

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2529

1 AN ACT TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE
2 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR THE ACE FUND; TO
3 AMEND SECTION 57-1-16, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
4 MISSISSIPPI DEVELOPMENT AUTHORITY TO UTILIZE THE PROCEEDS OF
5 GENERAL OBLIGATION BONDS ISSUED FOR THE ACE FUND TO REIMBURSE THE
6 AUTHORITY FOR REASONABLE ACTUAL AND NECESSARY COSTS INCURRED IN
7 PROVIDING ASSISTANCE FROM THE ACE FUND; TO LIMIT THE AMOUNT OF
8 SUCH REIMBURSEMENTS TO AN AMOUNT NOT TO EXCEED 3% OF THE GENERAL
9 OBLIGATION BONDS ISSUED FOR GRANTS; TO REQUIRE THAT BUSINESSES OR
10 INDUSTRIES SEEKING ASSISTANCE FROM THE ACE FUND PROVIDE CERTAIN
11 INFORMATION AND ENTER INTO CERTAIN AGREEMENTS; TO AMEND SECTION
12 57-1-307, MISSISSIPPI CODE OF 1972, TO INCREASE FROM
13 \$95,000,000.00 TO \$105,000,000.00 THE AMOUNT OF STATE GENERAL
14 OBLIGATION BONDS THAT MAY BE ISSUED FOR THE LOCAL GOVERNMENTS
15 CAPITAL IMPROVEMENTS REVOLVING LOAN FUND; TO AMEND SECTION
16 57-61-25, MISSISSIPPI CODE OF 1972, TO INCREASE FROM
17 \$292,000,000.00 TO \$312,000,000.00 THE AMOUNT OF GENERAL
18 OBLIGATION BONDS THAT MAY BE ISSUED UNDER THE MISSISSIPPI BUSINESS
19 INVESTMENT ACT; TO AMEND SECTION 57-61-34, MISSISSIPPI CODE OF
20 1972, TO INCREASE FROM \$9,000,000.00 TO \$19,000,000.00 THE AMOUNT
21 OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
22 UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR
23 INTEREST-BEARING LOANS TO MUNICIPALITIES OR PRIVATE COMPANIES TO
24 AID IN THE ESTABLISHMENT OF BUSINESS INCUBATION CENTERS AND THE
25 CREATION OF NEW AND EXPANDING RESEARCH AND DEVELOPMENT AND
26 TECHNOLOGY-BASED BUSINESS AND INDUSTRY; TO AMEND SECTION 57-61-36,
27 MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$10,500,000.00 TO
28 \$20,500,000.00 THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI
29 DEVELOPMENT AUTHORITY MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS
30 INVESTMENT ACT TO MAKE GRANTS OR LOANS TO COUNTIES AND
31 MUNICIPALITIES THROUGH AN EQUIPMENT AND PUBLIC FACILITIES GRANT
32 AND LOAN FUND TO AID IN INFRASTRUCTURE-RELATED IMPROVEMENTS, THE
33 PURCHASE OF EQUIPMENT AND IN THE PURCHASE, CONSTRUCTION OR REPAIR
34 AND RENOVATION OF PUBLIC FACILITIES; AND FOR RELATED PURPOSES.

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

36 **SECTION 1.** As used in Sections 1 through 16 of this act, the
37 following words shall have the meanings ascribed herein unless the
38 context clearly requires otherwise:

39 (a) "Accreted value" of any bonds means, as of any date
40 of computation, an amount equal to the sum of (i) the stated
41 initial value of such bond, plus (ii) the interest accrued thereon
42 from the issue date to the date of computation at the rate,
43 compounded semiannually, that is necessary to produce the

44 approximate yield to maturity shown for bonds of the same
45 maturity.

46 (b) "Act" means Sections 1 through 16 of this act.

47 (c) "State" means the State of Mississippi.

48 (d) "Commission" means the State Bond Commission.

49 **SECTION 2.** (1) The Mississippi Development Authority, at
50 one time, or from time to time, may declare by resolution the
51 necessity for issuance of general obligation bonds of the State of
52 Mississippi to provide funds for the program authorized in Section
53 57-1-16. Upon the adoption of a resolution by the Mississippi
54 Development Authority, declaring the necessity for the issuance of
55 any part or all of the general obligation bonds authorized by this
56 section, the Mississippi Development Authority shall deliver a
57 certified copy of its resolution or resolutions to the commission.
58 Upon receipt of such resolution, the commission, in its
59 discretion, may act as the issuing agent, prescribe the form of
60 the bonds, advertise for and accept bids, issue and sell the bonds
61 so authorized to be sold and do any and all other things necessary
62 and advisable in connection with the issuance and sale of such
63 bonds. The total amount of bonds issued under this act shall not
64 exceed Ten Million Dollars (\$10,000,000.00). No bonds authorized
65 under this act shall be issued after July 1, 2009.

66 (2) The proceeds of bonds issued pursuant to this act shall
67 be deposited into the ACE Fund created pursuant to Section
68 57-1-16. Any investment earnings on bonds issued pursuant to this
69 act shall be used to pay debt service on bonds issued under this
70 act, in accordance with the proceedings authorizing issuance of
71 such bonds.

72 **SECTION 3.** The principal of and interest on the bonds
73 authorized under this act shall be payable in the manner provided
74 in this section. Such bonds shall bear such date or dates, be in
75 such denomination or denominations, bear interest at such rate or
76 rates (not to exceed the limits set forth in Section 75-17-101,

77 Mississippi Code of 1972), be payable at such place or places
78 within or without the State of Mississippi, shall mature
79 absolutely at such time or times not to exceed twenty-five (25)
80 years from date of issue, be redeemable before maturity at such
81 time or times and upon such terms, with or without premium, shall
82 bear such registration privileges, and shall be substantially in
83 such form, all as shall be determined by resolution of the
84 commission.

85 **SECTION 4.** The bonds authorized by this act shall be signed
86 by the chairman of the commission, or by his facsimile signature,
87 and the official seal of the commission shall be affixed thereto,
88 attested by the secretary of the commission. The interest
89 coupons, if any, to be attached to such bonds may be executed by
90 the facsimile signatures of such officers. Whenever any such
91 bonds shall have been signed by the officials designated to sign
92 the bonds who were in office at the time of such signing but who
93 may have ceased to be such officers before the sale and delivery
94 of such bonds, or who may not have been in office on the date such
95 bonds may bear, the signatures of such officers upon such bonds
96 and coupons shall nevertheless be valid and sufficient for all
97 purposes and have the same effect as if the person so officially
98 signing such bonds had remained in office until their delivery to
99 the purchaser, or had been in office on the date such bonds may
100 bear. However, notwithstanding anything herein to the contrary,
101 such bonds may be issued as provided in the Registered Bond Act of
102 the State of Mississippi.

103 **SECTION 5.** All bonds and interest coupons issued under the
104 provisions of this act have all the qualities and incidents of
105 negotiable instruments under the provisions of the Uniform
106 Commercial Code, and in exercising the powers granted by this act,
107 the commission shall not be required to and need not comply with
108 the provisions of the Uniform Commercial Code.

109 **SECTION 6.** The commission shall act as the issuing agent for
110 the bonds authorized under this act, prescribe the form of the
111 bonds, advertise for and accept bids, issue and sell the bonds so
112 authorized to be sold, pay all fees and costs incurred in such
113 issuance and sale, and do any and all other things necessary and
114 advisable in connection with the issuance and sale of such bonds.
115 The commission is authorized and empowered to pay the costs that
116 are incident to the sale, issuance and delivery of the bonds
117 authorized under this act from the proceeds derived from the sale
118 of such bonds. The commission shall sell such bonds on sealed
119 bids at public sale, and for such price as it may determine to be
120 for the best interest of the State of Mississippi, but no such
121 sale shall be made at a price less than par plus accrued interest
122 to the date of delivery of the bonds to the purchaser. All
123 interest accruing on such bonds so issued shall be payable
124 semiannually or annually; however, the first interest payment may
125 be for any period of not more than one (1) year.

126 Notice of the sale of any such bonds shall be published at
127 least one time, not less than ten (10) days before the date of
128 sale, and shall be so published in one or more newspapers
129 published or having a general circulation in the City of Jackson,
130 Mississippi, and in one or more other newspapers or financial
131 journals with a national circulation, to be selected by the
132 commission.

133 The commission, when issuing any bonds under the authority of
134 this act, may provide that bonds, at the option of the State of
135 Mississippi, may be called in for payment and redemption at the
136 call price named therein and accrued interest on such date or
137 dates named therein.

138 **SECTION 7.** The bonds issued under the provisions of this act
139 are general obligations of the State of Mississippi, and for the
140 payment thereof the full faith and credit of the State of
141 Mississippi is irrevocably pledged. If the funds appropriated by

142 the Legislature are insufficient to pay the principal of and the
143 interest on such bonds as they become due, then the deficiency
144 shall be paid by the State Treasurer from any funds in the State
145 Treasury not otherwise appropriated. All such bonds shall contain
146 recitals on their faces substantially covering the provisions of
147 this section.

148 **SECTION 8.** Upon the issuance and sale of bonds under the
149 provisions of this act, the commission shall transfer the proceeds
150 of any such sale or sales to the ACE Fund created in 57-1-16. The
151 proceeds of such bonds shall be disbursed solely upon the order of
152 the Mississippi Development Authority under such restrictions, if
153 any, as may be contained in the resolution providing for the
154 issuance of the bonds.

155 **SECTION 9.** The bonds authorized under this act may be issued
156 without any other proceedings or the happening of any other
157 conditions or things other than those proceedings, conditions and
158 things which are specified or required by this act. Any
159 resolution providing for the issuance of bonds under the
160 provisions of this act shall become effective immediately upon its
161 adoption by the commission, and any such resolution may be adopted
162 at any regular or special meeting of the commission by a majority
163 of its members.

164 **SECTION 10.** The bonds authorized under the authority of this
165 act may be validated in the Chancery Court of the First Judicial
166 District of Hinds County, Mississippi, in the manner and with the
167 force and effect provided by Chapter 13, Title 31, Mississippi
168 Code of 1972, for the validation of county, municipal, school
169 district and other bonds. The notice to taxpayers required by
170 such statutes shall be published in a newspaper published or
171 having a general circulation in the City of Jackson, Mississippi.

172 **SECTION 11.** Any holder of bonds issued under the provisions
173 of this act or of any of the interest coupons pertaining thereto
174 may, either at law or in equity, by suit, action, mandamus or

175 other proceeding, protect and enforce any and all rights granted
176 under this act, or under such resolution, and may enforce and
177 compel performance of all duties required by this act to be
178 performed, in order to provide for the payment of bonds and
179 interest thereon.

180 **SECTION 12.** All bonds issued under the provisions of this
181 act shall be legal investments for trustees and other fiduciaries,
182 and for savings banks, trust companies and insurance companies
183 organized under the laws of the State of Mississippi, and such
184 bonds shall be legal securities which may be deposited with and
185 shall be received by all public officers and bodies of this state
186 and all municipalities and political subdivisions for the purpose
187 of securing the deposit of public funds.

188 **SECTION 13.** Bonds issued under the provisions of this act
189 and income therefrom shall be exempt from all taxation in the
190 State of Mississippi.

191 **SECTION 14.** The proceeds of the bonds issued under this act
192 shall be used solely for the purposes therein provided, including
193 the costs incident to the issuance and sale of such bonds.

194 **SECTION 15.** The State Treasurer is authorized, without
195 further process of law, to certify to the Department of Finance
196 and Administration the necessity for warrants, and the Department
197 of Finance and Administration is authorized and directed to issue
198 such warrants, in such amounts as may be necessary to pay when due
199 the principal of, premium, if any, and interest on, or the
200 accreted value of, all bonds issued under this act; and the State
201 Treasurer shall forward the necessary amount to the designated
202 place or places of payment of such bonds in ample time to
203 discharge such bonds, or the interest thereon, on the due dates
204 thereof.

205 **SECTION 16.** This act shall be deemed to be full and complete
206 authority for the exercise of the powers therein granted, but this

207 act shall not be deemed to repeal or to be in derogation of any
208 existing law of this state.

209 **SECTION 17.** Section 57-1-16, Mississippi Code of 1972, is
210 amended as follows:

211 57-1-16. (1) As used in this section:

212 (a) "Extraordinary economic development opportunity"
213 means a new or expanded business or industry which maintains a
214 strong financial condition and minimal credit risk and creates
215 substantial employment, particularly in areas of high
216 unemployment.

217 (b) "Local economic development entities" means public
218 or private nonprofit local economic development entities,
219 including, but not limited to, chambers of commerce, local
220 authorities, commissions or other entities created by local and
221 private legislation or districts created pursuant to Section
222 19-5-99.

223 (c) "MDA" means the Mississippi Development Authority.

224 (2) (a) There is hereby created in the State Treasury a
225 special fund to be designated as the ACE Fund, which shall consist
226 of money from any public or private source designated for deposit
227 into such fund. Unexpended amounts remaining in the fund at the
228 end of a fiscal year shall not lapse into the State General Fund,
229 and any interest earned on amounts in the fund shall be deposited
230 to the credit of the fund. The purpose of the fund shall be to
231 assist in maximizing extraordinary economic development
232 opportunities related to any new or expanded business or industry.
233 Such funds may be used to make grants to local economic
234 development entities to assist any new or expanding business or
235 industry that meets the criteria provided in this section when
236 such assistance aids the consummation of a project within the
237 State of Mississippi.

238 (b) Monies in the fund which are derived from the
239 proceeds of general obligation bonds may be used to reimburse

240 reasonable actual and necessary costs incurred by the MDA in
241 providing assistance under this section through the use of general
242 obligation bonds. An accounting of actual costs incurred for
243 which reimbursement is sought shall be maintained for each grant
244 by the MDA. Reimbursement of reasonable actual and necessary
245 costs for a grant shall not exceed three percent (3%) of the
246 proceeds of bonds issued for such grant. Monies authorized for a
247 particular grant may not be used to reimburse administrative costs
248 for unrelated grants. Reimbursements made under this subsection
249 shall satisfy any applicable federal tax law requirements.

250 (3) The MDA shall establish a grant program to make grants
251 from the ACE Fund created under this section. Local economic
252 development entities may apply to the MDA for a grant under this
253 section in the manner provided for in subsection (4) of this
254 section.

255 (4) (a) Any business or industry desiring assistance from a
256 local economic development entity under this section shall submit
257 an application to the local economic development entity which
258 shall include, at a minimum:

259 (i) Evidence that the business or industry meets
260 the definition of an extraordinary economic development
261 opportunity;

262 (ii) A demonstration that the business or industry
263 is at an economic disadvantage by locating the new or expanded
264 project in the county; * * *

265 (iii) A description, including the cost, of the
266 requested assistance;

267 (iv) A description of the purpose for which the
268 assistance is requested;

269 (v) A two-year business plan;

270 (vi) Financial statements or tax returns for the
271 three (3) years immediately prior to the application;

272 (vi) Credit reports on all persons with a twenty
273 percent (20%) or greater interest in the business or industry; and

274 (vii) Any other information required by the MDA.

275 (b) The MDA shall require that binding commitments be
276 entered into requiring that:

277 (i) The minimum requirements of this section and
278 such other requirements as the MDA considers proper shall be met;
279 and

280 (ii) If such requirements are not met, all or a
281 portion of the funds provided by this section as determined by the
282 MDA shall be repaid.

283 (b) Upon receipt of the application from a business or
284 industry, the local economic development entity may apply to the
285 MDA for assistance under this section. Such application must
286 contain evidence that the business or industry meets the
287 definition of an extraordinary economic development opportunity, a
288 demonstration that the business or industry is at an economic
289 disadvantage by locating the new or expanded project in the
290 county, a description, including the cost, of the requested
291 assistance, and a statement of what efforts have been made or are
292 being made by the business or industry for securing or qualifying
293 for other local, state, federal or private funds for the project.

294 (c) The MDA shall have sole discretion in the awarding
295 of ACE funds, provided that the business or industry and the local
296 economic development entity have met the statutory requirements of
297 this section.

298 (5) The MDA shall promulgate rules and regulations, in
299 accordance with the Mississippi Administrative Procedures Law, for
300 the implementation of this section. However, before the
301 implementation of any such rules and regulations, they shall be
302 submitted to a committee consisting of five (5) members of the
303 Senate Finance Committee and five (5) members of the House of

304 Representatives Ways and Means Committee, appointed by the
305 respective committee chairmen.

306 **SECTION 18.** Section 57-1-307, Mississippi Code of 1972, is
307 amended as follows:

308 57-1-307. (1) The State Bond Commission, at one time, or
309 from time to time, may declare by resolution the necessity for
310 issuance of general obligation bonds of the State of Mississippi
311 to provide funds for all costs incurred or to be incurred for the
312 purposes described in Section 57-1-303. Upon the adoption of a
313 resolution by the Mississippi Development Authority, declaring the
314 necessity for the issuance of any part or all of the general
315 obligation bonds authorized by this section, the Mississippi
316 Development Authority shall deliver a certified copy of its
317 resolution or resolutions to the State Bond Commission. Upon
318 receipt of such resolution, the State Bond Commission, in its
319 discretion, may act as the issuing agent, prescribe the form of
320 the bonds, advertise for and accept bids, issue and sell the bonds
321 so authorized to be sold and do any and all other things necessary
322 and advisable in connection with the issuance and sale of such
323 bonds. The total amount of bonds issued under Sections 57-1-307
324 through 57-1-335 shall not exceed One Hundred Five Million Dollars
325 (\$105,000,000.00); provided, however, that an additional amount of
326 bonds may be issued under Sections 57-1-307 and 57-1-335 in an
327 amount not to exceed Thirteen Million Dollars (\$13,000,000.00),
328 and the proceeds of any such additional amount of bonds so issued
329 shall be utilized solely to provide loans for capital improvements
330 that would qualify for the issuance of bonds whose interest is
331 exempt from income taxation under the provisions of the Internal
332 Revenue Code.

333 (2) Proceeds from the sale of bonds shall be deposited in
334 the special fund created in Section 57-1-303. Any investment
335 earnings on amounts deposited into the special fund created in
336 Section 57-1-303 shall be used to pay debt service on bonds issued

337 under Sections 57-1-307 through 57-1-335, in accordance with the
338 proceedings authorizing issuance of such bonds.

339 **SECTION 19.** Section 57-61-25, Mississippi Code of 1972, is
340 amended as follows:

341 57-61-25. (1) The seller is authorized to borrow, on the
342 credit of the state upon receipt of a resolution from the
343 Mississippi Development Authority requesting the same, money not
344 exceeding the aggregate sum of Three Hundred Twelve Million
345 Dollars (\$312,000,000.00), not including money borrowed to refund
346 outstanding bonds, notes or replacement notes, as may be necessary
347 to carry out the purposes of this chapter. The rate of interest
348 on any such bonds or notes which are not subject to taxation shall
349 not exceed the rates set forth in Section 75-17-101, Mississippi
350 Code of 1972, for general obligation bonds.

351 (2) As evidence of indebtedness authorized in this chapter,
352 general or limited obligation bonds of the state shall be issued
353 from time to time, to provide monies necessary to carry out the
354 purposes of this chapter for such total amounts, in such form, in
355 such denominations payable in such currencies (either domestic or
356 foreign or both) and subject to such terms and conditions of
357 issue, redemption and maturity, rate of interest and time of
358 payment of interest as the seller directs, except that such bonds
359 shall mature or otherwise be retired in annual installments
360 beginning not more than five (5) years from date thereof and
361 extending not more than thirty (30) years from date thereof.

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

366 (4) All bonds and notes issued under authority of this
367 chapter may be general or limited obligations of the state, and
368 the full faith and credit of the State of Mississippi as to
369 general obligation bonds, or the revenues derived from projects

370 assisted as to limited obligation bonds, are hereby pledged for
371 the payment of the principal of and interest on such bonds and
372 notes.

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

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

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

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

394 (9) The proceeds of bonds issued under this chapter after
395 April 9, 2002, may be used to reimburse reasonable actual and
396 necessary costs incurred by the Mississippi Development Authority
397 in administering a program or providing assistance related to a
398 project, or both, for which funding is provided from the use of
399 proceeds of such bonds. An accounting of actual costs incurred
400 for which reimbursement is sought shall be maintained for each
401 project by the Mississippi Development Authority. Reimbursement
402 of reasonable actual and necessary costs for a program or project

403 shall not exceed three percent (3%) of the proceeds of bonds
404 issued for such program or project. Monies authorized for a
405 particular program or project may not be used to reimburse
406 administrative costs for unrelated programs or projects.
407 Reimbursements under this subsection shall satisfy any applicable
408 federal tax law requirements.

409 **SECTION 20.** Section 57-61-34, Mississippi Code of 1972, is
410 amended as follows:

411 57-61-34. Notwithstanding any provision of this chapter to
412 the contrary, the Mississippi Development Authority shall utilize
413 not more than Nineteen Million Dollars (\$19,000,000.00) out of the
414 proceeds of bonds authorized to be issued in this chapter to be
415 made available as interest-bearing loans to municipalities or
416 private companies to aid in the establishment of business
417 incubation centers and the creation of new and expanding research
418 and development and technology-based business and industry.

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

424 The requirements of Section 57-61-9 shall not apply to any
425 loan made under this section. The Mississippi Development
426 Authority shall establish criteria and guidelines to govern loans
427 made pursuant to this section.

428 **SECTION 21.** Section 57-61-36, Mississippi Code of 1972, is
429 amended as follows:

430 57-61-36. (1) Notwithstanding any provision of this chapter
431 to the contrary, the Mississippi Development Authority shall
432 utilize not more than Twelve Million Five Hundred Thousand Dollars
433 (\$12,500,000.00) out of the proceeds of bonds authorized to be
434 issued in this chapter for the purpose of making grants to

435 municipalities through a development infrastructure grant fund to
436 complete infrastructure related to new or expanded industry.

437 (2) Notwithstanding any provision of this chapter to the
438 contrary, the Mississippi Development Authority may utilize not
439 more than Seven Million Dollars (\$7,000,000.00) out of the
440 proceeds of bonds authorized to be issued in this chapter for the
441 purpose of making interest-bearing loans to any agency,
442 department, institution, instrumentality or political subdivision
443 of the state; or any agency, department, institution or
444 instrumentality of any political subdivision of the state; or any
445 business, organization, corporation, association or other legal
446 entity meeting criteria established by the department, through a
447 housing development revolving loan fund, to construct or repair
448 housing for low or moderate income earners; provided, however,
449 that the department may not utilize any bond proceeds authorized
450 under this chapter for the purpose of making any loans to the
451 Mississippi Home Corporation for any purpose whatsoever. No more
452 than forty percent (40%) of the additional bonds authorized by
453 Chapter 559, Laws of 1998, may be used for multiple family housing
454 activities. Funds authorized under this subsection may be
455 deposited in the Mississippi Affordable Housing Development Fund
456 authorized in Section 43-33-759 and used for purposes authorized
457 by that section. This subsection (2) shall be repealed from and
458 after July 1, 2006.

459 (3) Notwithstanding any provision of this chapter to the
460 contrary, the Mississippi Development Authority shall utilize not
461 more than Twenty Million Five Hundred Thousand Dollars
462 (\$20,500,000.00) out of the proceeds of bonds authorized to be
463 issued in this chapter for the purpose of making grants or loans
464 to municipalities through an equipment and public facilities grant
465 and loan fund to aid in infrastructure-related improvements as
466 determined by the Mississippi Development Authority, the purchase
467 of equipment and in the purchase, construction or repair and

468 renovation of public facilities. Any bonds previously issued for
469 the Development Infrastructure Revolving Loan Program which have
470 not been loaned or applied for are eligible to be administered as
471 grants or loans.

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

476 (4) Notwithstanding any provision of this chapter to the
477 contrary, the Mississippi Development Authority may utilize not
478 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
479 of the proceeds of bonds authorized to be issued in this chapter
480 in order to match federal funds available from the United States
481 Department of Agriculture for the purpose of establishing an
482 intermediary relending program to be administered by the
483 Mississippi Development Authority. The Mississippi Development
484 Authority may establish criteria and guidelines to govern loans
485 made under such program. This subsection (4) shall be repealed
486 from and after April 9, 2002.

487 (5) The Mississippi Development Authority may establish a
488 capital access program and may contract with any financial
489 institution to participate in the program upon such terms and
490 conditions as the authority shall consider necessary and proper.
491 The Mississippi Development Authority may establish loss reserve
492 accounts at financial institutions that participate in the program
493 and require payments by the financial institution and the borrower
494 to such loss reserve accounts. All money in such loss reserve
495 accounts is the property of the Mississippi Development Authority.

496 Under the capital access program a participating financial
497 institution may make a loan to any borrower the Mississippi
498 Development Authority determines to be qualified under rules and
499 regulations adopted by the authority and be protected against
500 losses from such loans as provided in the program. Under such

501 rules and regulations as may be adopted by the Mississippi
502 Development Authority, a participating financial institution may
503 submit claims for the reimbursement for losses incurred as a
504 result of default on loans by qualified borrowers.

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

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

520 (7) Notwithstanding any provision of this chapter to the
521 contrary, the Mississippi Development Authority shall utilize not
522 more than One Hundred Thousand Dollars (\$100,000.00) out of the
523 proceeds of bonds authorized to be issued in this chapter for the
524 purpose of developing a long-range plan for coordinating the
525 resources of the state institutions of higher learning, the
526 community and junior colleges, the Mississippi Development
527 Authority and other state agencies in order to promote economic
528 development in the state.

529 (8) Notwithstanding any other provision of this chapter to
530 the contrary, the Mississippi Development Authority shall use not
531 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
532 the proceeds of bonds authorized to be issued in this chapter for
533 the purpose of providing assistance to municipalities that have

534 received community development block grant funds for repair,
535 renovation and other improvements to buildings for use as
536 community centers. Assistance provided to a municipality under
537 this subsection shall be used by the municipality to match such
538 community development block grant funds. The maximum amount of
539 assistance that may be provided to a municipality under this
540 subsection shall not exceed Seventy-five Thousand Dollars
541 (\$75,000.00) in the aggregate.

542 **SECTION 22.** This act shall take effect and be in force from
543 and after July 1, 2005.