

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.



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

86           **SECTION 2.** Section 57-61-34, Mississippi Code of 1972, is  
87       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.

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

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

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

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

107       57-61-36. (1) Notwithstanding any provision of this chapter  
108     to the contrary, the Mississippi Development Authority shall  
109     utilize not more than Ten Million Five Hundred Thousand Dollars  
110     (\$10,500,000.00) out of the proceeds of bonds authorized to be  
111     issued in this chapter for the purpose of making grants to  
112     municipalities through a development infrastructure grant fund to  
113     complete infrastructure related to new or expanded industry.

114       (2) Notwithstanding any provision of this chapter to the  
115     contrary, the Mississippi Development Authority may utilize not  
116     more than Seven Million Dollars (\$7,000,000.00) out of the  
117     proceeds of bonds authorized to be issued in this chapter for the  
118     purpose of making interest-bearing loans to any agency,  
119     department, institution, instrumentality or political subdivision  
120     of the state; or any agency, department, institution or  
121     instrumentality of any political subdivision of the state; or any  
122     business, organization, corporation, association or other legal  
123     entity meeting criteria established by the department, through a  
124     housing development revolving loan fund, to construct or repair  
125     housing for low or moderate income earners; provided, however,  
126     that the department may not utilize any bond proceeds authorized  
127     under this chapter for the purpose of making any loans to the  
128     Mississippi Home Corporation for any purpose whatsoever. No more  
129     than forty percent (40%) of the additional bonds authorized by  
130     this section in House Bill No. 1694, 1998 Regular Session [Laws,  
131     1998, Chapter 559], may be used for multiple family housing  
132     activities. Funds authorized under this subsection may be  
133     deposited in the Mississippi Affordable Housing Development Fund  
134     authorized in Section 43-33-759 and used for purposes authorized



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

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

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

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

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



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

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

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

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

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

