

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 962

1 AN ACT TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE PARTICIPATING FINANCIAL INSTITUTIONS TO MAKE LOANS
3 UNDER THE CAPITAL ACCESS PROGRAM THAT ARE SECURED BY THE
4 ASSIGNMENT OF THE PROCEEDS OF CONTRACTS BETWEEN THE BORROWERS AND
5 PUBLIC ENTITIES IF THE MISSISSIPPI DEVELOPMENT AUTHORITY
6 DETERMINES THE LOAN TO BE QUALIFIED UNDER THE RULES AND
7 REGULATIONS ADOPTED BY THE AUTHORITY; TO PROVIDE THAT A PORTION OF
8 THE BOND PROCEEDS AUTHORIZED TO BE USED UNDER THE MISSISSIPPI
9 BUSINESS INVESTMENT ACT FOR THE CAPITAL ACCESS PROGRAM MAY BE
10 UTILIZED TO ADVANCE FUNDS TO PARTICIPATING FINANCIAL INSTITUTIONS;
11 AND FOR RELATED PURPOSES.

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

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

15 57-61-36. (1) Notwithstanding any provision of this chapter
16 to the contrary, the Mississippi Development Authority shall
17 utilize not more than Twelve Million Five Hundred Thousand Dollars
18 (\$12,500,000.00) out of the proceeds of bonds authorized to be
19 issued in this chapter for the purpose of making grants to
20 municipalities through a Development Infrastructure Grant Fund to
21 complete infrastructure related to new or expanded industry.

22 (2) Notwithstanding any provision of this chapter to the
23 contrary, the Mississippi Development Authority may utilize not
24 more than Seven Million Dollars (\$7,000,000.00) out of the
25 proceeds of bonds authorized to be issued in this chapter for the
26 purpose of making interest-bearing loans to any agency,
27 department, institution, instrumentality or political subdivision
28 of the state; or any agency, department, institution or
29 instrumentality of any political subdivision of the state; or any
30 business, organization, corporation, association or other legal
31 entity meeting criteria established by the department, through a

32 Housing Development Revolving Loan Fund, to construct or repair
33 housing for low or moderate income earners; provided, however,
34 that the department may not utilize any bond proceeds authorized
35 under this chapter for the purpose of making any loans to the
36 Mississippi Home Corporation for any purpose whatsoever. No more
37 than forty percent (40%) of the additional bonds authorized by
38 Chapter 559, Laws of 1998, may be used for multiple family housing
39 activities. Funds authorized under this subsection may be
40 deposited in the Mississippi Affordable Housing Development Fund
41 authorized in Section 43-33-759 and used for purposes authorized
42 by that section. This subsection (2) shall be repealed from and
43 after July 1, 2010.

44 (3) Notwithstanding any provision of this chapter to the
45 contrary, the Mississippi Development Authority shall utilize not
46 more than Seventeen Million Five Hundred Thousand Dollars
47 (\$17,500,000.00) out of the proceeds of bonds authorized to be
48 issued in this chapter for the purpose of making grants or loans
49 to municipalities through an equipment and public facilities grant
50 and loan fund to aid in infrastructure-related improvements as
51 determined by the Mississippi Development Authority, the purchase
52 of equipment and in the purchase, construction or repair and
53 renovation of public facilities. Any bonds previously issued for
54 the Development Infrastructure Revolving Loan Program which have
55 not been loaned or applied for are eligible to be administered as
56 grants or loans. In making grants and loans under this section,
57 the Mississippi Development Authority shall attempt to provide for
58 an equitable distribution of such grants and loans among each of
59 the congressional districts of this state in order to promote
60 economic development across the entire state.

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

(b) 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.

(c) Under the Capital Access Program a participating financial institution may make a loan that is secured by the assignment of the proceeds of a contract between the borrower and a public entity if the Mississippi Development Authority

determines the loan to be qualified under the rules and regulations adopted by the authority. Under such rules and regulations as may be adopted by the Mississippi Development Authority, a participating financial institution may submit an application to the authority requesting that a loan secured pursuant to this paragraph be funded under the Capital Access Program.

(d) 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; however, any portion of the bond proceeds authorized to be utilized by this paragraph that are not utilized for making payments to loss reserve accounts may be utilized by the Mississippi Development Authority to advance funds to financial institutions that participate in the Capital Access Program pursuant to paragraph (c) of this subsection.

(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

131 community and junior colleges, the Mississippi Development
132 Authority and other state agencies in order to promote economic
133 development in the state.

134 (8) Notwithstanding any other provision of this chapter to
135 the contrary, the Mississippi Development Authority shall use not
136 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
137 the proceeds of bonds authorized to be issued in this chapter for
138 the purpose of providing assistance to municipalities that have
139 received Community Development Block Grant funds for repair,
140 renovation and other improvements to buildings for use as
141 community centers. Assistance provided to a municipality under
142 this subsection shall be used by the municipality to match such
143 Community Development Block Grant funds. The maximum amount of
144 assistance that may be provided to a municipality under this
145 subsection shall not exceed Seventy-five Thousand Dollars
146 (\$75,000.00) in the aggregate.

147 **SECTION 2.** This act shall take effect and be in force from
148 and after July 1, 2007.