

**Adopted**  
**COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1103**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

7       **SECTION 1.** Section 69-2-13, Mississippi Code of 1972, is  
8 amended as follows:

9       69-2-13. (1) There is hereby established in the State  
10 Treasury a fund to be known as the "Emerging Crops Fund," which  
11 shall be used to pay the interest on loans made to farmers for  
12 nonland capital costs of establishing production of emerging crops  
13 on land in Mississippi, and to make loans and grants which are  
14 authorized under this section to be made from the fund. The fund  
15 shall be administered by the Mississippi Development Authority. A  
16 board comprised of the directors of the authority, the Mississippi  
17 Cooperative Extension Service, the Mississippi Small Farm  
18 Development Center and the Mississippi Agricultural and Forestry  
19 Experiment Station, or their designees, shall develop definitions,  
20 guidelines and procedures for the implementation of this chapter.  
21 Funds for the Emerging Crops Fund shall be provided from the  
22 issuance of bonds or notes under Sections 69-2-19 through 69-2-37  
23 and from repayment of interest loans made from the fund.

24       (2) (a) The Mississippi Development Authority shall develop  
25 a program which gives fair consideration to making loans for the

26 processing and manufacturing of goods and services by  
27 agribusiness, greenhouse production horticulture, and small  
28 business concerns. It is the policy of the State of Mississippi  
29 that the Mississippi Development Authority shall give due  
30 recognition to and shall aid, counsel, assist and protect, insofar  
31 as is possible, the interests of agribusiness, greenhouse  
32 production horticulture, and small business concerns. To ensure  
33 that the purposes of this subsection are carried out, the  
34 Mississippi Development Authority shall loan not more than One  
35 Million Dollars (\$1,000,000.00) to finance any single  
36 agribusiness, greenhouse production horticulture, or small  
37 business concern. Loans made pursuant to this subsection shall be  
38 made in accordance with the criteria established in Section  
39 57-71-11.

40 (b) The Mississippi Development Authority may, out of  
41 the total amount of bonds authorized to be issued under this  
42 chapter, make available funds to any planning and development  
43 district in accordance with the criteria established in Section  
44 57-71-11. Planning and development districts which receive monies  
45 pursuant to this provision shall use such monies to make loans to  
46 private companies for purposes consistent with this subsection.

47 (c) The Mississippi Development Authority is hereby  
48 authorized to engage legal services, financial advisors,  
49 appraisers and consultants if needed to review and close loans  
50 made hereunder and to establish and assess reasonable fees,  
51 including, but not limited to, liquidation expenses.

52 (3) (a) The Mississippi Development Authority shall, in  
53 addition to the other programs described in this section, provide  
54 for a program of loans to be made to agribusiness or greenhouse  
55 production horticulture enterprises for the purpose of encouraging  
56 thereby the extension of conventional financing and the issuance  
57 of letters of credit to such agribusiness or greenhouse production

58 horticulture enterprises by private institutions. Monies to make  
59 such loans by the Mississippi Development Authority shall be drawn  
60 from the Emerging Crops Fund. The amount of a loan to any single  
61 agribusiness or greenhouse production horticulture enterprise  
62 under this paragraph (a) shall not exceed twenty percent (20%) of  
63 the total cost of the project for which financing is sought or Two  
64 Hundred Thousand Dollars (\$200,000.00), whichever is less. No  
65 interest shall be charged on such loans, and only the amount  
66 actually loaned shall be required to be repaid. Repayments shall  
67 be deposited into the Emerging Crops Fund.

68 (b) The Mississippi Development Authority shall, in  
69 addition to the other programs described in this section, provide  
70 for a program of loans or loan guaranties, or both, to be made to  
71 or on behalf of any agribusiness enterprise engaged in beef  
72 processing for the purpose of encouraging thereby the extension of  
73 conventional financing and the issuance of letters of credit to  
74 such agribusiness enterprises by private institutions. Monies to  
75 make such loans or loan guaranties, or both, by the Mississippi  
76 Development Authority shall be drawn from the Emerging Crops Fund  
77 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)  
78 in the aggregate. The amount of a loan to any single agribusiness  
79 enterprise or loan guaranty on behalf of such agribusiness  
80 enterprise, or both, under this paragraph (b) shall not exceed the  
81 total cost of the project for which financing is sought or  
82 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.  
83 The interest charged on a loan made under this paragraph (b) shall  
84 be at a rate determined by the Mississippi Development Authority.  
85 All repayments of any loan made under this paragraph (b) shall be  
86 deposited into the Emerging Crops Fund. Assistance received by an  
87 agribusiness enterprise under this paragraph (b) shall not  
88 disqualify the agribusiness enterprise from obtaining any other  
89 assistance under this chapter.

90           (4)   (a)   Through June 30, 2010, the Mississippi Development  
91 Authority may loan or grant to qualified planning and development  
92 districts, and to small business investment corporations,  
93 bank-based community development corporations, the Recruitment and  
94 Training Program, Inc., the City of Jackson Business Development  
95 Loan Fund, the Lorman Southwest Mississippi Development  
96 Corporation, the West Jackson Community Development Corporation,  
97 the East Mississippi Development Corporation, and other entities  
98 meeting the criteria established by the Mississippi Development  
99 Authority (all referred to hereinafter as "qualified entities"),  
100 funds for the purpose of establishing loan revolving funds to  
101 assist in providing financing for minority economic development.  
102 The monies loaned or granted by the Mississippi Development  
103 Authority shall be drawn from the Emerging Crops Fund and shall  
104 not exceed Twenty-six Million Dollars (\$26,000,000.00) in the  
105 aggregate. Planning and development districts or qualified  
106 entities which receive monies pursuant to this provision shall use  
107 such monies to make loans to minority business enterprises  
108 consistent with criteria established by the Mississippi  
109 Development Authority. Such criteria shall include, at a minimum,  
110 the following:

111                       (i)   The business enterprise must be a private,  
112 for-profit enterprise.

113                       (ii)   If the business enterprise is a  
114 proprietorship, the borrower must be a resident citizen of the  
115 State of Mississippi; if the business enterprise is a corporation  
116 or partnership, at least fifty percent (50%) of the owners must be  
117 resident citizens of the State of Mississippi.

118                       (iii)   The borrower must have at least five percent  
119 (5%) equity interest in the business enterprise.

120                       (iv)   The borrower must demonstrate ability to  
121 repay the loan.

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

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

(vii) Loan proceeds shall not be used to pay off existing debt for loan consolidation purposes; to finance the acquisition, construction, improvement or operation of real property which is to be held primarily for sale or investment; to provide for, or free funds, for speculation in any kind of property; or as a loan to owners, partners or stockholders of the applicant which do not change ownership interest by the applicant. However, this does not apply to ordinary compensation for services rendered in the course of business.

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

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

(b) For the purpose of this subsection, the term "minority business enterprise" means a socially and economically disadvantaged small business concern, organized for profit, performing a commercially useful function which is owned and controlled by one or more minorities or minority business enterprises certified by the Mississippi Development Authority, at least fifty percent (50%) of whom are resident citizens of the State of Mississippi. Except as otherwise provided, for purposes of this subsection, the term "socially and economically

154 disadvantaged small business concern" shall have the meaning  
155 ascribed to such term under the Small Business Act (15 USCS,  
156 Section 637(a)), or women, and the term "owned and controlled"  
157 means a business in which one or more minorities or minority  
158 business enterprises certified by the Mississippi Development  
159 Authority own sixty percent (60%) or, in the case of a  
160 corporation, sixty percent (60%) of the voting stock, and control  
161 sixty percent (60%) of the management and daily business  
162 operations of the business. However, an individual whose personal  
163 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)  
164 shall not be considered to be an economically disadvantaged  
165 individual.

166       From and after July 1, 2010, monies not loaned or granted by  
167 the Mississippi Development Authority to planning and development  
168 districts or qualified entities under this subsection, and monies  
169 not loaned by planning and development districts or qualified  
170 entities, shall be deposited to the credit of the sinking fund  
171 created and maintained in the State Treasury for the retirement of  
172 bonds issued under Section 69-2-19.

173       (c) Notwithstanding any other provision of this  
174 subsection to the contrary, if federal funds are not available for  
175 commitments made by a planning and development district to provide  
176 assistance under any federal loan program administered by the  
177 planning and development district in coordination with the  
178 Appalachian Regional Commission or Economic Development  
179 Administration, or both, a planning and development district may  
180 use funds in its loan revolving fund, which have not been  
181 committed otherwise to provide assistance, for the purpose of  
182 providing temporary funding for such commitments. If a planning  
183 and development district uses uncommitted funds in its loan  
184 revolving fund to provide such temporary funding, the district  
185 shall use funds repaid to the district under the temporarily

186 funded federal loan program to replenish the funds used to provide  
187 the temporary funding. Funds used by a planning and development  
188 district to provide temporary funding under this paragraph (c)  
189 must be repaid to the district's loan revolving fund no later than  
190 twelve (12) months after the date the district provides the  
191 temporary funding. A planning and development district may not  
192 use uncommitted funds in its loan revolving fund to provide  
193 temporary funding under this paragraph (c) on more than two (2)  
194 occasions during a calendar year. A planning and development  
195 district may provide temporary funding for multiple commitments on  
196 each such occasion. The maximum aggregate amount of uncommitted  
197 funds in a loan revolving fund that may be used for such purposes  
198 during a calendar year shall not exceed seventy percent (70%) of  
199 the uncommitted funds in the loan revolving fund on the date the  
200 district first provides temporary funding during the calendar  
201 year.

202           (d) If the Mississippi Development Authority determines  
203 that a planning and development district or qualified entity has  
204 provided loans to minority businesses in a manner inconsistent  
205 with the provisions of this subsection, then the amount of such  
206 loans so provided shall be withheld by the Mississippi Development  
207 Authority from any additional grant funds to which the planning  
208 and development district or qualified entity becomes entitled  
209 under this subsection. If the Mississippi Development Authority  
210 determines, after notifying such planning and development district  
211 or qualified entity twice in writing and providing such planning  
212 and development district or qualified entity a reasonable  
213 opportunity to comply, that a planning and development district or  
214 qualified entity has consistently failed to comply with this  
215 subsection, the Mississippi Development Authority may declare such  
216 planning and development district or qualified entity in default  
217 under this subsection and, upon receipt of notice thereof from the

218 Mississippi Development Authority, such planning and development  
219 district or qualified entity shall immediately cease providing  
220 loans under this subsection, shall refund to the Mississippi  
221 Development Authority for distribution to other planning and  
222 development districts or qualified entities all funds held in its  
223 revolving loan fund and, if required by the Mississippi  
224 Development Authority, shall convey to the Mississippi Development  
225 Authority all administrative and management control of loans  
226 provided by it under this subsection.

227           (e) If the Mississippi Development Authority  
228 determines, after notifying a planning and development district or  
229 qualified entity twice in writing and providing copies of such  
230 notification to each member of the Legislature in whose district  
231 or in a part of whose district such planning and development  
232 district or qualified entity is located and providing such  
233 planning and development district or qualified entity a reasonable  
234 opportunity to take corrective action, that a planning and  
235 development district or qualified entity administering a revolving  
236 loan fund under the provisions of this subsection is not actively  
237 engaged in lending as defined by the rules and regulations of the  
238 Mississippi Development Authority, the Mississippi Development  
239 Authority may declare such planning and development district or  
240 qualified entity in default under this subsection and, upon  
241 receipt of notice thereof from the Mississippi Development  
242 Authority, such planning and development district or qualified  
243 entity shall immediately cease providing loans under this  
244 subsection, shall refund to the Mississippi Development Authority  
245 for distribution to other planning and development districts or  
246 qualified entities all funds held in its revolving loan fund and,  
247 if required by the Mississippi Development Authority, shall convey  
248 to the Mississippi Development Authority all administrative and  
249 management control of loans provided by it under this subsection.



250           (5) The Mississippi Development Authority shall develop a  
251 program which will assist minority business enterprises by  
252 guaranteeing bid, performance and payment bonds which such  
253 minority businesses are required to obtain in order to contract  
254 with federal agencies, state agencies or political subdivisions of  
255 the state. The Mississippi Development Authority may secure  
256 letters of credit, as determined necessary by the authority, to  
257 guarantee bid, performance and payment bonds pursuant to this  
258 subsection. Monies for such program shall be drawn from the  
259 monies allocated under subsection (4) of this section to assist  
260 the financing of minority economic development and shall not  
261 exceed Three Million Dollars (\$3,000,000.00) in the aggregate.  
262 The Mississippi Development Authority may promulgate rules and  
263 regulations for the operation of the program established pursuant  
264 to this subsection. For the purpose of this subsection (5) the  
265 term "minority business enterprise" has the meaning assigned such  
266 term in subsection (4) of this section.

267           (6) The Mississippi Development Authority may loan or grant  
268 to public entities and to nonprofit corporations funds to defray  
269 the expense of financing (or to match any funds available from  
270 other public or private sources for the expense of financing)  
271 projects in this state which are devoted to the study, teaching  
272 and/or promotion of regional crafts and which are deemed by the  
273 authority to be significant tourist attractions. The monies  
274 loaned or granted shall be drawn from the Emerging Crops Fund and  
275 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
276 in the aggregate.

277           (7) Through June 30, 2006, the Mississippi Development  
278 Authority shall make available to the Mississippi Department of  
279 Agriculture and Commerce funds for the purpose of establishing  
280 loan revolving funds and other methods of financing for  
281 agribusiness programs administered under the Mississippi

282 Agribusiness Council Act of 1993. The monies made available by  
283 the Mississippi Development Authority shall be drawn from the  
284 Emerging Crops Fund and shall not exceed One Million Two Hundred  
285 Thousand Dollars (\$1,200,000.00) in the aggregate. The  
286 Mississippi Department of Agriculture and Commerce shall establish  
287 control and auditing procedures for use of these funds. These  
288 funds will be used primarily for quick payment to farmers for  
289 vegetable and fruit crops processed and sold through vegetable  
290 processing plants associated with the Department of Agriculture  
291 and Commerce and the Mississippi State Extension Service.

292 (8) From and after July 1, 1996, the Mississippi Development  
293 Authority shall make available to the Mississippi Small Farm  
294 Development Center One Million Dollars (\$1,000,000.00) to be used  
295 by the center to assist small entrepreneurs as provided in Section  
296 37-101-25, Mississippi Code of 1972. The monies made available by  
297 the Mississippi Development Authority shall be drawn from the  
298 Emerging Crops Fund.

299 (9) The Mississippi Development Authority shall make  
300 available to the Agribusiness and Natural Resource Development  
301 Center through Alcorn State University an amount not to exceed Two  
302 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001  
303 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal  
304 year 2002 from the cash balance of the Emerging Crops Fund to  
305 support the development of a cooperative program for agribusiness  
306 development, marketing and natural resources development. This  
307 subsection (9) shall stand repealed on June 30, 2006.

308 (10) The Mississippi Development Authority shall make  
309 available to the Small Farm Development Center at Alcorn State  
310 University funds in an aggregate amount not to exceed Three  
311 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash  
312 balance of the Emerging Crops Fund. The Small Farm Development  
313 Center at Alcorn State University shall use such funds to make

314 loans to producers of sweet potatoes and cooperatives anywhere in  
315 the State of Mississippi owned by sweet potato producers to assist  
316 in the planting of sweet potatoes and the purchase of sweet potato  
317 production and harvesting equipment. A report of the loans made  
318 under this subsection shall be furnished by January 15 of each  
319 year to the Chairman of the Senate Agriculture Committee and the  
320 Chairman of the House Agriculture Committee.

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

326 (12) The Mississippi Development Authority shall make  
327 available to the Mississippi Department of Agriculture and  
328 Commerce an amount not to exceed One Hundred Fifty Thousand  
329 Dollars (\$150,000.00) to be drawn from the cash balance of the  
330 Emerging Crops Fund to be used for the rehabilitation and  
331 maintenance of the Mississippi Farmers Central Market in Jackson,  
332 Mississippi.

333 (13) The Mississippi Development Authority shall make  
334 available to the Mississippi Department of Agriculture and  
335 Commerce an amount not to exceed Twenty-five Thousand Dollars  
336 (\$25,000.00) to be drawn from the cash balance of the Emerging  
337 Crops Fund to be used for advertising purposes related to the  
338 Mississippi Farmers Central Market in Jackson, Mississippi.

339 (14) (a) The Mississippi Development Authority shall, in  
340 addition to the other programs described in this section, provide  
341 for a program of loan guaranties to be made on behalf of any  
342 nonprofit entity qualified under Section 501(c)(3) of the Internal  
343 Revenue Code and certified by the United States Department of the  
344 Treasury as a community development financial institution for the  
345 purpose of encouraging the extension of financing to such an

346 entity which financing the entity will use to make funds available  
347 to other entities for the purpose of making loans available in  
348 low-income communities in Mississippi. Monies to make such loan  
349 guaranties by the Mississippi Development Authority shall be drawn  
350 from the Emerging Crops Fund and shall not exceed Two Million  
351 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan  
352 guaranty on behalf of such an entity under this subsection (14)  
353 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance  
354 received by an entity under this subsection (14) shall not  
355 disqualify the entity from obtaining any other assistance under  
356 this chapter.

357 (b) An entity desiring assistance under this subsection  
358 (14) must submit an application to the Mississippi Development  
359 Authority. The application must include any information required  
360 by the Mississippi Development Authority.

361 (c) The Mississippi Development Authority shall have  
362 all powers necessary to implement and administer the program  
363 established under this subsection (14), and the Mississippi  
364 Development Authority shall promulgate rules and regulations, in  
365 accordance with the Mississippi Administrative Procedures Law,  
366 necessary for the implementation of this subsection (14).

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO SECURE LETTERS  
3 OF CREDIT TO GUARANTEE BID, PERFORMANCE AND PAYMENT BONDS THAT  
4 MINORITY BUSINESS ENTERPRISES ARE REQUIRED TO OBTAIN IN ORDER TO  
5 CONTRACT WITH GOVERNMENTAL ENTITIES; AND FOR RELATED PURPOSES.