

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 3176

1 AN ACT TO AMEND SECTION 31-25-28, MISSISSIPPI CODE OF 1972,  
 2 TO AUTHORIZE THE STATE OF MISSISSIPPI OR ANY AGENCY THEREOF TO  
 3 BORROW MONEY FROM THE MISSISSIPPI DEVELOPMENT BANK FOR THE PURPOSE  
 4 OF PROVIDING FUNDS FOR LOAN PROGRAMS ADMINISTERED BY SUCH AN  
 5 AGENCY; TO PROVIDE THAT AN AGENCY BORROWING MONEY FROM THE  
 6 MISSISSIPPI DEVELOPMENT BANK FOR THE PURPOSE OF PROVIDING FUNDS  
 7 FOR SUCH A LOAN PROGRAM MAY PLEDGE FUNDS RECEIVED BY THE AGENCY AS  
 8 LOAN REPAYMENTS UNDER SUCH A LOAN PROGRAM TO REPAY ANY LOAN MADE  
 9 BY THE MISSISSIPPI DEVELOPMENT BANK TO THE AGENCY; TO EXEMPT LOANS  
 10 MADE BY THE MISSISSIPPI DEVELOPMENT BANK UNDER THIS ACT FROM  
 11 CERTAIN CRITERIA REQUIRED FOR OTHER LOANS MADE BY THE BANK TO THE  
 12 STATE OF MISSISSIPPI OR AGENCIES THEREOF; TO AMEND SECTIONS  
 13 31-25-27, 49-17-85, 49-17-86, 57-1-303 and 69-2-13, MISSISSIPPI  
 14 CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR  
 15 RELATED PURPOSES.

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

17 **SECTION 1.** Section 31-25-28, Mississippi Code of 1972, is  
 18 amended as follows:

19 31-25-28. (1) Local governmental units may borrow money or  
 20 receive grants from the bank for any of the purposes set forth in  
 21 this section or Section 31-25-20(g) and pay to the bank such fees  
 22 and charges for services as the bank may prescribe. Whenever any  
 23 such loan is made to a local governmental unit, such local  
 24 governmental unit may use available revenues for the repayment of  
 25 the principal of, premium, if any, and interest on such loan, and  
 26 pledge such available revenues or monies for the repayment of the  
 27 principal of, premium, if any, and interest on such loan. It is  
 28 the intention of the Legislature that any such pledge of revenues  
 29 or other monies shall be valid and binding from the date the  
 30 pledge is made; that such revenues or other monies so pledged and  
 31 thereafter received by the local governmental unit shall  
 32 immediately be subject to the lien of such pledge without any  
 33 physical delivery thereof or further act, and that the lien of any

34 such pledge shall be valid and binding as against all parties  
35 having claims of any kind in tort, contract or otherwise against  
36 the local governmental unit irrespective of whether such parties  
37 have notice thereof; and neither the resolutions, contracts or any  
38 other instrument by which a pledge is created need be recorded.

39 (2) Local governmental units may contract with the bank with  
40 respect to any such loan and such contract shall contain such  
41 terms and conditions as may be prescribed by the bank.

42 (3) Local governmental units may in connection with any such  
43 loan enter into any covenants and agreements with respect to such  
44 local governmental unit's operations, revenues, assets, monies,  
45 funds or property, or such loan, as may be prescribed by the bank.

46 (4) Upon the making of any such loan by the bank to any  
47 local governmental unit, such local governmental unit shall be  
48 held and be deemed to have agreed that if such governmental unit  
49 fails to pay the principal of, premium, if any, and interest on  
50 any such loan as when due and payable, such governmental unit  
51 shall have waived any and all defenses to such nonpayment, and the  
52 bank, upon such nonpayment, shall thereupon avail itself of all  
53 remedies, rights and provisions of law applicable in such  
54 circumstance, including without limitation, any remedies or rights  
55 theretofore agreed to by the local governmental unit, and that  
56 such loan shall for all of the purposes of this section, be held  
57 and be deemed to have become due and payable and to be unpaid.  
58 The bank may carry out the provisions of this section and exercise  
59 all of the rights and remedies and provisions of law provided or  
60 referred to in this section and of all other applicable laws of  
61 the state.

62 (5) Any local governmental unit that borrows from the bank  
63 under this section may agree in writing with the bank that, as  
64 provided in this subsection, the State Tax Commission or any state  
65 agency, department or commission created pursuant to state law  
66 shall (a) withhold all or any part (as agreed by the local

67 governmental unit) of any monies that such local governmental unit  
68 is entitled to receive from time to time pursuant to any law and  
69 that is in the possession of the State Tax Commission or any state  
70 agency, department or commission created pursuant to state law and  
71 (b) pay the same over to the bank to satisfy any delinquent  
72 payments on any such loan made to such local governmental unit  
73 under the provisions of this section and any other delinquent  
74 payments due and owing the bank by such local governmental unit,  
75 all as the same shall occur. If the bank files a copy of such  
76 written agreement, together with a statement of delinquency, with  
77 the State Tax Commission or any state agency, department or  
78 commission created pursuant to state law, then the State Tax  
79 Commission or any state agency, department or commission created  
80 pursuant to state law shall immediately make the withholdings  
81 provided in such agreement from the amounts due the local  
82 governmental unit and shall continue to pay the same over to the  
83 bank until all such delinquencies are satisfied.

84 (6) Before authorizing any loan for any of the purposes  
85 enumerated in Section 31-25-20(e), the governing authority of the  
86 local governmental unit shall adopt a resolution declaring its  
87 intention so to do, stating the amount of the loan proposed to be  
88 authorized and the purpose for which the loan is to be authorized,  
89 and the date upon which the loan will be authorized. Such  
90 resolution shall be published once a week for at least three (3)  
91 consecutive weeks in at least one (1) newspaper published in such  
92 local governmental unit. The first publication of such resolution  
93 shall be made not less than twenty-one (21) days before the date  
94 fixed in such resolution for the authorization of the loan and the  
95 last publication shall be made not more than seven (7) days before  
96 such date. If no newspaper is published in such local  
97 governmental unit, then such notice shall be given by publishing  
98 the resolution for the required time in some newspaper having a  
99 general circulation in such local governmental unit and, in

100 addition, by posting a copy of such resolution for at least  
101 twenty-one (21) days next preceding the date fixed therein at  
102 three (3) public places in such local governmental unit. If  
103 fifteen percent (15%) of the qualified electors of the local  
104 governmental unit or fifteen hundred (1500), whichever is the  
105 lesser, file a written protest against the authorization of such  
106 loan on or before the date specified in such resolution, then an  
107 election on the question of the authorization of such loan shall  
108 be called and held as otherwise provided for in connection with  
109 the issuance of general obligation indebtedness of such local  
110 governmental unit. Notice of such election shall be given as  
111 otherwise required in connection with the issuance of general  
112 obligation indebtedness of such local governmental unit. If  
113 three-fifths (3/5) of the qualified electors voting in the  
114 election vote in favor of authorizing the loan, then the governing  
115 authority of the local governmental unit shall proceed with the  
116 loan; however, if less than three-fifths (3/5) of the qualified  
117 electors voting in the election vote in favor of authorizing the  
118 loan, then the loan shall not be incurred. If no protest be  
119 filed, then such loan may be entered into by the local  
120 governmental unit without an election on the question of the  
121 authorization of such loan, at any time within a period of two (2)  
122 years after the date specified in the resolution. However, the  
123 governing authority of any local governmental unit in its  
124 discretion may nevertheless call an election on such question, in  
125 which event it shall not be necessary to publish the resolution  
126 declaring its intention to authorize such loan as provided in this  
127 subsection.

128       (7) (a) The State of Mississippi or any agency thereof may  
129 borrow money from the bank for any purpose as otherwise authorized  
130 by this act or for the purpose of funding loan programs (including  
131 revolving loan programs) for such local governmental unit, or  
132 both. The State of Mississippi or any agency thereof may contract

133 with the bank with respect to any loan from the bank to fund such  
134 loan programs and such loan from the bank may include any terms  
135 and conditions as provided for in this section. If the state or  
136 any agency thereof borrows funds pursuant to this subsection (7),  
137 then such local governmental unit shall certify the following to  
138 the bank prior to making the loan from the bank:

139 (i) The revolving loan program or other program to  
140 be funded through the issuance of the bonds;

141 (ii) Available revenues which such local  
142 governmental unit intends to use to repay the loan; and

143 (iii) That such local governmental unit does not  
144 intend to request an additional appropriation from the Legislature  
145 to pay debt service on the loan from the bank or for such  
146 security.

147 (b) If such local governmental unit meets the  
148 requirements of paragraph (a) of this subsection (7), then such  
149 local governmental unit shall not be required to meet the  
150 requirements of Section 31-25-27(14). Notwithstanding any other  
151 provision of law, including any limitations or restrictions under  
152 Section 57-1-301 et seq., Section 49-17-81 et seq. and Section  
153 69-2-13 et seq., such local governmental unit may designate or  
154 pledge any funds, revenues or any other amounts received under its  
155 loan programs designated under paragraph (a)(i) of this subsection  
156 (7) to repay a loan from the bank under this subsection (7).  
157 Funds, revenues or any other amounts received under a loan program  
158 as provided under this subsection (7) specifically include, but  
159 are not limited to, any principal and/or interest loan repayments  
160 from any participant under the program, any investment earnings,  
161 or other amounts held by the state or any agency thereof in  
162 connection with the applicable loan program. Any loan program of  
163 the state or any agency thereof otherwise authorized by law shall  
164 be deemed to be a public purpose for purposes of this act which  
165 the bank may loan funds under the provisions of this act.

166           (c) In connection with a loan under this subsection  
167 (7), the bank may administer and manage loan programs as provided  
168 in the contracts with the bank to loan funds thereunder.

169           (8) This section shall be deemed to provide an additional,  
170 alternative and complete method for the doing of the things  
171 authorized by this section and shall be deemed and construed to be  
172 supplemental to any power conferred by other laws on local  
173 governmental units and not in derogation of any such powers. Any  
174 loan made pursuant to the provisions of this section shall not  
175 constitute an indebtedness of the local governmental unit within  
176 the meaning of any constitutional or statutory limitation or  
177 restriction. In connection with a loan under this chapter, a  
178 local governmental unit shall not be required to comply with the  
179 provisions of any other law except as provided in this section.

180           **SECTION 2.** Section 31-25-27, Mississippi Code of 1972, is  
181 amended as follows:

182           31-25-27. (1) Each local governmental unit is hereby  
183 authorized and empowered to contract with the bank with respect to  
184 the bank's purchase of such local governmental unit's securities  
185 and such contract shall contain such terms and conditions as may  
186 be prescribed by the bank. Each local governmental unit is  
187 authorized and empowered to pay to the bank such fees and charges  
188 for services as the bank may prescribe.

189           (2) Each local governmental unit is hereby authorized to  
190 issue securities under the provisions of this act and to sell such  
191 securities to the bank to raise money for any purpose or purposes  
192 set forth in Sections 21-27-23, 21-33-301, 21-33-325, 21-33-326,  
193 31-27-5, 17-17-301 et seq. and any other state law authorizing the  
194 issuance of local governmental unit debt, and for the purpose of  
195 refunding any securities issued under the provisions of this act  
196 or under the provisions of Section 21-27-11 et seq., or Section  
197 21-33-301 et seq., or Section 31-27-1 et seq. Such securities may  
198 be issued in accordance with Sections 21-33-301, 21-33-303,

199 21-33-307, 21-33-309, 21-33-311, 21-33-313, 21-33-325 and  
200 21-33-326, or Sections 21-27-23 through 21-27-43 and Sections  
201 21-27-47 through 21-27-71, or Sections 31-27-1 through 31-27-25,  
202 or Sections 17-5-3 through 17-5-11, or Sections 49-17-101 through  
203 49-17-123, or Sections 17-17-301 through 17-17-349 or any other  
204 state law authorizing issuance of local governmental unit debt, as  
205 the case may be, unless otherwise specifically provided in this  
206 act; provided, however, the securities of any local governmental  
207 unit may be issued with such terms and provisions as may be  
208 necessary and appropriate in order to comply with the provisions  
209 of any loan agreement described in Section 49-17-87. Whenever  
210 securities shall be issued under this subsection, the governing  
211 authority may also pledge to the payment of principal of, premium,  
212 if any, and interest on such securities the revenues of any  
213 project to be constructed, improved or purchased with the proceeds  
214 thereof. Whenever any project is a part of a system or combined  
215 system, then all or any portion of the revenues of such system or  
216 combined system may be pledged to secure repayment of such  
217 securities as determined by the bank.

218 (3) Each local governmental unit is hereby authorized to  
219 issue securities to the bank to raise money for any purpose or  
220 purposes set forth in Section 19-9-1, 19-9-27 or 19-9-28 and for  
221 the purpose of refunding any securities issued under the  
222 provisions of this act or under the provisions of Section 19-9-1  
223 et seq. Such securities may be issued in accordance with Sections  
224 19-9-1, 19-9-3, 19-9-5, 19-9-7, 19-9-9, 19-9-11, 19-9-13, 19-9-15,  
225 19-9-17, 19-9-27 and 19-9-28, or Sections 17-5-3 through 17-5-11,  
226 or Sections 49-17-101 through 49-17-123, as the case may be,  
227 unless otherwise specifically provided in this act; provided,  
228 however, the securities of any local governmental unit may be  
229 issued with such terms and provisions as may be necessary and  
230 appropriate in order to comply with the provisions of any loan  
231 agreement described in Section 49-17-87. Whenever securities

232 shall be issued under this subsection, the board of supervisors of  
233 the county may also pledge to the payment of principal of,  
234 premium, if any, and interest on such securities the revenues of  
235 any project to be constructed, improved, repaired or purchased  
236 with the proceeds thereof. Whenever any project is a part of a  
237 system or combined system, then all or any portion of the revenues  
238 of such system or combined system may be pledged to secure  
239 repayment of such securities as determined by the bank.

240 (4) In addition, any local governmental unit is hereby  
241 authorized to issue securities to the bank to raise money for any  
242 purpose or purposes otherwise authorized by state law and for the  
243 purpose of refunding any securities issued under the provisions of  
244 this act or as otherwise authorized by state law including Section  
245 49-17-83 et seq. Such securities may be issued in accordance with  
246 any other applicable provision of state law related to the  
247 issuance of securities including Section 49-17-83 et seq.  
248 Whenever securities shall be issued under this subsection, the  
249 governing body of such local governmental unit may also pledge to  
250 the payment of principal of, premium, if any, and interest on such  
251 securities the revenues of any project to be constructed, improved  
252 or purchased with the proceeds thereof. Whenever any project is a  
253 part of a system or combined system, then all or any portion of  
254 the revenues of such system or combined system may be pledged to  
255 secure repayment of such securities as determined by the bank.

256 (5) Securities issued by a local governmental unit under the  
257 provisions of this act:

258 (a) May be sold only to the bank at private sale and  
259 may be sold at such price or prices, in such manner and at such  
260 times as may be agreed to by the bank and the local governmental  
261 unit, and the governing body of the local governmental unit may  
262 pay all expenses, premiums, fees and commissions which it may deem  
263 necessary and advantageous in connection with the issuance and  
264 sale thereof;



265           (b) Shall be secured as provided by Chapter 27, Title  
266 21, Mississippi Code of 1972; Chapter 33, Title 21, Mississippi  
267 Code of 1972; or Chapter 9, Title 19, Mississippi Code of 1972, or  
268 other provisions of state law, and as provided in this act; and it  
269 is the intention of the Legislature that any pledge of earnings,  
270 revenues or other monies made by the local governmental unit shall  
271 be valid and binding from the time the pledge is made; that the  
272 earnings, revenues or other monies so pledged and thereafter  
273 received by the local governmental unit shall immediately be  
274 subject to the lien of such pledge without any physical delivery  
275 thereof or further act, and that the lien of any such pledge shall  
276 be valid and binding as against all parties having claims of any  
277 kind in tort, contract or otherwise against the local governmental  
278 unit irrespective of whether such parties have notice thereof; and  
279 neither the resolution nor any other instrument by which a pledge  
280 is created need be recorded;

281           (c) Neither the officers or members of the governing  
282 body of the local governmental unit nor any person executing the  
283 bonds shall be personally liable on the bonds or be subject to any  
284 personal liability or accountability by reason of the issuance  
285 thereof;

286           (d) Shall be issued for the purposes set forth in this  
287 act and shall include terms and conditions which meet the state  
288 law authorizing the issuance of such local governmental unit debt  
289 and/or such terms and conditions consistent with the requirements  
290 for issuance of Mississippi Development Bank Bonds under Section  
291 31-25-37.

292           (6) Each local governmental unit issuing securities under  
293 the provisions of this act is hereby authorized and empowered in  
294 connection with the issuance of such securities to enter into any  
295 covenants, agreements as to defaults and agreements as to remedies  
296 of the bank for defaults with respect to such local governmental

297 unit's operation, revenues, assets, monies, funds or property as  
298 may be prescribed by the bank.

299 (7) The proceeds of securities shall be deposited in one or  
300 more special funds established by resolution of the local  
301 governmental unit issuing the same and shall be applied to the  
302 following: (a) the purpose for which the securities were issued;  
303 (b) the payment of all costs of issuance of the securities; (c)  
304 the payments of any fees and charges established by the bank; (d)  
305 the payment of interest on the securities for a period of time not  
306 greater than the period of time estimated to be required to  
307 complete the purpose for which the securities were issued; all to  
308 the extent provided by resolution of the governing body of the  
309 local governmental unit and approved by the bank. Such special  
310 fund shall be held by commercial banks qualified to act as  
311 depositories therefor.

312 (8) In the event the bank determines to issue bonds and in  
313 connection therewith to exercise the powers provided in subsection  
314 (7) of Section 31-25-37, and if the requirements of subsection  
315 (2), (3) or (4) as the case may be, of this section have been  
316 satisfied, a local governmental unit is authorized to issue its  
317 securities as provided in this section.

318 (9) Securities issued under this act may be validated in the  
319 manner and with the force and effect provided in Section 31-13-1  
320 et seq.

321 (10) This act shall be deemed to provide an additional,  
322 alternative and complete method for the doing of the things  
323 authorized hereby and shall be deemed and construed to be  
324 supplemental to any power conferred by other laws on local  
325 governmental units and not in derogation of any such powers.

326 (11) Any person who attempts to or obtains financial aid for  
327 a local governmental unit hereunder or who attempts to or sells  
328 securities of a governmental unit to the bank by false or  
329 misleading information or who shall by fraud attempt to obtain

330 monies from the bank or its approval for the payment of monies or  
331 shall fraudulently attempt to or does prevent the collection of  
332 any monies due to the bank shall, upon conviction, be guilty of a  
333 felony for each offense.

334 (12) Upon the sale and issuance of any securities to the  
335 bank by any governmental unit, such governmental unit shall be  
336 held and be deemed to have agreed that in the event of the failure  
337 of such governmental unit to pay the interest on or the principal  
338 of any of such securities owned or held by the bank as and when  
339 due and payable, such governmental unit shall have waived any and  
340 all defenses to such nonpayment, and the bank upon such nonpayment  
341 shall thereupon constitute a holder or owner of such securities as  
342 being in default, and the bank may then and thereupon avail itself  
343 of all remedies, rights and provisions of law applicable in such  
344 circumstance, including without limitation any remedies or rights  
345 theretofore agreed to by the local governmental unit, and that all  
346 of the securities of the issue of securities of such governmental  
347 unit as to which there has been such nonpayment, shall for all of  
348 the purposes of this section be held and be deemed to have become  
349 due and payable and to be unpaid. The bank is hereby authorized  
350 and empowered to carry out the provisions of this section and to  
351 exercise all of the rights and remedies and provisions of law  
352 herein provided or referred to.

353 (13) Any local governmental unit which borrows from the bank  
354 is hereby authorized and empowered to agree in writing with the  
355 bank that, as provided in this subsection, the State Tax  
356 Commission or any state agency, department or commission created  
357 pursuant to state law shall (a) withhold all or any part (as  
358 agreed by the local governmental unit) of any monies which such  
359 local governmental unit is entitled to receive from time to time  
360 pursuant to any law and which is in the possession of the State  
361 Tax Commission, or any state agency, department or commission  
362 created pursuant to state law and (b) pay the same over to the

363 bank to satisfy any delinquent payments on any securities issued  
364 by such local governmental unit under the provisions of this act  
365 and any other delinquent payments due and owing the bank by such  
366 local governmental unit, all as the same shall occur. In the  
367 event the bank shall file a copy of such written agreement,  
368 together with a statement of delinquency, with the State Tax  
369 Commission, or any state agency, department or commission created  
370 pursuant to state law then the State Tax Commission or any state  
371 agency, department or commission created pursuant to state law  
372 shall immediately make the withholdings provided in such agreement  
373 from the amounts due the local governmental unit and shall  
374 continue to pay the same over to the bank until all such  
375 delinquencies are satisfied.

376 (14) (a) Except as otherwise provided in Section  
377 31-25-28(7), if the state or any agency thereof, the institutions  
378 of higher learning of the state or any education building  
379 corporation established for institutions of higher learning,  
380 borrows funds from the bank under Section 31-25-28 or sells its  
381 securities to the bank pursuant to this act, then such local  
382 governmental unit shall certify the following to the bank prior to  
383 the issuance of bonds:

384 (i) The legal authority for such local  
385 governmental unit to borrow funds; and

386 (ii) That such local governmental unit does not  
387 intend to request an additional appropriation from the Legislature  
388 to pay debt service on the loan or for such security.

389 (b) If the state or any agency thereof, the  
390 institutions of higher learning of the state or any education  
391 building corporation established for institutions of higher  
392 learning, does not make the certification required under paragraph  
393 (a)(ii) of this subsection, then such local governmental unit  
394 shall not borrow funds from the bank under Section 31-25-28 or  
395 sell its securities to the bank pursuant to this act unless an

396 appropriation by the Legislature authorizes the payment of debt  
397 service for the first year of the loan or for such security.

398 (15) Any local governmental unit may borrow money from the  
399 bank loaned under any loan guaranty program of any department or  
400 agency of the United States, including the United States  
401 Department of Agriculture Rural Utility Services Water and Waste  
402 Disposal Guaranteed Loan Program and Community Programs Guaranteed  
403 Loan Program or any such successor guaranty programs.

404 (16) Notwithstanding any law to the contrary, each local  
405 governmental unit is authorized and empowered to contract with the  
406 bank for the exercise by the bank of any and all of the bank's  
407 powers as set out in this act with respect to the proceeds of such  
408 local governmental unit's securities or certificates of  
409 participation issued by such local governmental unit pursuant to  
410 any state law authorizing the issuance of local governmental unit  
411 debt.

412 (17) Subsections (15) and (16) of this section shall be  
413 deemed to provide all necessary authority for the doing of the  
414 things authorized thereby and shall be liberally construed to  
415 accomplish the purposes and authorizations therein stated.

416 **SECTION 3.** Section 49-17-85, Mississippi Code of 1972, is  
417 amended as follows:

418 49-17-85. (1) There is established in the State Treasury a  
419 fund to be known as the "Water Pollution Control Revolving Fund"  
420 which shall be administered by the commission acting through the  
421 department. The revolving fund may receive bond proceeds and  
422 funds appropriated or otherwise made available by the Legislature  
423 in any manner and funds from any other source, public or private.  
424 The revolving fund shall be maintained in perpetuity for the  
425 purposes established in this section.

426 (2) There is established in the State Treasury a fund to be  
427 known as the "Water Pollution Control Hardship Grants Fund," which  
428 shall be administered by the commission acting through the

429 department. The grants fund shall be maintained in perpetuity for  
430 the purposes established in this section. Any interest earned on  
431 monies in the grants fund shall be credited to that fund.

432 (3) The commission shall promulgate regulations for the  
433 administration of the revolving fund program, the hardship grants  
434 program and for related programs authorized under this section.  
435 The regulations shall be in accordance with the federal Water  
436 Quality Act of 1987, as amended and regulations and guidance  
437 issued under that act. The commission may enter into  
438 capitalization grant agreements with the United States  
439 Environmental Protection Agency and may accept capitalization  
440 grant awards made under Title VI of the Water Quality Act of 1987,  
441 as amended.

442 (4) The commission shall establish a loan program which  
443 shall commence after October 1, 1988, to assist political  
444 subdivisions in the construction of water pollution control  
445 projects. Loans from the revolving fund may be made to political  
446 subdivisions as set forth in a loan agreement in amounts not  
447 exceeding one hundred percent (100%) of eligible project costs as  
448 established by the commission. Notwithstanding loan amount  
449 limitations set forth in Section 49-17-61, the commission may  
450 require local participation or funding from other sources, or  
451 otherwise limit the percentage of costs covered by loans from the  
452 revolving fund. The commission may establish a maximum amount for  
453 any loan in order to provide for broad and equitable participation  
454 in the program.

455 (5) The commission shall establish a hardship grants program  
456 for rural communities, which shall commence after July 1, 1997, to  
457 assist severely economically disadvantaged small rural political  
458 subdivisions in the construction of water pollution control  
459 projects. The commission may receive and administer state or  
460 federal funds, or both, appropriated for the operation of this  
461 grants program and may take all actions necessary to implement the

462 program in accordance with the federal hardship grants program.  
463 The hardship grants program shall operate in conjunction with the  
464 revolving loan program administered under this section.

465 (6) The commission shall act for the state in all matters  
466 and with respect to all determinations under Title VI of the  
467 federal Water Quality Act of 1987, as amended and the federal  
468 Omnibus Appropriations and Recision Act of 1996.

469 (7) Except as otherwise provided in this section, the  
470 revolving fund may be used only:

471 (a) To make loans on the condition that:

472 (i) The loans are made at or below market interest  
473 rates, at terms not to exceed twenty (20) years after project  
474 completion; the interest rate and term may vary from time to time  
475 and from loan to loan at the discretion of the commission;

476 (ii) Periodic principal and interest payments will  
477 commence when required by the commission but not later than one  
478 (1) year after project completion and all loans will be fully  
479 amortized when required by the commission but not later than  
480 twenty (20) years after project completion;

481 (iii) The recipient of a loan will establish a  
482 dedicated source of revenue for repayment of loans;

483 (b) To buy or refinance the debt obligation of  
484 political subdivisions at or below market rates, where the debt  
485 obligations were incurred after March 7, 1985, and where the  
486 projects were constructed in compliance with applicable federal  
487 and state regulations;

488 (c) To guarantee, or purchase insurance for,  
489 obligations of political subdivisions where the action would  
490 improve credit market access or reduce interest rates;

491 (d) To provide loan guarantees for similar revolving  
492 funds established by municipalities or intermunicipal agencies;

493 (e) To earn interest on fund accounts;

494 (f) To establish nonpoint source pollution control  
495 management programs;

496 (g) To establish estuary conservation and management  
497 programs;

498 (h) For the reasonable costs of administering the  
499 revolving fund and conducting activities under this act, subject  
500 to the limitations established in Section 603(d)(7) of Title VI of  
501 the federal Clean Water Act, as amended, and subject to annual  
502 appropriation by the Legislature; and

503 (i) In connection with the issuance, sale and purchase  
504 of bonds under Section 31-25-1 et seq., related to the funding of  
505 projects, to provide security or a pledge of revenues for the  
506 repayment of the bonds.

507 (8) The hardship grants program shall be used only to  
508 provide hardship grants consistent with the federal hardship  
509 grants program for rural communities, regulations and guidance  
510 issued by the United States Environmental Protection Agency,  
511 subsections (3) and (5) of this section and regulations  
512 promulgated and guidance issued by the commission under this  
513 section.

514 (9) The commission shall establish by regulation a system of  
515 priorities and a priority list of projects eligible for funding  
516 with loans from the revolving fund.

517 (10) The commission may provide a loan from the revolving  
518 fund only with respect to a project if that project is on the  
519 priority list established by the commission.

520 (11) The revolving fund shall be credited with all payments  
521 of principal and interest derived from the fund uses described in  
522 subsection (7) of this section. However, notwithstanding any  
523 other provision of law to the contrary, all or any portion of  
524 payments of principal and interest derived from the fund uses  
525 described in subsection (7) of this section may be designated or  
526 pledged for repayment of a loan as provided for in Section



527 31-25-28 in connection with a loan from the Mississippi  
528 Development Bank.

529 (12) The commission may establish and collect fees to defray  
530 the reasonable costs of administering the revolving fund if it  
531 determines that the administrative costs will exceed the  
532 limitations established in Section 603(d)(7) of Title VI of the  
533 federal Clean Water Act, as amended. The administration fees may  
534 be included in loan amounts to political subdivisions for the  
535 purpose of facilitating payment to the commission. The fees may  
536 not exceed five percent (5%) of the loan amount.

537 **SECTION 4.** Section 49-17-86, Mississippi Code of 1972, is  
538 amended as follows:

539 49-17-86. (1) (a) There is created a fund in the State  
540 Treasury to be designated as the "Water Pollution Control  
541 Emergency Loan Fund" hereinafter referred to as "emergency fund."

542 (b) The emergency fund may receive appropriations, bond  
543 proceeds, grants, gifts, donations or funds from any source,  
544 public or private. The emergency fund shall be credited with all  
545 repayments of principal and interest derived from loans made from  
546 the emergency fund.

547 (c) The monies in the emergency fund may be expended  
548 only in amounts appropriated by the Legislature.

549 (d) The emergency fund shall be maintained in  
550 perpetuity for the purposes established in Sections 49-17-81  
551 through 49-17-89. Unexpended amounts remaining in the emergency  
552 fund at the end of a fiscal year shall not lapse into the State  
553 General Fund. Any interest earned on amounts in the emergency  
554 fund shall be deposited to the credit of the fund.

555 (2) The commission shall establish a loan program to assist  
556 political subdivisions in making emergency improvements such as  
557 repairs to or replacement of machinery, equipment, materials,  
558 structures or devices in existing water pollution abatement  
559 projects or such other emergency water pollution abatement

560 projects as the commission deems necessary. Loans from the  
561 emergency fund may be made to political subdivisions as set forth  
562 in a loan agreement in amounts not exceeding one hundred percent  
563 (100%) of eligible project costs as established by the commission.  
564 The commission may require local participation or funding from  
565 other sources, or otherwise limit the percentage of costs covered  
566 by loans from the emergency fund. The commission may establish a  
567 maximum amount for any loan not to exceed Three Hundred Fifty  
568 Thousand Dollars (\$350,000.00).

569 (3) Except as otherwise provided in this section, the  
570 emergency fund may be used only:

571 (a) To make loans on the condition that:

572 (i) Loans are made at or below market interest  
573 rates, at terms not to exceed ten (10) years after project  
574 completion; the interest rate may vary from time to time and from  
575 loan to loan at the discretion of the commission.

576 (ii) Periodic principal and interest payments will  
577 commence when required by the commission but not later than one  
578 (1) year after project completion and all loans will be fully  
579 amortized when required by the commission but not later than ten  
580 (10) years after project completion.

581 (iii) The recipient of a loan shall establish a  
582 dedicated source of revenue for repayment of loans. In addition,  
583 the commission may require any loan recipient to impose a per  
584 connection surcharge on each customer for repayment of any loan  
585 funds provided under this section.

586 (iv) The recipient of the loan is not in arrears  
587 in repayments to the Water Pollution Control Revolving Fund, the  
588 Water Pollution Control Emergency Loan Fund or under the Water  
589 Pollution Abatement Loan Program.

590 (b) To provide financial assistance to political  
591 subdivisions in making emergency improvements such as repairs to  
592 or replacement of machinery, equipment, materials, structures or

593 devices in existing water pollution abatement projects or such  
594 other emergency water pollution abatement projects as the  
595 commission deems necessary.

596 (c) To defray the reasonable costs of administering the  
597 emergency fund and conducting activities under this section,  
598 subject to annual appropriation by the Legislature.

599 (4) The commission shall establish a system of evaluating  
600 the eligibility of projects, including a determination of the  
601 emergency nature of a situation for which funding is sought.

602 (5) The fund will be credited with all payments of principal  
603 and interest derived from the fund uses described in subsection  
604 (3) of this section. However, notwithstanding any other provision  
605 of law to the contrary, all or any portion of payments of  
606 principal and interest derived from the fund uses described in  
607 subsection (3) of this section may be designated or pledged for  
608 repayment of a loan as provided for in Section 31-25-28 in  
609 connection with a loan from the Mississippi Development Bank.

610 (6) In addition to any amounts allowed under subsection  
611 (3)(c), the commission may establish and collect fees to further  
612 defray the reasonable costs of administering the emergency fund.  
613 Any administrative fees may be included in loan amounts to  
614 political subdivisions for the purpose of facilitating payment to  
615 the commission; fees may not exceed five percent (5%) of the loan  
616 amount. The commission may also use administrative fees collected  
617 pursuant to Section 49-17-85 to defray the reasonable costs of  
618 administering the emergency fund.

619 **SECTION 5.** Section 57-1-303, Mississippi Code of 1972, is  
620 amended as follows:

621 57-1-303. (1) (a) (i) There is created a special fund in  
622 the State Treasury to be designated as the "Local Governments  
623 Capital Improvements Revolving Loan Fund," which fund shall  
624 consist of such monies as provided in Sections 57-1-307 through  
625 57-1-335, and monies derived from the proceeds of any loan made

626 under Section 31-25-28 for the purpose of providing funds for the  
627 fund. The fund shall be maintained in perpetuity for the purposes  
628 established in Sections 57-1-301 through 57-1-335. Unexpended  
629 amounts remaining in the fund at the end of a fiscal year shall  
630 not lapse into the State General Fund, and any interest earned on  
631 amounts in the fund shall be deposited to the credit of the fund.  
632 Monies in the fund may not be used or expended for any purpose  
633 except as authorized under Sections 57-1-301 through 57-1-335.

634 (ii) Monies in the Local Governments Capital  
635 Improvements Revolving Loan Fund which are derived from interest  
636 on loan payments received by the Mississippi Development Authority  
637 after January 1, 2002, for loans funded with proceeds of bonds  
638 whose interest is not exempt from income taxation under the  
639 provisions of the Internal Revenue Code may be used by the  
640 Mississippi Development Authority for the ordinary and necessary  
641 general support of the Mississippi Development Authority.  
642 However, such monies may not be used for the purpose of providing  
643 salary increases for Mississippi Development Authority employees.  
644 The Mississippi Development Authority may escalate its budget and  
645 expend such monies in accordance with rules and regulations of the  
646 Department of Finance and Administration in a manner consistent  
647 with the escalation of federal funds. This subparagraph (ii)  
648 shall be repealed from and after July 1, 2005.

649 (b) The Local Governments Capital Improvements  
650 Revolving Loan Fund shall be divided into the Taxable Local  
651 Governments Capital Improvements Revolving Loan Subaccount and the  
652 Nontaxable Local Governments Capital Improvements Revolving Loan  
653 Subaccount. Funds allocated to the Nontaxable Local Governments  
654 Capital Improvements Revolving Loan Subaccount shall be utilized  
655 to provide loans for capital improvements that would qualify for  
656 the issuance of bonds whose interest is exempt from income  
657 taxation under the provisions of the Internal Revenue Code. Funds  
658 allocated to the Taxable Local Governments Capital Improvements

659 Revolving Loan Subaccount shall be utilized to provide loans for  
660 any eligible capital improvements, including, but not limited to,  
661 capital improvements that would qualify for the issuance of bonds  
662 whose interest is exempt from income taxation under the provisions  
663 of the Internal Revenue Code.

664 (c) Of the funds deposited into the Local Governments  
665 Capital Improvements Revolving Loan Fund, not less than  
666 Twenty-five Million Dollars (\$25,000,000.00) shall be allocated to  
667 the Nontaxable Local Governments Capital Improvements Revolving  
668 Loan Subaccount, and the remainder of such funds shall be  
669 allocated to the Taxable Local Governments Capital Improvements  
670 Revolving Loan Subaccount.

671 (d) However, notwithstanding any other provision of law  
672 to the contrary, all or any portion of monies in the Local  
673 Governments Capital Improvements Revolving Loan Fund which are  
674 derived from principal and interest payments on loans made from  
675 the fund for purposes described in Sections 57-1-301 through  
676 57-1-335, including the interest described in paragraph (a)(ii) of  
677 this subsection (1), may be designated or pledged for repayment of  
678 a loan as provided for in Section 31-25-28 in connection with a  
679 loan from the Mississippi Development Bank.

680 (2) A county or an incorporated municipality may apply to  
681 the Mississippi Development Authority for a loan under the local  
682 governments capital improvements revolving loan program  
683 established under Sections 57-1-301 through 57-1-335.

684 (3) (a) The Mississippi Development Authority shall  
685 establish a loan program by which loans, at the rate of interest  
686 provided for in paragraph (b) of this subsection, may be made  
687 available to counties and incorporated municipalities to assist  
688 counties and incorporated municipalities in making capital  
689 improvements. Loans from the revolving fund may be made to  
690 counties and municipalities as set forth in a loan agreement in  
691 amounts not to exceed one hundred percent (100%) of eligible

692 project costs as established by the Mississippi Development  
693 Authority. The Mississippi Development Authority may require  
694 county or municipal participation or funding from other sources,  
695 or otherwise limit the percentage of costs covered by loans from  
696 the revolving fund. The Mississippi Development Authority may  
697 establish a maximum amount for any loan in order to provide for  
698 broad and equitable participation in the program and loans for  
699 projects described in Section 57-1-301(2)(m) shall not exceed Two  
700 Hundred Fifty Thousand Dollars (\$250,000.00) per project.

701 (b) (i) Except as otherwise provided in this paragraph  
702 (b), the rate of interest on loans made from the Local Governments  
703 Capital Improvements Revolving Loan Fund for capital improvements  
704 that would qualify for the issuance of bonds whose interest is  
705 exempt from income taxation under the provisions of the Internal  
706 Revenue Code shall be at the rate of three percent (3%) per annum,  
707 calculated according to the actuarial method. The rate of  
708 interest on loans for all other capital improvements shall be at  
709 the true interest cost on the most recent issue of twenty-year  
710 state general obligation bonds occurring prior to the date such  
711 loan is made.

712 (ii) The rate of interest on loans made after  
713 April 9, 2002, from the Local Governments Capital Improvements  
714 Revolving Loan Fund for capital improvements that would qualify  
715 for the issuance of bonds whose interest is exempt from income  
716 taxation under the provisions of the Internal Revenue Code shall  
717 be at the rate of two percent (2%) per annum, calculated according  
718 to the actuarial method. The rate of interest on loans made after  
719 April 9, 2002, for all other capital improvements shall be at the  
720 rate of three percent (3%) per annum, calculated according to the  
721 actuarial method.

722 (iii) Notwithstanding the provisions of this  
723 paragraph to the contrary, loans made for the purposes of the

724 capital project described in Section 57-1-301(2)(1) shall bear no  
725 interest.

726 (4) A county that receives a loan from the revolving fund  
727 shall pledge for repayment of the loan any part of the homestead  
728 exemption annual tax loss reimbursement to which it may be  
729 entitled under Section 27-33-77. An incorporated municipality  
730 that receives a loan from the revolving fund shall pledge for  
731 repayment of the loan any part of the sales tax revenue  
732 distribution to which it may be entitled under Section 27-65-75.  
733 Each loan agreement shall provide for (i) monthly payments, (ii)  
734 semiannual payments, or (iii) other periodic payments, the annual  
735 total of which shall not exceed the annual total for any other  
736 year of the loan by more than fifteen percent (15%). The loan  
737 agreement shall provide for the repayment of all funds received  
738 within not more than twenty (20) years from the date of project  
739 completion.

740 (5) The State Auditor, upon request of the Mississippi  
741 Development Authority, shall audit the receipts and expenditures  
742 of a county or an incorporated municipality whose loan payments  
743 appear to be in arrears, and if he finds that the county or  
744 municipality is in arrears in such payments, he shall immediately  
745 notify the Executive Director of the Department of Finance and  
746 Administration who shall withhold all future payments to the  
747 county of homestead exemption reimbursements under Section  
748 27-33-77 and all sums allocated to the county or the municipality  
749 under Section 27-65-75 until such time as the county or the  
750 municipality is again current in its loan payments as certified by  
751 the Mississippi Development Authority.

752 (6) Evidences of indebtedness which are issued pursuant to  
753 this chapter shall not be deemed indebtedness within the meaning  
754 specified in Section 21-33-303 with regard to cities or  
755 incorporated towns, and in Section 19-9-5 with regard to counties.

756           **SECTION 6.** Section 69-2-13, Mississippi Code of 1972, is  
757 amended as follows:

758           69-2-13. (1) There is hereby established in the State  
759 Treasury a fund to be known as the "Emerging Crops Fund," which  
760 shall be used to pay the interest on loans made to farmers for  
761 nonland capital costs of establishing production of emerging crops  
762 on land in Mississippi, and to make loans and grants which are  
763 authorized under this section to be made from the fund. The fund  
764 shall be administered by the Mississippi Development Authority. A  
765 board comprised of the directors of the authority, the Mississippi  
766 Cooperative Extension Service, the Mississippi Small Farm  
767 Development Center and the Mississippi Agricultural and Forestry  
768 Experiment Station, or their designees, shall develop definitions,  
769 guidelines and procedures for the implementation of this chapter.  
770 Funds for the Emerging Crops Fund shall be provided from the  
771 issuance of bonds or notes under Sections 69-2-19 through 69-2-37,  
772 from repayment of interest loans made from the fund, and monies  
773 derived from the proceeds of any loan made under Section 31-25-28  
774 for the purpose of providing funds for the fund.

775           (2) (a) The Mississippi Development Authority shall develop  
776 a program which gives fair consideration to making loans for the  
777 processing and manufacturing of goods and services by  
778 agribusiness, greenhouse production horticulture, and small  
779 business concerns. It is the policy of the State of Mississippi  
780 that the Mississippi Development Authority shall give due  
781 recognition to and shall aid, counsel, assist and protect, insofar  
782 as is possible, the interests of agribusiness, greenhouse  
783 production horticulture, and small business concerns. To ensure  
784 that the purposes of this subsection are carried out, the  
785 Mississippi Development Authority shall loan not more than One  
786 Million Dollars (\$1,000,000.00) to finance any single  
787 agribusiness, greenhouse production horticulture, or small  
788 business concern. Loans made pursuant to this subsection shall be



789 made in accordance with the criteria established in Section  
790 57-71-11.

791 (b) The Mississippi Development Authority may, out of  
792 the total amount of bonds authorized to be issued under this  
793 chapter, make available funds to any planning and development  
794 district in accordance with the criteria established in Section  
795 57-71-11. Planning and development districts which receive monies  
796 pursuant to this provision shall use such monies to make loans to  
797 private companies for purposes consistent with this subsection.

798 (c) The Mississippi Development Authority is hereby  
799 authorized to engage legal services, financial advisors,  
800 appraisers and consultants if needed to review and close loans  
801 made hereunder and to establish and assess reasonable fees,  
802 including, but not limited to, liquidation expenses.

803 (3) (a) The Mississippi Development Authority shall, in  
804 addition to the other programs described in this section, provide  
805 for a program of loans to be made to agribusiness or greenhouse  
806 production horticulture enterprises for the purpose of encouraging  
807 thereby the extension of conventional financing and the issuance  
808 of letters of credit to such agribusiness or greenhouse production  
809 horticulture enterprises by private institutions. Monies to make  
810 such loans by the Mississippi Development Authority shall be drawn  
811 from the Emerging Crops Fund. The amount of a loan to any single  
812 agribusiness or greenhouse production horticulture enterprise  
813 under this paragraph (a) shall not exceed twenty percent (20%) of  
814 the total cost of the project for which financing is sought or Two  
815 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
816 interest shall be charged on such loans, and only the amount  
817 actually loaned shall be required to be repaid. Repayments shall  
818 be deposited into the Emerging Crops Fund. However,  
819 notwithstanding any other provision of law to the contrary, all or  
820 any portion of monies in the Emerging Crops Fund which are derived  
821 from such repayments may be designated or pledged for repayment of

822 a loan as provided for in Section 31-25-28 in connection with a  
823 loan from the Mississippi Development Bank.

824 (b) The Mississippi Development Authority shall, in  
825 addition to the other programs described in this section, provide  
826 for a program of loans or loan guaranties, or both, to be made to  
827 or on behalf of any agribusiness enterprise engaged in beef  
828 processing for the purpose of encouraging thereby the extension of  
829 conventional financing and the issuance of letters of credit to  
830 such agribusiness enterprises by private institutions. Monies to  
831 make such loans or loan guaranties, or both, by the Mississippi  
832 Development Authority shall be drawn from the Emerging Crops Fund  
833 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
834 in the aggregate. The amount of a loan to any single agribusiness  
835 enterprise or loan guaranty on behalf of such agribusiness  
836 enterprise, or both, under this paragraph (b) shall not exceed the  
837 total cost of the project for which financing is sought or  
838 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
839 The interest charged on a loan made under this paragraph (b) shall  
840 be at a rate determined by the Mississippi Development Authority.  
841 All repayments of any loan made under this paragraph (b) shall be  
842 deposited into the Emerging Crops Fund. Assistance received by an  
843 agribusiness enterprise under this paragraph (b) shall not  
844 disqualify the agribusiness enterprise from obtaining any other  
845 assistance under this chapter.

846 (4) (a) Through June 30, 2006, the Mississippi Development  
847 Authority may loan or grant to qualified planning and development  
848 districts, and to small business investment corporations,  
849 bank-based community development corporations, the Recruitment and  
850 Training Program, Inc., the City of Jackson Business Development  
851 Loan Fund, the Lorman Southwest Mississippi Development  
852 Corporation, the West Jackson Community Development Corporation,  
853 the East Mississippi Development Corporation, and other entities  
854 meeting the criteria established by the Mississippi Development

855 Authority (all referred to hereinafter as "qualified entities"),  
856 funds for the purpose of establishing loan revolving funds to  
857 assist in providing financing for minority economic development.  
858 The monies loaned or granted by the Mississippi Development  
859 Authority shall be drawn from the Emerging Crops Fund and shall  
860 not exceed Twenty-five Million Dollars (\$25,000,000.00) in the  
861 aggregate. Planning and development districts or qualified  
862 entities which receive monies pursuant to this provision shall use  
863 such monies to make loans to minority business enterprises  
864 consistent with criteria established by the Mississippi  
865 Development Authority. Such criteria shall include, at a minimum,  
866 the following:

867 (i) The business enterprise must be a private,  
868 for-profit enterprise.

869 (ii) If the business enterprise is a  
870 proprietorship, the borrower must be a resident citizen of the  
871 State of Mississippi; if the business enterprise is a corporation  
872 or partnership, at least fifty percent (50%) of the owners must be  
873 resident citizens of the State of Mississippi.

874 (iii) The borrower must have at least five percent  
875 (5%) equity interest in the business enterprise.

876 (iv) The borrower must demonstrate ability to  
877 repay the loan.

878 (v) The borrower must not be in default of any  
879 previous loan from the state or federal government.

880 (vi) Loan proceeds may be used for financing all  
881 project costs associated with development or expansion of a new  
882 small business, including fixed assets, working capital, start-up  
883 costs, rental payments, interest expense during construction and  
884 professional fees related to the project.

885 (vii) Loan proceeds shall not be used to pay off  
886 existing debt for loan consolidation purposes; to finance the  
887 acquisition, construction, improvement or operation of real

888 property which is to be held primarily for sale or investment; to  
889 provide for, or free funds, for speculation in any kind of  
890 property; or as a loan to owners, partners or stockholders of the  
891 applicant which do not change ownership interest by the applicant.  
892 However, this does not apply to ordinary compensation for services  
893 rendered in the course of business.

894 (viii) The maximum amount that may be loaned to  
895 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars  
896 (\$250,000.00).

897 (ix) The Mississippi Development Authority shall  
898 review each loan before it is made, and no loan shall be made to  
899 any borrower until the loan has been reviewed and approved by the  
900 Mississippi Development Authority.

901 (b) For the purpose of this subsection, the term  
902 "minority business enterprise" means a socially and economically  
903 disadvantaged small business concern, organized for profit,  
904 performing a commercially useful function which is owned and  
905 controlled by one or more minorities or minority business  
906 enterprises certified by the Mississippi Development Authority, at  
907 least fifty percent (50%) of whom are resident citizens of the  
908 State of Mississippi. For purposes of this subsection, the term  
909 "socially and economically disadvantaged small business concern"  
910 shall have the meaning ascribed to such term under the Small  
911 Business Act (15 USCS, Section 637(a)), or women, and the term  
912 "owned and controlled" means a business in which one or more  
913 minorities or minority business enterprises certified by the  
914 Mississippi Development Authority own sixty percent (60%) or, in  
915 the case of a corporation, sixty percent (60%) of the voting  
916 stock, and control sixty percent (60%) of the management and daily  
917 business operations of the business.

918 From and after July 1, 2006, monies not loaned or granted by  
919 the Mississippi Development Authority to planning and development  
920 districts or qualified entities under this subsection, and monies

921 not loaned by planning and development districts or qualified  
922 entities, shall be deposited to the credit of the sinking fund  
923 created and maintained in the State Treasury for the retirement of  
924 bonds issued under Section 69-2-19.

925           (c) Notwithstanding any other provision of this  
926 subsection to the contrary, if federal funds are not available for  
927 commitments made by a planning and development district to provide  
928 assistance under any federal loan program administered by the  
929 planning and development district in coordination with the  
930 Appalachian Regional Commission or Economic Development  
931 Administration, or both, a planning and development district may  
932 use funds in its loan revolving fund, which have not been  
933 committed otherwise to provide assistance, for the purpose of  
934 providing temporary funding for such commitments. If a planning  
935 and development district uses uncommitted funds in its loan  
936 revolving fund to provide such temporary funding, the district  
937 shall use funds repaid to the district under the temporarily  
938 funded federal loan program to replenish the funds used to provide  
939 the temporary funding. Funds used by a planning and development  
940 district to provide temporary funding under this paragraph (c)  
941 must be repaid to the district's loan revolving fund no later than  
942 twelve (12) months after the date the district provides the  
943 temporary funding. A planning and development district may not  
944 use uncommitted funds in its loan revolving fund to provide  
945 temporary funding under this paragraph (c) on more than two (2)  
946 occasions during a calendar year. A planning and development  
947 district may provide temporary funding for multiple commitments on  
948 each such occasion. The maximum aggregate amount of uncommitted  
949 funds in a loan revolving fund that may be used for such purposes  
950 during a calendar year shall not exceed seventy percent (70%) of  
951 the uncommitted funds in the loan revolving fund on the date the  
952 district first provides temporary funding during the calendar  
953 year.

954           (d) If the Mississippi Development Authority determines  
955 that a planning and development district or qualified entity has  
956 provided loans to minority businesses in a manner inconsistent  
957 with the provisions of this subsection, then the amount of such  
958 loans so provided shall be withheld by the Mississippi Development  
959 Authority from any additional grant funds to which the planning  
960 and development district or qualified entity becomes entitled  
961 under this subsection. If the Mississippi Development Authority  
962 determines, after notifying such planning and development district  
963 or qualified entity twice in writing and providing such planning  
964 and development district or qualified entity a reasonable  
965 opportunity to comply, that a planning and development district or  
966 qualified entity has consistently failed to comply with this  
967 subsection, the Mississippi Development Authority may declare such  
968 planning and development district or qualified entity in default  
969 under this subsection and, upon receipt of notice thereof from the  
970 Mississippi Development Authority, such planning and development  
971 district or qualified entity shall immediately cease providing  
972 loans under this subsection, shall refund to the Mississippi  
973 Development Authority for distribution to other planning and  
974 development districts or qualified entities all funds held in its  
975 revolving loan fund and, if required by the Mississippi  
976 Development Authority, shall convey to the Mississippi Development  
977 Authority, all administrative and management control of loans  
978 provided by it under this subsection.

979           (e) If the Mississippi Development Authority  
980 determines, after notifying a planning and development district or  
981 qualified entity twice in writing and providing copies of such  
982 notification to each member of the Legislature in whose district  
983 or in a part of whose district such planning and development  
984 district or qualified entity is located and providing such  
985 planning and development district or qualified entity a reasonable  
986 opportunity to take corrective action, that a planning and

987 development district or qualified entity administering a revolving  
988 loan fund under the provisions of this subsection is not actively  
989 engaged in lending as defined by the rules and regulations of the  
990 Mississippi Development Authority, the Mississippi Development  
991 Authority may declare such planning and development district or  
992 qualified entity in default under this subsection and, upon  
993 receipt of notice thereof from the Mississippi Development  
994 Authority, such planning and development district or qualified  
995 entity shall immediately cease providing loans under this  
996 subsection, shall refund to the Mississippi Development Authority  
997 for distribution to other planning and development districts or  
998 qualified entities all funds held in its revolving loan fund and,  
999 if required by the Mississippi Development Authority, shall convey  
1000 to the Mississippi Development Authority all administrative and  
1001 management control of loans provided by it under this subsection.

1002 (5) The Mississippi Development Authority shall develop a  
1003 program which will assist minority business enterprises by  
1004 guaranteeing bid, performance and payment bonds which such  
1005 minority businesses are required to obtain in order to contract  
1006 with federal agencies, state agencies or political subdivisions of  
1007 the state. Monies for such program shall be drawn from the monies  
1008 allocated under subsection (4) of this section to assist the  
1009 financing of minority economic development and shall not exceed  
1010 Three Million Dollars (\$3,000,000.00) in the aggregate. The  
1011 Mississippi Development Authority may promulgate rules and  
1012 regulations for the operation of the program established pursuant  
1013 to this subsection. For the purpose of this subsection (5) the  
1014 term "minority business enterprise" has the meaning assigned such  
1015 term in subsection (4) of this section.

1016 (6) The Mississippi Development Authority may loan or grant  
1017 to public entities and to nonprofit corporations funds to defray  
1018 the expense of financing (or to match any funds available from  
1019 other public or private sources for the expense of financing)

1020 projects in this state which are devoted to the study, teaching  
1021 and/or promotion of regional crafts and which are deemed by the  
1022 authority to be significant tourist attractions. The monies  
1023 loaned or granted shall be drawn from the Emerging Crops Fund and  
1024 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
1025 in the aggregate.

1026 (7) Through June 30, 2006, the Mississippi Development  
1027 Authority shall make available to the Mississippi Department of  
1028 Agriculture and Commerce funds for the purpose of establishing  
1029 loan revolving funds and other methods of financing for  
1030 agribusiness programs administered under the Mississippi  
1031 Agribusiness Council Act of 1993. The monies made available by  
1032 the Mississippi Development Authority shall be drawn from the  
1033 Emerging Crops Fund and shall not exceed One Million Two Hundred  
1034 Thousand Dollars (\$1,200,000.00) in the aggregate. The  
1035 Mississippi Department of Agriculture and Commerce shall establish  
1036 control and auditing procedures for use of these funds. These  
1037 funds will be used primarily for quick payment to farmers for  
1038 vegetable and fruit crops processed and sold through vegetable  
1039 processing plants associated with the Department of Agriculture  
1040 and Commerce and the Mississippi State Extension Service.

1041 (8) From and after July 1, 1996, the Mississippi Development  
1042 Authority shall make available to the Mississippi Small Farm  
1043 Development Center One Million Dollars (\$1,000,000.00) to be used  
1044 by the center to assist small entrepreneurs as provided in Section  
1045 37-101-25, Mississippi Code of 1972. The monies made available by  
1046 the Mississippi Development Authority shall be drawn from the  
1047 Emerging Crops Fund.

1048 (9) The Mississippi Development Authority shall make  
1049 available to the Agribusiness and Natural Resource Development  
1050 Center through Alcorn State University an amount not to exceed Two  
1051 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
1052 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal



1053 year 2002 from the cash balance of the Emerging Crops Fund to  
1054 support the development of a cooperative program for agribusiness  
1055 development, marketing and natural resources development. This  
1056 subsection (9) shall stand repealed on June 30, 2006.

1057 (10) The Mississippi Development Authority shall make  
1058 available to the Small Farm Development Center at Alcorn State  
1059 University funds in an aggregate amount not to exceed Three  
1060 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
1061 balance of the Emerging Crops Fund. The Small Farm Development  
1062 Center at Alcorn State University shall use such funds to make  
1063 loans to producers of sweet potatoes and cooperatives anywhere in  
1064 the State of Mississippi owned by sweet potato producers to assist  
1065 in the planting of sweet potatoes and the purchase of sweet potato  
1066 production and harvesting equipment. A report of the loans made  
1067 under this subsection shall be furnished by January 15 of each  
1068 year to the Chairman of the Senate Agriculture Committee and the  
1069 Chairman of the House Agriculture Committee.

1070 (11) The Mississippi Development Authority shall make  
1071 available to the Mississippi Department of Agriculture and  
1072 Commerce "Make Mine Mississippi" program an amount not to exceed  
1073 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from  
1074 the cash balance of the Emerging Crops Fund.

1075 (12) The Mississippi Development Authority shall make  
1076 available to the Mississippi Department of Agriculture and  
1077 Commerce an amount not to exceed One Hundred Fifty Thousand  
1078 Dollars (\$150,000.00) to be drawn from the cash balance of the  
1079 Emerging Crops Fund to be used for the rehabilitation and  
1080 maintenance of the Mississippi Farmers Central Market in Jackson,  
1081 Mississippi.

1082 (13) The Mississippi Development Authority shall make  
1083 available to the Mississippi Department of Agriculture and  
1084 Commerce an amount not to exceed Twenty-five Thousand Dollars  
1085 (\$25,000.00) to be drawn from the cash balance of the Emerging

1086 Crops Fund to be used for advertising purposes related to the  
1087 Mississippi Farmers Central Market in Jackson, Mississippi.

1088           **SECTION 7.** This act shall take effect and be in force from  
1089 and after its passage.