

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.



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

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:

88 57-61-34. Notwithstanding any provision of this chapter to
89 the contrary, the Mississippi Development Authority shall utilize
90 not more than Seven Million Dollars (\$7,000,000.00) out of the
91 proceeds of bonds authorized to be issued in this chapter to be
92 made available as interest-bearing loans to municipalities or
93 private companies to aid in the establishment of business
94 incubation centers and the creation of new and expanding
95 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.

