

By: Representatives Hines, Bailey, Banks,  
Buck, Evans, Straughter

To: Ways and Means

HOUSE BILL NO. 1516

1 AN ACT TO CREATE THE MISSISSIPPI SMALL BUSINESS OPPORTUNITIES  
2 PROGRAM TO BE ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT  
3 AUTHORITY FOR THE PURPOSE OF PROVIDING LOANS AND GRANTS TO  
4 COUNTIES AND MUNICIPALITIES AND LOANS TO SMALL BUSINESS  
5 ENTERPRISES AND OTHER ENTITIES TO ASSIST IN CREATING AND IMPROVING  
6 OPPORTUNITIES FOR SMALL BUSINESS ENTERPRISES IN AREAS OF THE STATE  
7 WITH POORLY RATED SCHOOL DISTRICTS, HIGH UNEMPLOYMENT RATES, HIGH  
8 POVERTY RATES, HIGH CRIME RATES, LOW RATES OF HOME OWNERSHIP,  
9 AND/OR LOW RATES OF NEW HOUSING DEVELOPMENT; TO CREATE THE  
10 MISSISSIPPI SMALL BUSINESS OPPORTUNITIES FUND TO BE ADMINISTERED  
11 BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO AUTHORIZE THE  
12 ISSUANCE OF \$25,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO  
13 PROVIDE FUNDS FOR THE MISSISSIPPI SMALL BUSINESS OPPORTUNITIES  
14 FUND; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** (1) (a) There is established the Mississippi  
17 Small Business Opportunities Program to be administered by the  
18 Mississippi Development Authority (MDA) for the purpose of  
19 providing loans and grants to counties and municipalities and  
20 loans to small business enterprises and other entities to assist  
21 in creating and improving opportunities for small business  
22 enterprises in areas of the state with poorly rated school  
23 districts, high unemployment rates, high poverty rates, high crime  
24 rates, low rates of home ownership, and/or low rates of new  
25 housing development. The MDA shall establish criteria for  
26 determining the areas of the state where assistance may be  
27 provided under this section. For the purposes of this section,  
28 "small business enterprise" means a commercial enterprise with  
29 less than fifty (50) full-time employees or less than One Million  
30 Dollars (\$1,000,000.00) in net worth.

31 (b) An entity desiring assistance under this section  
32 must submit an application to the MDA. The application must  
33 include a description of the purpose for which assistance is

34 requested, the amount of assistance requested and any other  
35 information required by the MDA.

36 (c) The MDA shall have all powers necessary to  
37 implement and administer the program established under this  
38 section, and the MDA shall promulgate rules and regulations, in  
39 accordance with the Mississippi Administrative Procedures Law,  
40 necessary for the implementation of this section.

41 (2) There is created in the State Treasury a special fund to  
42 be designated as the "Mississippi Small Business Opportunities  
43 Fund," which shall consist of funds appropriated or otherwise made  
44 available by the Legislature in any manner and funds from any  
45 other source designated for deposit into such fund. Unexpended  
46 amounts remaining in the fund at the end of a fiscal year shall  
47 not lapse into the State General Fund, and any investment earnings  
48 or interest earned on amounts in the fund shall be deposited to  
49 the credit of the fund. Monies in the fund shall be used by the  
50 MDA for the purposes described in this section.

51 **SECTION 2.** As used in Sections 2 through 17 of this act, the  
52 following words shall have the meanings ascribed herein unless the  
53 context clearly requires otherwise:

54 (a) "Accreted value" of any bonds means, as of any date  
55 of computation, an amount equal to the sum of (i) the stated  
56 initial value of such bond, plus (ii) the interest accrued thereon  
57 from the issue date to the date of computation at the rate,  
58 compounded semiannually, that is necessary to produce the  
59 approximate yield to maturity shown for bonds of the same  
60 maturity.

61 (b) "State" means the State of Mississippi.

62 (c) "Commission" means the State Bond Commission.

63 **SECTION 3.** (1) The Mississippi Development Authority, at  
64 one time, or from time to time, may declare by resolution the  
65 necessity for issuance of general obligation bonds of the State of  
66 Mississippi to provide funds for the program authorized in Section

67 1 of this act. Upon the adoption of a resolution by the  
68 Mississippi Development Authority, declaring the necessity for the  
69 issuance of any part or all of the general obligation bonds  
70 authorized by this section, the Mississippi Development Authority  
71 shall deliver a certified copy of its resolution or resolutions to  
72 the commission. Upon receipt of such resolution, the commission,  
73 in its discretion, may act as the issuing agent, prescribe the  
74 form of the bonds, advertise for and accept bids, issue and sell  
75 the bonds so authorized to be sold and do any and all other things  
76 necessary and advisable in connection with the issuance and sale  
77 of such bonds. The total amount of bonds issued under Sections 2  
78 through 17 of this act shall not exceed Twenty-five Million  
79 Dollars (\$25,000,000.00). No bonds shall be issued under Sections  
80 2 through 17 of this act after July 1, 2009.

81 (2) The proceeds of bonds issued pursuant to Sections 2  
82 through 17 of this act shall be deposited into the Mississippi  
83 Small Business Opportunities Fund created pursuant to Section 1 of  
84 this act. Any investment earnings on bonds issued pursuant to  
85 Sections 2 through 17 of this act shall be used to pay debt  
86 service on bonds issued under Sections 2 through 17 of this act,  
87 in accordance with the proceedings authorizing issuance of such  
88 bonds.

89 **SECTION 4.** The principal of and interest on the bonds  
90 authorized under Sections 2 through 17 of this act shall be  
91 payable in the manner provided in this section. Such bonds shall  
92 bear such date or dates, be in such denomination or denominations,  
93 bear interest at such rate or rates (not to exceed the limits set  
94 forth in Section 75-17-101, Mississippi Code of 1972), be payable  
95 at such place or places within or without the State of  
96 Mississippi, shall mature absolutely at such time or times not to  
97 exceed twenty-five (25) years from date of issue, be redeemable  
98 before maturity at such time or times and upon such terms, with or  
99 without premium, shall bear such registration privileges, and

100 shall be substantially in such form, all as shall be determined by  
101 resolution of the commission.

102       **SECTION 5.** The bonds authorized by Sections 2 through 17 of  
103 this act shall be signed by the chairman of the commission, or by  
104 his facsimile signature, and the official seal of the commission  
105 shall be affixed thereto, attested by the secretary of the  
106 commission. The interest coupons, if any, to be attached to such  
107 bonds may be executed by the facsimile signatures of such  
108 officers. Whenever any such bonds shall have been signed by the  
109 officials designated to sign the bonds who were in office at the  
110 time of such signing but who may have ceased to be such officers  
111 before the sale and delivery of such bonds, or who may not have  
112 been in office on the date such bonds may bear, the signatures of  
113 such officers upon such bonds and coupons shall nevertheless be  
114 valid and sufficient for all purposes and have the same effect as  
115 if the person so officially signing such bonds had remained in  
116 office until their delivery to the purchaser, or had been in  
117 office on the date such bonds may bear. However, notwithstanding  
118 anything herein to the contrary, such bonds may be issued as  
119 provided in the Registered Bond Act of the State of Mississippi.

120       **SECTION 6.** All bonds and interest coupons issued under the  
121 provisions of Sections 2 through 17 of this act have all the  
122 qualities and incidents of negotiable instruments under the  
123 provisions of the Uniform Commercial Code, and in exercising the  
124 powers granted by Sections 2 through 17 of this act, the  
125 commission shall not be required to and need not comply with the  
126 provisions of the Uniform Commercial Code.

127       **SECTION 7.** The commission shall act as the issuing agent for  
128 the bonds authorized under Sections 2 through 17 of this act,  
129 prescribe the form of the bonds, advertise for and accept bids,  
130 issue and sell the bonds so authorized to be sold, pay all fees  
131 and costs incurred in such issuance and sale, and do any and all  
132 other things necessary and advisable in connection with the

133 issuance and sale of such bonds. The commission is authorized and  
134 empowered to pay the costs that are incident to the sale, issuance  
135 and delivery of the bonds authorized under Sections 2 through 17  
136 of this act from the proceeds derived from the sale of such bonds.  
137 The commission shall sell such bonds on sealed bids at public  
138 sale, and for such price as it may determine to be for the best  
139 interest of the State of Mississippi, but no such sale shall be  
140 made at a price less than par plus accrued interest to the date of  
141 delivery of the bonds to the purchaser. All interest accruing on  
142 such bonds so issued shall be payable semiannually or annually;  
143 however, the first interest payment may be for any period of not  
144 more than one (1) year.

145 Notice of the sale of any such bonds shall be published at  
146 least one time, not less than ten (10) days before the date of  
147 sale, and shall be so published in one or more newspapers  
148 published or having a general circulation in the City of Jackson,  
149 Mississippi, and in one or more other newspapers or financial  
150 journals with a national circulation, to be selected by the  
151 commission.

152 The commission, when issuing any bonds under the authority of  
153 Sections 2 through 17 of this act, may provide that bonds, at the  
154 option of the State of Mississippi, may be called in for payment  
155 and redemption at the call price named therein and accrued  
156 interest on such date or dates named therein.

157 **SECTION 8.** The bonds issued under the provisions of Sections  
158 2 through 17 of this act are general obligations of the State of  
159 Mississippi, and for the payment thereof the full faith and credit  
160 of the State of Mississippi is irrevocably pledged. If the funds  
161 appropriated by the Legislature are insufficient to pay the  
162 principal of and the interest on such bonds as they become due,  
163 then the deficiency shall be paid by the State Treasurer from any  
164 funds in the State Treasury not otherwise appropriated. All such

165 bonds shall contain recitals on their faces substantially covering  
166 the provisions of this section.

167         **SECTION 9.** Upon the issuance and sale of bonds under the  
168 provisions of Sections 2 through 17 of this act, the commission  
169 shall transfer the proceeds of any such sale or sales to the  
170 Mississippi Small Business Opportunities Fund created in Section 1  
171 of this act. The proceeds of such bonds shall be disbursed solely  
172 upon the order of the Mississippi Development Authority under such  
173 restrictions, if any, as may be contained in the resolution  
174 providing for the issuance of the bonds.

175         **SECTION 10.** The bonds authorized under Sections 2 through 17  
176 of this act may be issued without any other proceedings or the  
177 happening of any other conditions or things other than those  
178 proceedings, conditions and things which are specified or required  
179 by Sections 2 through 17 of this act. Any resolution providing  
180 for the issuance of bonds under the provisions of Sections 2  
181 through 17 of this act shall become effective immediately upon its  
182 adoption by the commission, and any such resolution may be adopted  
183 at any regular or special meeting of the commission by a majority  
184 of its members.

185         **SECTION 11.** The bonds authorized under the authority of  
186 Sections 2 through 17 of this act may be validated in the Chancery  
187 Court of the First Judicial District of Hinds County, Mississippi,  
188 in the manner and with the force and effect provided by Chapter  
189 13, Title 31, Mississippi Code of 1972, for the validation of  
190 county, municipal, school district and other bonds. The notice to  
191 taxpayers required by such statutes shall be published in a  
192 newspaper published or having a general circulation in the City of  
193 Jackson, Mississippi.

194         **SECTION 12.** Any holder of bonds issued under the provisions  
195 of Sections 2 through 17 of this act or of any of the interest  
196 coupons pertaining thereto may, either at law or in equity, by  
197 suit, action, mandamus or other proceeding, protect and enforce

198 any and all rights granted under Sections 2 through 17 of this  
199 act, or under such resolution, and may enforce and compel  
200 performance of all duties required by Sections 2 through 17 of  
201 this act to be performed, in order to provide for the payment of  
202 bonds and interest thereon.

203       **SECTION 13.** All bonds issued under the provisions of  
204 Sections 2 through 17 of this act shall be legal investments for  
205 trustees and other fiduciaries, and for savings banks, trust  
206 companies and insurance companies organized under the laws of the  
207 State of Mississippi, and such bonds shall be legal securities  
208 which may be deposited with and shall be received by all public  
209 officers and bodies of this state and all municipalities and  
210 political subdivisions for the purpose of securing the deposit of  
211 public funds.

212       **SECTION 14.** Bonds issued under the provisions of Sections 2  
213 through 17 of this act and income therefrom shall be exempt from  
214 all taxation in the State of Mississippi.

215       **SECTION 15.** The proceeds of the bonds issued under Sections  
216 2 through 17 of this act shall be used solely for the purposes  
217 therein provided, including the costs incident to the issuance and  
218 sale of such bonds.

219       **SECTION 16.** The State Treasurer is authorized, without  
220 further process of law, to certify to the Department of Finance  
221 and Administration the necessity for warrants, and the Department  
222 of Finance and Administration is authorized and directed to issue  
223 such warrants, in such amounts as may be necessary to pay when due  
224 the principal of, premium, if any, and interest on, or the  
225 accreted value of, all bonds issued under Sections 2 through 17 of  
226 this act; and the State Treasurer shall forward the necessary  
227 amount to the designated place or places of payment of such bonds  
228 in ample time to discharge such bonds, or the interest thereon, on  
229 the due dates thereof.

230           **SECTION 17.** Sections 2 through 17 of this act shall be  
231 deemed to be full and complete authority for the exercise of the  
232 powers therein granted, but Sections 2 through 17 of this act  
233 shall not be deemed to repeal or to be in derogation of any  
234 existing law of this state.

235           **SECTION 18.** This act shall take effect and be in force from  
236 and after July 1, 2006.