

# House Bill 439

*AN ACT TO AMEND SECTION 57-61-36, MISSISSIPPI CODE OF 1972, TO EXTEND THE REPEAL DATE ON THE PROVISION WHICH AUTHORIZES THE MISSISSIPPI DEVELOPMENT AUTHORITY TO MAKE INTEREST-BEARING LOANS TO LEGAL ENTITIES MEETING A CERTAIN CRITERIA THROUGH A HOUSING DEVELOPMENT REVOLVING LOAN FUND; TO INCREASE FROM \$5,000,000.00 TO \$6,500,000.00 THE AMOUNT OF BOND PROCEEDS THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY UTILIZE UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR THE PURPOSE OF MAKING GRANTS OR LOANS TO COUNTIES AND MUNICIPALITIES TO AID IN INFRASTRUCTURE RELATED IMPROVEMENTS, THE PURCHASE OF EQUIPMENT AND THE PURCHASE, CONSTRUCTION, REPAIR AND RENOVATION OF PUBLIC FACILITIES; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO UTILIZE NOT MORE THAN \$750,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR THE PURPOSE OF ESTABLISHING A CAPITAL ACCESS PROGRAM UNDER WHICH PARTICIPATING FINANCIAL INSTITUTIONS MAY MAKE LOANS TO QUALIFIED BORROWERS UNDER THE PROGRAM AND BE PROTECTED AGAINST LOSSES FROM SUCH LOANS; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO USE NOT MORE THAN \$200,000.00 OF THE BOND PROCEEDS UNDER THE MISSISSIPPI BUSINESS INVESTMENT ACT FOR THE PURPOSE OF ASSISTING WARREN COUNTY, MISSISSIPPI, IN THE CONTINUATION AND COMPLETION OF A STUDY FOR THE PROPOSED KINGS POINT LEVEE; 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 Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) 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 this section in House Bill No. 1694, 1998 Regular Session [Laws, 1998, Chapter 559], 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, 2002.

(3) Notwithstanding any provision of this chapter to the contrary, the Mississippi Development Authority shall utilize not more than Six Million Five Hundred Thousand Dollars (\$6,500,000.00) 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.

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.

(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.

SECTION 2. This act shall take effect and be in force from and after July 1, 2001.

Passed State Senate  
February 28, 2001

Passed House of Representatives  
March 13, 2001

APPROVED BY THE GOVERNOR

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GOVERNOR