MISSISSIPPI LEGISLATURE REGULAR SESSION 2006

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2687

AN ACT TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2010, THE DATE OF REPEAL ON THE PROVISION OF LAW THAT AUTHORIZES THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE A PORTION OF THE PROCEEDS OF BONDS ISSUED UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT TO MAKE INTEREST-BEARING LOANS TO CERTAIN ENTITIES THROUGH A HOUSING DEVELOPMENT REVOLVING LOAN FUND FOR LOW TO MODERATE INCOME HOUSING PURPOSES; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 57-61-36, Mississippi Code of 1972, is amended as follows:

57-61-36. (1) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Twelve Million Five Hundred Thousand Dollars ($12,500,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants to municipalities through a Development Infrastructure Grant Fund to complete infrastructure related to new or expanded industry.

(2) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not more than Seven Million Dollars ($7,000,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making interest-bearing loans to any agency, department, institution, instrumentality or political subdivision of the state; or any agency, department, institution or instrumentality of any political subdivision of the state; or any business, organization, corporation, association or other legal entity meeting criteria established by the department, through a Housing Development Revolving Loan Fund, to construct or repair housing for low or moderate income earners; provided, however,

that the department may not utilize any bond proceeds authorized under this chapter for the purpose of making any loans to the Mississippi Home Corporation for any purpose whatsoever. No more than forty percent (40%) of the additional bonds authorized by Chapter 559, Laws of 1998, may be used for multiple family housing activities. Funds authorized under this subsection may be deposited in the Mississippi Affordable Housing Development Fund authorized in Section 43-33-759 and used for purposes authorized by that section. This subsection (2) shall be repealed from and after July 1, <u>2010</u>.

(3) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Seventeen Million Five Hundred Thousand Dollars ($17,500,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making grants or loans to municipalities through an equipment and public facilities grant and loan fund to aid in infrastructure-related improvements as determined by the Mississippi Development Authority, the purchase of equipment and in the purchase, construction or repair and renovation of public facilities. Any bonds previously issued for the Development Infrastructure Revolving Loan Program which have not been loaned or applied for are eligible to be administered as grants or loans. In making grants and loans under this section, the Mississippi Development Authority shall attempt to provide for an equitable distribution of such grants and loans among each of the congressional districts of this state in order to promote economic development across the entire state.

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

(4) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not

more than Seven Hundred Fifty Thousand Dollars ($750,000.00) out of the proceeds of bonds authorized to be issued in this chapter in order to match federal funds available from the United States Department of Agriculture for the purpose of establishing an Intermediary Relending Program to be administered by the Mississippi Development Authority. The Mississippi Development Authority may establish criteria and guidelines to govern loans made under such program. This subsection (4) shall be repealed from and after April 9, 2002.

(5) The Mississippi Development Authority may establish a Capital Access Program and may contract with any financial institution to participate in the program upon such terms and conditions as the authority shall consider necessary and proper. The Mississippi Development Authority may establish loss reserve accounts at financial institutions that participate in the program and require payments by the financial institution and the borrower to such loss reserve accounts. All money in such loss reserve accounts is the property of the Mississippi Development Authority.

Under the Capital Access Program a participating financial institution may make a loan to any borrower the Mississippi Development Authority determines to be qualified under rules and regulations adopted by the authority and be protected against losses from such loans as provided in the program. Under such rules and regulations as may be adopted by the Mississippi Development Authority, a participating financial institution may submit claims for the reimbursement for losses incurred as a result of default on loans by qualified borrowers.

Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority may utilize not more than Seven Hundred Fifty Thousand Dollars ($750,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of making payments to loan loss reserve accounts established at financial institutions that participate in the

Capital Access Program established by the Mississippi Development Authority.

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

(7) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than One Hundred Thousand Dollars ($100,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of developing a long-range plan for coordinating the resources of the State Institutions of Higher Learning, the community and junior colleges, the Mississippi Development Authority and other state agencies in order to promote economic development in the state.

(8) Notwithstanding any other provision of this chapter to the contrary, the Mississippi Development Authority shall use not more than One Hundred Fifty Thousand Dollars ($150,000.00) out of the proceeds of bonds authorized to be issued in this chapter for the purpose of providing assistance to municipalities that have received Community Development Block Grant funds for repair, renovation and other improvements to buildings for use as community centers. Assistance provided to a municipality under this subsection shall be used by the municipality to match such Community Development Block Grant funds. The maximum amount of assistance that may be provided to a municipality under this subsection shall not exceed Seventy-five Thousand Dollars ($75,000.00) in the aggregate.

SECTION 2. This act shall take effect and be in force from and after July 1, 2006.