principal amount loaned, interest  
135 earned, interest expended for administration and management,  
136 principal amount of equity investments, assistance funds  
137 available, and losses; and a statement of jobs created or retained  
138 as a result of the assistance program.

139           (h) If DECD determines that a district or entity has  
140 provided assistance to small businesses in a manner inconsistent  
141 with the provisions of this article, then the amount of such  
142 assistance so provided shall be withheld by DECD from any  
143 additional grant funds to which the district or entity becomes  
144 entitled under this article. If DECD determines, after notifying  
145 such district or entity twice in writing and providing such  
146 district or entity a reasonable opportunity to comply, that a  
147 planning and development district or qualified entity has  
148 consistently failed to comply with this article in connection with  
149 the program, DECD may declare such planning and development  
150 district or qualified entity in default under the program and,  
151 upon receipt of notice thereof from DECD, such planning and  
152 development district or qualified entity shall immediately cease  
153 providing assistance under the program, shall refund to DECD for  
154 distribution to other planning and development districts or  
155 qualified entities all funds held in its revolving assistance fund  
156 and, if required by DECD, shall convey to DECD all administrative  
157 and management control of assistance provided by it under the  
158 program.

159           (2) This section shall stand repealed on July 1, 2001.

160           SECTION 2. This act shall take effect and be in force from  
161 and after July 1, 2000.