

By: Senator(s) Minor

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3121

1 AN ACT TO AMEND SECTION 57-61-25, MISSISSIPPI CODE OF 1972,
2 TO INCREASE FROM \$254,750,000.00 TO \$265,000,000.00, THE AGGREGATE
3 AMOUNT OF BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS
4 INVESTMENT ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF
5 1972, TO INCREASE FROM \$5,000,000.00 TO \$7,000,000.00, THE AMOUNT
6 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
7 MAKE AVAILABLE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT AS
8 INTEREST BEARING LOANS TO AID IN THE ESTABLISHMENT OF BUSINESS
9 INCUBATION CENTERS AND THE CREATION OF NEW AND EXPANDING
10 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO AMEND SECTION 57-61-36,
11 MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$6,500,000.00 TO
12 \$8,000,000.00, THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI
13 DEVELOPMENT AUTHORITY MAY USE UNDER THE MISSISSIPPI BUSINESS
14 INVESTMENT ACT FOR THE PURPOSE OF MAKING GRANTS AND LOANS TO
15 COUNTIES AND MUNICIPALITIES TO AID IN INFRASTRUCTURE RELATED
16 IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND THE PURCHASE,
17 CONSTRUCTION, REPAIR AND RENOVATION OF PUBLIC FACILITIES; TO
18 EXTEND THE DATE OF REPEAL ON THE PROVISION OF LAW THAT AUTHORIZES
19 THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE BOND
20 PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE
21 INTEREST BEARING LOANS TO CERTAIN ENTITIES THROUGH A HOUSING
22 DEVELOPMENT REVOLVING LOAN FUND FOR LOW TO MODERATE INCOME HOUSING
23 PURPOSES; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** Section 57-61-25, Mississippi Code of 1972, is
26 amended as follows:

27 57-61-25. (1) The seller is authorized to borrow, on the
28 credit of the state upon receipt of a resolution from the
29 Mississippi Development Authority requesting the same, money not
30 exceeding the aggregate sum of Two Hundred Sixty-five Million
31 Dollars (\$265,000,000.00), not including money borrowed to refund
32 outstanding bonds, notes or replacement notes, as may be necessary
33 to carry out the purposes of this chapter. The aggregate amount
34 of bonds issued prior to June 30, 1987, shall not exceed Fifty
35 Million Dollars (\$50,000,000.00); provided, however, this Fifty
36 Million Dollar (\$50,000,000.00) limitation shall not be construed
37 to limit the aggregate amount of grants which may be awarded prior



38 to June 30, 1987, to less than the full amount authorized under
39 Section 57-61-15(1), Mississippi Code of 1972. The rate of
40 interest on any such bonds or notes which are not subject to
41 taxation shall not exceed the rates set forth in Section
42 75-17-101, Mississippi Code of 1972, for general obligation bonds.

43 (2) As evidence of indebtedness authorized in this chapter,
44 general or limited obligation bonds of the state shall be issued
45 from time to time, to provide monies necessary to carry out the
46 purposes of this chapter for such total amounts, in such form, in
47 such denominations payable in such currencies (either domestic or
48 foreign or both) and subject to such terms and conditions of
49 issue, redemption and maturity, rate of interest and time of
50 payment of interest as the seller directs, except that such bonds
51 shall mature or otherwise be retired in annual installments
52 beginning not more than five (5) years from date thereof and
53 extending not more than thirty (30) years from date thereof.

54 (3) All bonds and notes issued under authority of this
55 chapter shall be signed by the chairman of the seller, or by his
56 facsimile signature, and the official seal of the seller shall be
57 affixed thereto, attested by the secretary of the seller.

58 (4) All bonds and notes issued under authority of this
59 chapter may be general or limited obligations of the state, and
60 the full faith and credit of the State of Mississippi as to
61 general obligation bonds, or the revenues derived from projects
62 assisted as to limited obligation bonds, are hereby pledged for
63 the payment of the principal of and interest on such bonds and
64 notes.

65 (5) Such bonds and notes and the income therefrom shall be
66 exempt from all taxation in the State of Mississippi.

67 (6) The bonds may be issued as coupon bonds or registered as
68 to both principal and interest, as the seller may determine. If
69 interest coupons are attached, they shall contain the facsimile
70 signature of the chairman and secretary of the seller.



(7) The seller is authorized to provide, by resolution, for the issuance of refunding bonds for the purpose of refunding any debt issued under the provision of this chapter and then outstanding, either by voluntary exchange with the holders of the outstanding debt or to provide funds to redeem and the costs of issuance and retirement of the debt, at maturity or at any call date. The issuance of the refunding bonds, the maturities and other details thereof, the rights of the holders thereof and the duties of the issuing officials in respect to the same shall be governed by the provisions of this section, insofar as they may be applicable.

(8) As to bonds issued hereunder and designated as taxable bonds by the seller, any immunity of the state to taxation by the United States government of interest on bonds or notes issued by the state is hereby waived.

SECTION 2. Section 57-61-34, Mississippi Code of 1972, is amended as follows:

57-61-34. Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Seven Million Dollars (\$7,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter to be made available as interest-bearing loans to municipalities or private companies to aid in the establishment of business incubation centers and the creation of new and expanding technology-based business and industry.

In exercising the power given it under this section, the Mississippi Development Authority shall work in conjunction with the University Research Center and may contract with the center to provide space and assistance to business incubation centers as the center is authorized to do pursuant to Section 57-13-13.

The requirements of Section 57-61-9 shall not apply to any loan made under this section. The Mississippi Development



Authority shall establish criteria and guidelines to govern loans made pursuant to this section.

SECTION 3. Section 57-61-36, Mississippi Code of 1972, is amended as follows:

57-61-36. (1) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants to municipalities through a development infrastructure grant fund to complete infrastructure related to new or expanded industry.

(2) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not more than Seven Million Dollars (\$7,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making interest-bearing loans to any agency, department, institution, instrumentality or political subdivision of the state; or any agency, department, institution or instrumentality of any political subdivision of the state; or any business, organization, corporation, association or other legal entity meeting criteria established by the department, through a housing development revolving loan fund, to construct or repair housing for low or moderate income earners; provided, however, that the department may not utilize any bond proceeds authorized under this chapter for the purpose of making any loans to the Mississippi Home Corporation for any purpose whatsoever. No more than forty percent (40%) of the additional bonds authorized by this section in House Bill No. 1694, 1998 Regular Session [Laws, 1998, Chapter 559], may be used for multiple family housing activities. Funds authorized under this subsection may be deposited in the Mississippi Affordable Housing Development Fund authorized in Section 43-33-759 and used for purposes authorized



by that section. This subsection (2) shall be repealed from and after July 1, 2004.

(3) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Eight Million Dollars (\$8,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants or loans to municipalities through an equipment and public facilities grant and loan fund to aid in infrastructure-related improvements as determined by the Mississippi Development Authority, the purchase of equipment and in the purchase, construction or repair and renovation of public facilities. Any bonds previously issued for the Development Infrastructure Revolving Loan Program which have not been loaned or applied for are eligible to be administered as grants or loans.

The requirements of Section 57-61-9 shall not apply to any grant made under this subsection. The Mississippi Development Authority may establish criteria and guidelines to govern grants made pursuant to this subsection.

(4) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out of the proceeds of bonds authorized to be issued in this chapter in order to match federal funds available from the United States Department of Agriculture for the purpose of establishing an intermediary relending program to be administered by the Mississippi Development Authority. The Mississippi Development Authority may establish criteria and guidelines to govern loans made under such program.

(5) The Mississippi Development Authority may establish a capital access program and may contract with any financial institution to participate in the program upon such terms and conditions as the authority shall consider necessary and proper. The Mississippi Development Authority may establish loss reserve



accounts at financial institutions that participate in the program and require payments by the financial institution and the borrower to such loss reserve accounts. All money in such loss reserve accounts is the property of the Mississippi Development Authority.

Under the capital access program a participating financial institution may make a loan to any borrower the Mississippi Development Authority determines to be qualified under rules and regulations adopted by the authority and be protected against losses from such loans as provided in the program. Under such rules and regulations as may be adopted by the Mississippi Development Authority, a participating financial institution may submit claims for the reimbursement for losses incurred as a result of default on loans by qualified borrowers.

Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making payments to loan loss reserve accounts established at financial institutions that participate in the capital access program established by the Mississippi Development Authority.

(6) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Two Hundred Thousand Dollars (\$200,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of assisting Warren County, Mississippi, in the continuation and completion of the study for the proposed Kings Point levee.

SECTION 4. This act shall take effect and be in force from and after its passage.

