

## **Title 6: Economic Development**

### **Part 9: Economic Development Division**

#### **Part 9 Chapter 1: Mississippi Site Development Grant Program**

*Rule 1.1 Program Objective.* Pursuant to Miss. Code Ann. §57-1-701, the Mississippi Site Development Grant Program assists public or private non-profit economic development organizations or local governments (Local Partners) in developing available green field sites for industrial development. Matching grants of up to \$50,000 for *Ready Site* site development projects or \$250,000 for *Premier Site* site development projects are available for approved applications. MDA will fund Site Development Grant applications from across the state.

Source: Miss. Code Ann. §57-1-701

*Rule 1.2 Ready Site.* A *Ready Site* is defined as a property that satisfactorily meets the minimum criteria for a competitive, marketable site and is ready for a project within an expedited timeframe. *Ready Sites* are classified as sites with a minimum of 20 highly developable acres that are site-work ready within six (6) months and can have utilities on site in twelve (12) months; rail-served sites are preferred. Preference also will be given to sites with airport or port access.

Source: Miss. Code Ann. §57-1-701

*Rule 1.3 Premier Site.* A *Premier Site* is defined as a property that meets the desired development criteria of its potential market(s) and has additional differentiating or distinguishing site location attributes (e.g., high-demand locations, intermodal and/or port access, large-scale “mega” development acreage, significant utility infrastructure, etc.). *Premier Sites* are classified as having a minimum of 100 acres with a labor force able to attract the intended market; a workforce study is required. Rail-served sites are preferred. In addition, preference will be given to sites with airport or port access.

Source: Miss. Code Ann. §57-1-701

*Rule 1.4 Application and Eligibility Requirements.* Activities to be funded under the Mississippi Site Development Grant Program should be consistent with the recruitment strategy and industrial park development plan for the benefitting site. Local Partners (county, municipality and public or private nonprofit economic development entities including, but not limited to, local authorities, commissions, or other entities created by local and private legislation) are eligible to apply. Applicants are advised to carefully review the required checklist included in the application form before submitting a grant application. The checklist must be signed and included in the application.

Local Partners may apply for grant assistance for the following projects:

- A. Site development projects and/or site due diligence projects at publicly owned industrial property;

- B. Site due diligence on optioned property;
- C. Public infrastructure improvement or expansion projects directly serving industrial property that is publicly owned or is optioned property;
- D. Assistance in acquiring publicly owned real property used for economic development purposes by the eligible entity.

Source: Miss. Code Ann. §57-1-701

*Rule 1.5 Statutory Requirements.* State statute (Miss. Code Ann. §57-1-701) requires that Mississippi Site Development Grant Program funds be expended on industrial property owned or associated with property that is publicly owned. Site Development Grant funds may be used for site due diligence activities on optioned property, but not for physical site improvements on optioned property. Optioned property is defined in statute as industrial property that is subject to a real estate option to purchase contract entered into between an eligible entity and a real estate owner. Such option must be for a minimum of three (3) years, and the option price shall not exceed the appraised fair market value of the real estate.

Source: Miss. Code Ann. §57-1-701

*Rule 1.6 Eligible Expenditures.* Eligible expenditures as stated in statute are:

- A. Attorney fees
- B. Fees related to architectural, design, engineering, surveying, planning, mapping, and other due diligence-related professional services
- C. Environmental studies/assessments
- D. Costs associated with studies, surveys, permitting, or zoning activities necessary to complete site diligence
- E. Geotechnical and/or resistivity testing
- F. Clearing/grading
- G. Environmental mitigation or the purchase of mitigation credits
- H. Drainage system improvements
- I. Right of way and easement acquisition
- J. Utility system expansions and/or distribution, including natural gas distribution systems
- K. Transportation infrastructure directly effecting the site (roads, bridges or rail)
- L. Telecommunications systems, including fiber optics
- M. Bulkheads
- N. Taxiways and parking ramps
- O. Land reclamation
- P. Industrial park “getaway” signage and/or aesthetic improvements
- Q. On-site demolition (old houses, barns, etc.) subject to cultural review
- R. Public infrastructure improvements directly serving industrial property that is publicly owned or serving optioned property
- S. Acquisition of publicly owned real property used for economic development purposes by an eligible entity in cases where the acquisition price does not exceed the appraised fair market value of the property
- T. Site development improvements as approved by MDA

Grant funds can only be used for physical site improvements such as clearing/grading, drainage improvements, or utility system expansions or improvements in cases where the site is publicly owned. For MDA to assist with due diligence at optioned property or public infrastructure improvements directly serving optioned property, the option must be in place for at least two (2) years after the date of application for a Site Development Grant.

Site due diligence and site improvement projects will receive priority over site acquisition projects, based on funding availability.

Source: Miss. Code Ann. §57-1-701

#### *Rule 1.7 Site Acquisition Requirements*

MDA will only assist with site acquisition projects if the land being acquired for industrial development purposes is under option. The purchase price for the land being acquired cannot exceed the appraised fair market value of the property. Site acquisition costs incurred over the past five (5) years at the site will be considered as eligible matching expenses. For acquisition projects, MDA will pay a percentage of eligible acquisition costs plus associated reasonable and necessary closing and settlement costs, as determined by MDA. Other reasonable and necessary costs for which MDA may provide reimbursement may include environmental due diligence such as, but not limited to, a Phase I environmental assessment, cultural resources survey, wetlands assessments and delineation, threatened and endangered species assessment, and geotechnical investigation of the parcels of land being acquired for industrial development.

Site Development grant funds cannot be used to assist with legal expenses or other expenses related to eminent domain proceedings, and eminent domain-related expenses, if any, cannot be considered as eligible costs for match requirement purposes.

Source: Miss. Code Ann. §57-1-701

*Rule 1.8 Application Process.* MDA will solicit applications for *Ready Site* and *Premier Site* grants under the Site Development Program.

Source: Miss. Code Ann. §57-1-701

*Rule 1.9 Ready Site Grant Program Process and Selection Criteria.* This program will support sites that are attempting to meet minimum criteria required for *Ready Sites*.

- A. MDA will provide grants to Local Partners on a reimbursable basis so they may perform due diligence/site development improvements to meet the minimum requirements. Funding will be available only upon project completion and after a final report is submitted, accepted, and approved by MDA.

Source: Miss. Code Ann. §57-1-701

#### *Rule 1.10 Funding Guidelines for Ready Site Grant Program*

- A. These funds must match funds from other sources; MDA grant funds will not be the primary funding vehicle.
- B. The maximum grant will be \$50,000 or 50% of the total cost of all the due diligence/site development improvements required, whichever is less.
- C. In-kind services will be valued as part of the required match if they are directly related to the costs of due diligence/site development requirements.
- D. MDA will only fund elements of due diligence/site development improvements if there are funds secured or pledged to finish all minimum criteria required. For example, MDA will not fund a Phase I environmental site assessment if there are no resources available to undertake a wetlands delineation, a cultural resources assessment, etc., if needed.

Source: Miss. Code Ann. §57-1-701

*Rule 1.11 Premier Site Grant Program Process and Selection Criteria.* Funds will be used to support the development of sites in areas of high demand or with other attributes that make them particularly differentiated and competitive. MDA will invest more in these sites and, as a result, will take measured steps to ensure a higher likelihood of a return on investment when making funding decisions, as compared to the *Ready Site* program.

- A. MDA will only consider approving grant funds in support of sites that meet the desired development criteria of their potential market(s) and have additional differentiating or distinguishing site location attributes, such as being located in a high-demand area, having large-scale “mega” acreage for development and/or significant utility infrastructure in place, and offering intermodal and/or port or airport access.
- B. MDA will provide grants to Local Partners on a reimbursable basis so they may perform due diligence/site development improvements and make other allowable improvements, as determined by MDA, which are required to address the development needs of the site.

Source: Miss. Code Ann. §57-1-701

*Rule 1.12 Funding Guidelines for Premier Site Grant Program*

- A. MDA funds must match funds from other sources (excluding other grants administered by MDA) and will not be the primary funding vehicle. Funding will be made available on a reimbursement basis on a drawdown schedule agreed upon by MDA.
  - (i) The maximum grant will be \$250,000 or 50% of the total cost of all the due diligence/site development improvements required, whichever is less.
  - (ii) In-kind services will be valued as part of the required match if they are directly related to the costs of due diligence/site development improvements.

Source: Miss. Code Ann. §57-1-701

*Rule 1.13 Application Review.* Each application will be reviewed objectively and solely on the merits of the proposed site enhancement and its potential for improving industrial recruitment efforts. No applicant is guaranteed funding if basic qualifying criteria are met. The merit of each application will be reviewed in both an individual and comparative context with other applications under consideration AFTER the basic qualifying criteria are met. All grant recipients will be notified in writing of the decision.

Source: Miss. Code Ann. §57-1-701

*Rule 1.14 Project Completion Time.* Grants approved for projects not completed within twenty-four (24) months that show evidence of progress as determined by MDA's Financial Resources Division will be considered for funding. Grants approved for projects not completed within twenty-four (24) months and demonstrating no tangible progress may be deobligated; these sites can be submitted for funding consideration in the future. MDA reserves the right to negotiate the scope and budget as part of the application review, the results of which may impact the level of funding participation, if any. Incomplete applications will be returned.

Source: Miss. Code Ann. §57-1-701

*Rule 1.15 Applying Organization Responsibilities.* Applicants approved for grant funding must execute a grant agreement with MDA outlining the project scope and allowable activities. Applying organization(s) will be accountable for all monies awarded and responsible for submission and tracking of all expenses. Applicants must submit a final report to MDA within 60 days of the project's completion date.

Source: Miss. Code Ann. §57-1-701

*Rule 1.16 Changes in Project Scope.* If a project's scope changes during the development stages, the grant recipient must write to MDA's Business Incentives Division for approval. The letter must state the project name, grant fund number (as noted in the grant agreement), requested change, reasons for wanting the change, and any alterations in cost.

Source: Miss. Code Ann. §57-1-701

*Rule 1.17 Changes in Project Costs.* If the total cost of the completed project is less than the provided estimate, the organization will be awarded 50% of the final project costs. If the completed project cost is higher than the approved project cost, the organization will receive only the amount listed in the grant award notification letter.

Source: Miss. Code Ann. §57-1-701

*Rule 1.18 Project Reimbursement and Completion Requirements.* All projects receiving a grant must adhere to the following rules before requests for payment can be processed and payment can be made:

- A. The applicant must have a current W-9 form with a Federal Tax ID Number on file at MDA and must register as a vendor in the State of Mississippi's MAGIC system and in Paymode.
- B. The applicant must list the project name (as listed on the grant application form) and the grant fund number (as listed in the grant agreement) in all correspondence regarding an approved project.

- C. A copy of vendor invoices and a copy of proof of payment to vendors must be provided with all invoices submitted to MDA, along with request for payment form. (Examples of proof of payment include: canceled checks, bank statements, vendor receipts, etc.)
- D. The applicant must return a complete, final report to MDA's Financial Resources Division no later than 60 days from the project completion date.
- E. Funding for *Ready Site* grants will not be disbursed until a final report is submitted, accepted, and approved by MDA.
- F. Funding for *Premier Site* grants will be made available on a reimbursement basis on a drawdown schedule agreed upon by MDA. The final 10% of *Premier Site* grant funds will be disbursed after a final report is submitted, accepted, and approved by MDA.
- G. MDA may conduct a final site inspection prior to final grant closeout.

Source: Miss. Code Ann. §57-1-701

*Rule 1.19 Waiver.* These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: Miss. Code Ann. §57-1-701

*Rule 1.20 Contact Information.*

- A. Mississippi Development Authority  
Attn: Business Incentives Division  
P.O. Box 849  
Jackson, MS 39205

## **Chapter 2: Mississippi Site Development Grant – Select Sites Program**

*Rule 2.1 Program Objective.* Pursuant to Miss. Code Ann. §57-1-701, the Mississippi Site Development Grant Program assists public or private non-profit economic development organizations or local governments (Local Partners) in developing available greenfield sites for industrial development. The Select Sites Program was created within the Site Development Grant Program with the additional goal of increasing the number of highly competitive industrial sites in the state that are available and are ready to meet prospective companies' needs. The availability of competitive sites that are ready for industrial development and meet the logistical, workforce and other needs of industry are critical to the state's job creation and investment attraction efforts. Through the Site Development Grant Select Sites Program, the Mississippi Development Authority (MDA) partners with eligible Local Partners to support the development of such sites and increase the state's competitiveness for economic development projects.

Source: Miss. Code Ann. §57-1-701

*Rule 2.2 Program Description.* Through the Mississippi Site Development Grant Select Sites Program, matching grants are made available to assist Local Partners in developing highly competitive greenfield sites that are ready for industrial development. MDA will evaluate

prospective and pre-existing publicly owned properties available for industrial development in the state, as well as optioned properties available for industrial development, and will invite Site Development Grant Select Sites applications for site development projects at these most competitive sites in the state. Because the intent of the Select Sites program is to fund site development projects that yield highly competitive sites, MDA may invest more in these sites. As a result, the agency will conduct a more thorough evaluation of each application to ensure a higher likelihood of a return on investment when making funding decisions.

Source: Miss. Code Ann. §57-1-701

*Rule 2.3 Eligible Applicants and Projects.* MDA will invite applications from Local Partners (county, municipality, and public or private nonprofit economic development entities including, but not limited to, local authorities, commissions, or other entities created by local and private legislation) for Site Development Grant Select Sites grants. Local Partners may apply for grant assistance for the following projects:

- A. site development projects and/or site due diligence at publicly owned industrial property;
- B. site due diligence on optioned property;
- C. Public infrastructure improvement or expansion projects directly serving industrial property that is publicly owned or is optioned property;
- D. Assistance in acquiring publicly owned real property used for economic development purposes by the eligible entity.

Source: Miss. Code Ann. §57-1-701

*Rule 2.4 Eligibility Criteria.* MDA will evaluate potential applicants' available sites and will invite Select Sites applications based on the results of that evaluation and funding availability. Site evaluation criteria include, but are not limited to:

- A. the site's location,
- B. the suitability of the site for development,
- C. the site's logistical advantages, including proximity to interstates and state highways and rail, airport, and port access,
- D. workforce availability,
- E. existing site infrastructure,
- F. the developable acreage of the site,
- G. the competitiveness and overall marketability of the site;
- H. previous due diligence and site improvements done at the site; and
- I. the ownership status and/or the terms of an option to purchase contract for the site.

MDA may utilize a knowledgeable third party to evaluate the merits of prospective sites and determine which sites have the greatest potential for industrial development based on the sites' assets, the suitability of the evaluated sites for industrial development, and which areas have the greatest likelihood of securing economic development projects.

Source: Miss. Code Ann. §57-1-701

*Rule 2.5 Funding Availability.* The number of applications invited will be based on funding availability and the identified site development needs of the evaluated sites.

Source: Miss. Code Ann. §57-1-701

*Rule 2.6 Statutory Requirements.* State statute requires that Mississippi Site Development Grant Program funds be expended on site development projects associated with property that is publicly owned. Site Development Grant funds may be used for site due diligence activities on optioned property, but not for physical site development projects on optioned property. Optioned property is defined in statute as industrial property that is subject to a real estate option to purchase contract entered into between an eligible entity and a real estate owner. Such option must be for a minimum of three (3) years, and the option price shall not exceed the appraised fair market value of the real estate.

Site Development Grant funds may also be used for public infrastructure improvements directly serving industrial property that is publicly owned or optioned property.

Source: Miss. Code Ann. §57-1-701

*Rule 2.7 Eligible Expenditures.* Eligible expenditures include:

- A. Attorney fees
- B. Fees related to architectural, design, engineering, surveying, planning, mapping, and other due diligence-related professional services
- C. Environmental studies/assessments
- D. Costs associated with studies, surveys, permitting, or zoning activities necessary to complete site diligence
- E. Geotechnical and/or resistivity testing
- F. Environmental mitigation or the purchase of mitigation credits
- G. Clearing/grading
- H. Drainage system improvements
- I. Right of way and easement acquisition
- J. Utility system expansions and/or distribution, including natural gas distribution systems
- K. Transportation infrastructure directly effecting the site (roads, bridges or rail)
- L. Telecommunications systems, including fiber optics
- M. Bulkheads
- N. Taxiways and parking ramps
- O. Land reclamation
- P. Industrial park “gateway” signage and/or aesthetic improvements
- Q. On-site demolition (old houses, barns, etc.) subject to cultural review
- R. Public infrastructure improvements directly serving industrial property that is publicly owned or serving optioned property
- S. Acquisition of publicly owned real property used for economic development purposes by an eligible entity in cases where the acquisition price does not exceed the appraised fair market value of the property
- T. Site development improvements as approved by MDA

Grant funds can only be used for physical site improvements such as clearing/grading, drainage improvements, or utility system expansions or improvements in cases where the site is publicly owned. For MDA to assist with due diligence at optioned property or public infrastructure improvements directly serving optioned property, the option must be in place for at least two (2) years after the date of application for a Site Development Grant.

Site due diligence and site improvement projects will receive priority over site acquisition projects, based on funding availability.

Source: Miss. Code Ann. §57-1-701

*Rule 2.8 Site Acquisition Requirements.* MDA will only assist with site acquisition projects if the land being acquired for industrial development purposes is under option. The purchase price for the land being acquired cannot exceed the appraised fair market value of the property.

Select Sites grants cannot be used to reimburse more than 50 percent of eligible land acquisition costs. MDA will require at least a 50 percent match when assisting with site acquisition projects, though site acquisition costs incurred over the past five (5) years at the site will be considered as eligible matching expenses.

For acquisition projects, MDA will pay a percentage of eligible acquisition costs plus associated reasonable and necessary closing and settlement costs, as determined by MDA. Other reasonable and necessary costs for which MDA may provide reimbursement may include environmental due diligence such as, but not limited to, a Phase 1 environmental assessment, cultural resources survey, wetlands assessments and delineation, threatened and endangered species assessment, and geotechnical investigation of the parcels of land being acquired for industrial development.

Select Sites grant funds cannot be used to assist with legal expenses or other expenses related to eminent domain proceedings, and eminent domain-related expenses, if any, cannot be considered as eligible costs for match requirement purposes.

Source: Miss. Code Ann. §57-1-701

*Rule 2.9 Project Scope of Work and Budget.* MDA reserves the right to negotiate the scope of site development work and the budget for the proposed work with prospective applicants and as part of the application review process.

Source: Miss. Code Ann. §57-1-701

*Rule 2.10 Grant Amounts.* Grant amounts awarded will vary based on funding availability and other factors, including, but not limited to, the development needs of the sites evaluated, the cost estimates of the site improvements proposed, the overall potential development opportunity for the benefitting property, and whether site due diligence has been completed. In determining MDA's level of funding participation, the agency will also consider whether the potential applicant has funded due diligence or site improvements on the site, to date, the amount of

funding for site improvements that has already been invested or committed to the site, and whether the potential applicant has identified additional funding sources.

Source: Miss. Code Ann. §57-1-701

*Rule 2.11 Matching Funds.* All grant awards will require matching funds. MDA will determine the amount of match required on a project-by-project basis. The amount of match required will depend on such factors as the proposed scope of work, whether site due diligence has been completed, the necessary site improvements identified, and the cost estimates for those improvements. In determining the amount of matching funds required, MDA also will consider the amount of funding that has already been invested in or committed to the site and the level of development in the county/counties in which the site is located, as determined by the Mississippi Department of Revenue in its annual County Ranking. In-kind services will be eligible as part of the required match if they are directly related to the costs of due diligence/site development requirements, and land acquisition costs can count toward the grant's match requirements.

Source: Miss. Code Ann. §57-1-701

*Rule 2.12 Site Evaluation.* Before formally inviting a grant application, MDA will contact potential applicants to discuss the sites evaluated, the development plan for the sites, the due diligence and/or site improvements needed, and the costs of the improvements necessary to develop the site into a competitive, project-ready site, taking into consideration the results of any third-party evaluation. Activities to be funded under the Mississippi Site Development Grant Program should be consistent with the recruitment strategy and industrial park development plan for the benefitting site, as determined by MDA and the Local Partner.

Source: Miss. Code Ann. §57-1-701

*Rule 2.13 Application Process.* After completing this site evaluation process, MDA may then issue a letter inviting a Local Partner to apply for the grant. Applications must be submitted on a form prescribed by MDA and must include, at a minimum, a description of the eligible expenditures for which assistance is requested, the amount of assistance requested, the amount of matching funds to be provided by the eligible entity, and any other information required by MDA. Applications must be submitted with any accompanying documentation deemed necessary by MDA. The scope of site development work outlined in an application must align with the development plans developed by MDA and the potential applicant. Each application will be reviewed objectively on the merits of the proposed site development project and its potential for resulting in a highly competitive site. Grant recipients will be notified in writing of the funding decision.

Source: Miss. Code Ann. §57-1-701

*Rule 2.14 Grant Awards.* After an application is formally approved, a grant agreement outlining the project scope and allowable activities will be executed by the Local Partner and MDA. Applicants will be accountable for all monies awarded and responsible for the submission and tracking of all expenses.

Source: Miss. Code Ann. §57-1-701

*Rule 2.15 Disbursement.* Grant funds will be disbursed on a reimbursement basis on a drawdown schedule agreed upon by MDA. The final 10% of Select Sites grant funds will be disbursed after a final report is submitted, accepted, and approved by MDA. Applicants must submit a final report to MDA within 90 days of the project's completion date. Projects not completed within twenty-four (24) months of the execution of a grant agreement must show evidence of progress as determined by MDA's Business Incentives Division in order to receive grant funds. Grants approved for projects not completed within twenty-four (24) months and demonstrating no tangible progress may be deobligated.

Source: Miss. Code Ann. §57-1-701

*Rule 2.16 Funding Guidelines.* All projects receiving a grant must adhere to the following rules before requests for payment can be processed and payment can be made:

- A. The applicant must have a current W-9 form with a Federal Tax ID Number on file at MDA and must be registered as a vendor in the State of Mississippi's MAGIC system and in Paymode.
- B. The applicant must list the project name (as listed on the grant application form) and the grant fund number (as listed in the grant agreement) in all correspondence regarding an approved project.
- C. A copy of vendor invoices and a copy of proof of payment to vendors must be provided with requests for payment, along with a request for payment form. (Examples of proof of payment include canceled checks, bank statements, vendor receipts, etc.)
- D. MDA may conduct a final site inspection prior to final grant closeout.
- E. The applicant must return a complete, final report to MDA's Business Incentives Division no later than 90 days from the project completion date.
- F. Grant recipients must provide MDA with access to all studies, reports, documents, and/or plans developed as a result of or in conjunction with MDA grant funds.
- G. Grant recipients must commit to updating MDA's Sites and Buildings database to reflect the improvements at the site that benefited from grant assistance and any due diligence updates made with grant assistance.
- H. Grant recipients must agree to repay grant funds received if the site being developed or acquired is developed for any purpose other than industrial development within five (5) years of final grant disbursement.
- I. Grant recipients must agree to requesting written permission from MDA to transfer the developed or acquired site to private ownership if the site is selected for an economic development project.
- J. Grant recipients must agree to maintain the site so that it presents well to prospective businesses and remains a competitive site for economic development for a period of five (5) years from the date of final disbursement. If a site developed or acquired with Select Sites grant funds is not maintained for at least five (5) years after final grant disbursement, the recipient may be required to repay grant funds.

Source: Miss. Code Ann. §57-1-701

*Rule 2.17 Changes in Project Scope or Budget.* If a project's scope changes at any point after an application has been invited, the grant recipient must write to MDA's Business Incentives Division for approval of the change of scope. The letter must state the project name, grant fund number (as noted in the grant agreement), requested change, reasons for requesting the change, and any alterations in cost. Grant funds are disbursed on a drawdown schedule determined by MDA. If the completed project cost is higher than the approved project cost, Local Partners will receive only the amount of grant funds awarded.

Source: Miss. Code Ann. §57-1-701

*Rule 2.18 Waiver.* These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: Miss. Code Ann. §57-1-701

*Rule 2.19 Contact Information.* Inquiries should be directed to:

- A. Mississippi Development Authority  
Attn: Business Incentives Division  
P.O. Box 849  
Jackson, MS 39205

Adopted: November 3, 2022

### **Chapter 3: Mississippi Flexible Tax Incentive Program – mFLEX**

*Rule 3.1 Program Objective.* Pursuant to Miss. Code Ann. § 57-114-1 *et seq.*, the Mississippi Flexible Tax Incentive Program assists companies locating or expanding into Mississippi by providing a tax credit which can be taken to offset state taxes incurred during the establishment of the project. mFLEX was created with the goal of simplifying the tax incentive process for potential site locations and expansions as well as increasing the value of tax incentives in the state by providing flexibility in the utilization of the incentive. This incentive is intended to replace many of the existing tax incentives which each have a separate application and approval process and provide the state with no means of determining the utilization of the credit by the user.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.2 Program Description.* Through the Mississippi Flexible Tax Incentive Program, a taxpayer credit is provided to a new or expanding industry based on investment, job creation and average wages of the created jobs. This credit can be used to offset income, franchise, sales, use, and payroll withholding taxes of the industry as well as specific identified affiliates.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.3 Eligible Applicants.* MDA will invite applications from eligible industries planning to locate or expand in the state. To qualify, the applicant must commit to creating a minimum of 10 new full-time jobs paying a minimum of seventy-five percent (75%) of the average state or county wage **or** investing a minimum of two million, five hundred dollars (\$2,500,000). The following industries are eligible:

- Manufacturing, remanufacturing, assembly, processing, and/or refining enterprise
- Warehouse and/or distribution enterprise
- Research or research and development enterprise
- Regional or national headquarters
- Air transportation and/or maintenance enterprise
- Data and information processing enterprise
- Technology intensive enterprise
- Data center enterprise

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.4 Eligibility Criteria.* MDA will evaluate potential projects and will invite eligible project applications based on the results of that evaluation. Application evaluation will include the review of available information, including:

- J. Capital investment
- K. Job creation
- L. Average annual wages
- M. Benefits, and
- N. Current compliance with all state tax laws, ordinances, permits and approvals.

MDA may utilize information from other state and local agencies to verify that all statutory requirements are met. It is the statutory intent that all eligible projects requesting certification be awarded this credit in lieu of the existing standard tax incentives that are statutorily awarded.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.5 Funding Availability.* The mFLEX program is not limited by funding availability, so all applications that meet statutory requirements may be approved by the agency. Certified credit amounts can be taken upon certification as a credit on all tax returns filed by the applicant or its identified affiliates after the certification date. A limit of twenty percent (20%) of the total credit awarded may be applied to withholding tax liability for any given year. Credits may not be used to offset tax liability incurred prior to the certification date.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.6 Statutory Requirements.* State statute provides that Mississippi Flexible Tax Incentive credits be used to offset income, franchise, sales, use, and payroll withholding taxes of the industry or specific identified affiliates. Certified credit amounts can be taken upon certification as a credit on all tax returns filed by the applicant or its identified affiliates after the certification date. A limit of twenty percent (20%) of the total credit awarded may be applied to payroll

withholding tax liability per year. Credits may not be used to offset tax liability incurred prior to the certification date.

To ensure that the credit awarded is based on the actual investment, job creation, and payroll of the company, the certified applicant will be required to submit annual reports to the MDA that provide the progress of the project to date. Credit amounts may be adjusted based on these reports and an updated credit certificate will be issued to the company as well as the Department of Revenue to validate those credits are commensurate with the actual project results.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.7 Project Certification.* Upon evaluation of the project, if all requirements are met, the applicant will be presented to the MDA board for approval. If approved, the applicant will be required to enter into an agreement that documents the following:

- U. The obligation of the industry to provide an annual report that includes actual investment, job creation, and payroll in a manner prescribed by the MDA.
- V. The obligation to update estimated investment and job creation for the remainder of the project.
- W. The obligation of the industry to provide health insurance coverage funded at least fifty percent (50%) by the certified business.
- X. The obligation to provide a summary of the tax credits taken for the reporting year by the applicant as well as the credits taken by each identified affiliate.
- Y. Acknowledgement that if the applicant is awarded an mFLEX certification, specific statutory tax incentives will not be available to the applicant.
- Z. Acknowledgement that the certified credit amount will be adjusted annually based on actual investment and job creation, as well as updated estimates for the project.
- AA. Acknowledgement that failure to comply with required reporting may result in the suspension or revocation of all or a portion of the mFLEX credits awarded.
- BB. Acknowledgement that in the event that credits that have been taken and are later reduced through recalculation based on company reporting or revocation due to failure to file the annual report will be recaptured by the Department of Revenue as a tax liability.

Once the applicant signs and returns the agreement, a certification will be issued that documents the mFLEX credit available to the applicant. A copy of the certification will also be provided to the Department of Revenue for administrative oversight.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.8 Calculation of mFLEX Credits.* MDA will calculate the initial credit amount based on the following formula:

- Reported Capitalized Manufacturing Equipment Expenditures multiplied by 1.5%
- +
- Reported Capitalized Non-Manufacturing Equipment, Furniture, and Fixtures multiplied by 7%
- +

- Total construction contract(s) multiplied by 2%
- +
- Wages multiplied by number of jobs multiplied by 15%

This calculation results in the **base mFLEX credit**. If the applicant creates 25 jobs and pays an average annual salary of 125% of the average state or county wage (or is a manufacturer, invests \$20,000,000 and creates a minimum of 50 jobs), the credit is increased by the following premium for high paying jobs:

Payroll multiplied by number of jobs multiplied by 30%

In the event that the applicant elects to utilize industrial revenue bonds issued by the Mississippi Business Finance Corporation, the calculation will be limited as follows:

Payroll multiplied by number of jobs multiplied by 15%

This calculation results in the **IRB (Industrial Revenue Bond) base mFLEX credit**. If the applicant creates 25 jobs and pays an average annual salary of 125% of the average state or county wage (or is a manufacturer, invests \$20,000,000 and creates a minimum of 50 jobs), the credit is increased by the following premium for high paying jobs:

Payroll multiplied by number of jobs multiplied by 30%

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.9 mFLEX Credit Utilization.* Upon receipt of the certification by the applicant, certified credit amounts can be taken as a credit on all Department of Revenue tax returns filed by the applicant or its identified affiliates after the certification date. A limit of twenty percent (20%) of the total credit awarded may be applied to payroll withholding tax liability for any given year. Credits may not be used to offset tax liability incurred prior to the certification date.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.10 Applicant Reporting Requirements.* Each applicant that is awarded a certification will be required to complete and submit an annual report by the last business day of the month following the end of the quarter during which the annual anniversary of the project certification was issued. This report, along with any required attachments, must be submitted to MDA in their prescribed format. This report will require the following information:

- Company name and FEIN
- Total investment for the year, for the project to date, and the anticipated total investment
- The total number of initial full-time jobs (for expansions), the total jobs created for the reporting year, the total jobs created to date, and the total anticipated jobs
- The average wages paid for new jobs created
- The percentage and number of employees who are offered health insurance coverage, funded at least 50% by the employer
- A listing of affiliates, including legal entity name and FEIN, that may utilize the mFLEX credit awarded.

- A summary of the tax credits taken for the reporting year and to date by the applicant as well as the credits taken by each identified affiliate.

Any approved or awarded applicant that fails to comply will be notified by MDA and will be given 30 days to submit the required reporting. Failure to comply with required reporting may result in the suspension or revocation of all or a portion of the mFLEX credits awarded. This decision is at the discretion of the MDA.

The informational report must be filed annually for a minimum of seven years, but if the applicant has not utilized all available credits, then annual reports must be filed until all credits have been used or the credits expire, 10 years after the date of the certificate.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.11 mFLEX Credit Adjustment and Certification.* Based on the information provided in the entity's annual report, MDA will identify any adjustment to the initial estimates provided by the applicant. Adjustments to the certification may include:

- Updates to the demographic and contact information of the company
- Updates to the approved affiliates
- Updates to the mFLEX credit available.

mFLEX credit updates may cause the total credit amount to increase or decrease and may occur for the following reasons:

- Updates to the project estimates (jobs, wages and investment)
- Updates to the actual investment made
- Updates to the actual jobs created.

Once the project is completed, no additional updates can be made to the investment estimate. A copy of the updated certification will be provided to the Department of Revenue to ensure that the correct credit amount is being utilized.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.12 MDA Reporting Requirements for mFLEX.* All mFLEX applications and annual reports are exempt from the Freedom of Information Act. MDA is statutorily required to provide copies of each mFLEX agreement, mFLEX certification, and mFLEX certification amendment to the Governor, Lieutenant Governor, and Speaker of the House the calendar quarter following the quarter the document is certified. This information will be documented as confidential and will not be released to the public.

MDA will include mFLEX incentives in their annual incentive report, but each company certified will include only summary data.

Source: Miss. Code Ann. § 57-114-1 *et seq.*; Miss Code Ann Section 57-1-14

*Rule 3.13 Changes in Project Scope or Budget.* If a project's scope changes at any point after certification, the mFLEX credit recipient must provide an update using the annual update form and include the project name, requested change, reasons for requesting the change, and any alterations in investment and/or job creation and wages. If the completed project cost is higher than the approved project cost, the mFLEX credit will be increased to accommodate the change. Likewise, reductions in investment, jobs, and/or wages could result in a decrease in the mFLEX credit.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

*Rule 3.14 Compliance with Federal Immigration Laws and Mississippi Employment Protection Act.* The company is required to ensure compliance with the Mississippi Employment Protection Act ("MEPA"), Miss. Code. Ann. § 71-11-3 *et seq.*, and must ensure that the entity registers and participates in the status verification system for all newly hired employees. Under MEPA, the term "employee" means any person that is hired to perform work within the State of Mississippi. As used in MEPA, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. The company must maintain records of such compliance and, upon request of the State of Mississippi and approval of the Social Security Administration or Department of Homeland Security, where required, to provide a copy of each such verification to the State. Any person assigned to perform services must meet the employment eligibility requirements of all federal and state immigration laws. Any breach may subject the company to the following: (a) termination of the Agreement and ineligibility for any assistance, grant or state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to the company by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, the Company is also liable for any additional costs incurred by the State.

Source: Miss. Code Ann. § 71-11-3; Miss. Code Ann. § 57-1-371; Miss. Code Ann. § 57-1-373.

*Rule 3.15 Waiver.* These rules and regulations may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the rules and regulations to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: Miss. Code Ann. § 57-114-1 *et seq.*

Inquiries should be directed to:

Mississippi Development Authority  
Attn: Business Incentives Division  
P.O. Box 849  
Jackson, MS 39205

Adopted: December 13, 2022.

## **Part 9 Chapter 4: Small Business Loan Guarantee Program**

*Rule 4.1 Program Objective.* The American Rescue Plan Act of 2021 (ARPA) reauthorizes and amends the Small Business Jobs Act (SBJA) of 2010, which established the State Small Business Credit Initiative (SSBCI) Program. Through the SSBCI, the State of Mississippi was allocated funds for the Small Business Loan Guarantee Program (SBLGP) which will be administered by the Mississippi Development Authority (MDA). This program is designed to facilitate capital accessibility for small businesses by providing loan guaranties to banks and other small business lenders. The program’s purpose is to enable lenders to make term loans or provide lines of credit to new or existing small businesses in a difficult credit environment. This is designed to help with the development, expansion, and retention of Mississippi’s small businesses.

Source: Miss. Code Ann. §57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.2 Eligibility Criteria.* Eligible borrowers may include businesses that are new or existing small businesses in Mississippi with up to 500 employees and less than \$10,000,000 in gross revenues or \$2,500,000 in profit after taxes, or is a Mississippi nonprofit organization when the financing is used for a “business purpose.”

All financial institutions must be preapproved by MDA before they are able to participate in the program. Eligible financial institutions may include:

- Commercial Bank
- Savings Bank
- Federal Land Bank
- Farm Credit Bank, Agricultural Credit Association, or other farm credit agency
- Community Development Corporations
- Community Development Financial Institutions

Additionally, eligible loans must be used for a business purpose. This can include but is not limited to:

- New business startup costs,
- Working capital,
- The purchase of equipment, inventory, land, buildings, and machinery,
- Construction,
- Remodeling or renovation, or
- Tenant improvements of an eligible place of business that is not for passive real

estate investment purposes

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.3 Lender Participation.* To be considered for enrollment in the program, an eligible financial institution must be approved for participation by the MDA. The financial institution must submit an application for participation. The application document and list of required attachments will be reviewed by MDA and considered for approval for participation in the program.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.4 Lender Agreement.* The MDA-approved financial institution will be required to enter into the Small Business Loan Guarantee Program Agreement. This agreement establishes the terms and conditions of the program and obligates the lender to meet the program's requirements.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.5 Eligible Borrowers.* An eligible borrower must be either a new or existing Mississippi small business, a business locating in Mississippi, a Mississippi nonprofit entity (but only if the loan is for an eligible business purpose). Additionally, the borrower must have less than 500 employees. If the borrower is an existing business, it must have earned less than either \$10,000,000 in gross revenues or less than \$2,500,000 in profit after taxes in the most recent completed fiscal year. The borrower must be credit worthy and demonstrate the ability to repay the loan. They also must be in compliance with all state and federal regulatory agencies and must not be in default on any previous debt or obligation with the state or federal government.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.6 Ineligible Uses of Funding.* SBLGP transactions may not have certain features, including any of the following: confessions of judgment, prepayment or "double-dipping" fees, or upfront fees or charges paid by the small business, excluding fees to the program, that exceed two percent for loans greater than \$25,000 or \$500 for loans under \$25,000.

Under the program, the borrower may not use the loans for any of the following uses or purposes:

- Refinance existing debt unless the debt is from a non-affiliated lender\*
- Used in conjunction with other federal loans or guaranties
- Finance the acquisition, construction, improvement, or operation of real property, which is to be held primarily for sale or investment, such as commercial real estate ownership
- Finance any business engaged in lending, directly or indirectly
- Finance of a nonbusiness purpose
- Repayment of delinquent federal or state income taxes
- Reimburse funds owed to any owner, including any equity injection

\* A lender may refinance a borrower's existing loan, line of credit, extension of credit, or other

debt originally made by an unaffiliated lender only if the following conditions are met:

- The amount of the refinanced loan or other debt is at least 150 percent of the previous outstanding balance,
- The transaction results in a 30 percent reduction in the fee-adjusted APR contracted for the term of the new debt, and
- Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.7 Guarantee Percentage.* The percentage of the loan guarantee will be determined by the type of loan, and the risk profile of the loan. To determine the percentage of guarantee approved for each loan, the guarantee application will be reviewed by the MDA's Small Business Loan Guarantee Review Committee. The committee will consider credit history, experience and history of the borrower, collateral coverage, and job creation in its evaluation and will set the guarantee percentage based on these factors.

Loans for working capital, lines of credit, and accounts receivable will be eligible for a loan guarantee of sixty percent (60%).

Loans to finance fixed assets, such as equipment and real estate, will be eligible for a loan guarantee of up to eighty percent (80%).

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.8 Loan and Guarantee Amount and Guarantee Terms.* The amount of the loan guarantee will not exceed eighty percent (80%) of the loan amount or \$750,000, whichever is less. Only with the express written consent of the MDA, may a lender be allowed to request a guarantee on the principal loan amount of up to \$5,000,000. The minimum amount for an SBLGP eligible loan will not be less than \$50,000.

Loans for working capital, lines of credit, and accounts receivable will have a maximum guarantee term of five (5) years.

Loans to finance fixed assets, such as equipment and real estate, will be eligible for a guarantee term of up to fifteen (15) years. The term will not exceed the useful life of the assets that are securing the loan or being financed with a maximum term of fifteen (15) years.

The term of the SBLGP guarantee shall match the term of the financial institution's loan, up to the maximum of fifteen (15) years (amortization may exceed the loan term).

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.9 Interest Rate.* Per U.S. Treasury guidelines, the interest rate may not exceed the National Credit Union Administration's interest rate ceiling. Interest shall be charged on the SBLGP guaranteed loan and payment terms are negotiated between the lender and the borrower.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.10 Guarantee Application Process.* A borrower must first identify a partnering financial institution that is willing to participate in the SBLGP and its parameters. The MDA staff may provide a list of participating lenders should the borrower need it.

The financial institution will originate the guarantee application for an eligible business and loan and all required documentation. This must include:

- A loan narrative describing the project,
- An overview of the business,
- The purpose of the loan, and
- The proposed use of the loan proceeds.

The financial institution must provide MDA with a Servicing Agreement Letter, certifying to act as the collection and service agent for the guaranteed loan and agreeing to program terms and conditions.

All transactions will be presented for consideration to the MDA's Small Business Loan Guarantee Review Committee. The committee will review each application and determine the guarantee percentage for the loan, based on credit history, experience and history of the borrower, collateral coverage, and job creation.

Once the review committee has approved a guarantee application and percentage, the guarantee commitment is valid for ninety (90) days. If the loan has not closed within ninety (90) days, updated information may be required, and the loan may be resubmitted to the review committee for approval before the loan can proceed to closing.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

The Financial Institution may be asked to provide, in writing, all required information for the preparation of any SBLGP loan closing documents.

*Rule 4.11 Loan Administration.*

*Loan Closing.* All closing documents must be properly executed, and a copy must be provided to the MDA upon the loan closing. The Financial Institution may be asked to provide, in writing, all required information for the preparation of any SBLGP loan closing documents. All exhibits to the closing documents must be filed and copies must be sent to MDA no later than thirty (30) days from the date of the closing.

*Lender Fee.* The financial institution may charge the business a servicing fee, which may not exceed two percent (2%) of the SBLGP loan amount greater than \$25,000 or \$500 for loans under \$25,000. The fee will be a one-time charge collected at the loan closing. The fee may be paid directly by the business, deducted from the SBLGP loan proceeds, or financed as part of the Financial Institution's loan.

*Loan Servicing.* The Financial Institution will be responsible for underwriting and servicing the SBLGP loan. Lenders must provide all key terms in an easy-to understand manner. Such disclosures could include: the loan or investment amount, payment obligation and schedule, any terms giving the participant control over the borrower's or investee's cash balances, cash flows or ownership, any conversion rights and future rights to purchase equity, and any fees or extra costs. The Financial Institution will enforce the terms and conditions of all closing documents executed for the SBLGP Loan.

*Reporting.* The Financial Institution will report quarterly to the MDA on the status of the loan. The Financial Institution will submit a loan transaction history report summarizing the current balance, payments on principal to date, payments on interest to date, and any past due statements. The Financial Institution will also complete and submit an annual report in the format to be provided by the MDA. Additionally, the lender is required to immediately report any material change in the status of the borrower or collateral.

*Prepayment & Loan Default.* The Financial Institution shall notify the MDA in writing of any prepayments of the Financial Institution's loan. The Financial Institution's Loan and Note is prohibited from being sold, assigned, conveyed, sub-participated, subdivided, encumbered, or otherwise transferred. The MDA will consider any loan that has become delinquent in amount equal to the required payment to be in default. In the event of a loan default, the Financial Institution will submit a claim form on the guarantee once all required collection procedures have been performed. The guarantee payments will be calculated after all collateral has been applied to the outstanding balance. The SBLGP guarantee will reimburse the financial institution for its loss, up to the percentage of the SBLGP guarantee.

*Audit.* Guaranties made under the SBLGP are subject to audit by the State Department of Audit

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 4.12 Waiver.* These rules and regulations may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the rules and regulations to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: Miss. Code Ann. § 57-10-601.

*Rule 4.13 Debarment and Suspension Policy.* To protect the public trust and interest imposed upon the MDA, if it appears that the Company and/or its agent's conduct, as determined by MDA, creates a reasonable belief that a particular act or omission that is covered by this policy has occurred, the MDA shall implement such discretionary actions known as debarment and suspension. At the time the Company files an application for the tax credit, they must maintain that there is no action, suit proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of the Company, after reasonable investigation and due inquiry, threatened against the Company in any way contesting or affecting the validity of this Agreement or contesting the powers of the Company to adopt, enter into or perform its obligations under this Agreement or materially and adversely affecting the

properties or condition (financial or otherwise) or existence or powers of the Company.

Source: Miss. Code Ann. § 57-10-601.

Inquiries should be directed to:

Mississippi Development Authority Attn:  
Business Incentives Division  
P.O. Box 849  
Jackson, MS 39205

Adopted: November 15, 2023

**Part 9 Chapter 5: Mississippi Community Development Financial Institution (CDFI) Small Business Loan Fund Program**

*Rule 5.1 Program Objective.* The Mississippi CDFI Small Business Loan Fund Program (SBLF) is designed to facilitate capital accessibility for small businesses unable to access traditional bank debt by providing matching funds for CDFI loan funds. The program’s purpose is to enable participating CDFI loan funds to make loans and provide lines of credit, or other appropriate debt financing, to new or existing small businesses in a difficult credit environment. This is projected to help with the development, expansion, and retention of Mississippi’s small businesses. The SBLF will provide these expanded funding opportunities to Mississippi small businesses, startups, and entrepreneurs by providing low-cost debt to CDFI loan funds with established track records of serving Mississippi businesses. The loans are administered by the Mississippi Development Authority (MDA).

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.2 Program Terms.*

- “Community Development Financial Institutions (CDFI)” has the meaning given that term as under section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, 12 U.S.C. § 4702.
- “Community Development Financial Institutions (CDFI) Loan Fund (Participants)” means a CDFI that provides debt financing and development services to businesses, organizations, and individuals in low-income communities.
- “Borrower” means the business person or entity borrowing and accepting the loaned funds from the Lender.
- “Private financing” means equity investments, written commitments of future equity investments, term loans, lines of credit, and any new infusions of cash by the small business owner into the borrower.

- “Upfront fees” for the purpose of this program include but are not limited to application fees, origination fees, and document preparation fees.
- “Passive real estate investment” means most real estate development (including construction) in which the developer does not intend to occupy or actively use the resulting real property.
- “Socially and Economically Disadvantaged Individual (SEDI) Owned Business”- for the purposes of this program means:
  - Business enterprises that certify that they are owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:
    - membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
    - gender;
    - veteran status;
    - limited English proficiency;
    - physical handicap;
    - long-term residence in an environment isolated from the mainstream of American society;
    - membership of a federally or state-recognized Indian Tribe;
    - long-term residence in a rural community;
    - residence in a U.S. territory;
    - residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
    - membership of another underserved community as defined in U.S. Executive Order 13985;
  - Business enterprises that certify that they are:
    - owned and controlled by individuals whose residences are in CDFI investment areas, as defined in prevailing federal guidelines issued by the U.S. Treasury;
  - Business enterprises that certify that they will:
    - operate a location in a CDFI investment area, as defined in prevailing federal guidelines issued by the U.S. Treasury; or
    - business enterprises that are located in CDFI Investment Areas, as defined in prevailing federal guidelines issued by the U.S. Treasury.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.3 Eligibility Criteria as a Loan Fund.* For an entity to be eligible to participate in the SBLF as a loan fund, they must meet the following criteria:

- The loan fund must be a non-depository CDFI-certified loan fund headquartered in

Mississippi;

- The loan fund must demonstrate a strong pipeline of prospective deals with small businesses and startups in Mississippi;
- The loan fund must show a one-to-one match of committed funds for the total loan amount applied for;
  - This match must be at the CDFI Fund level. Securing a one-to-one match from other sources of funding for each individual transaction using SBLF funds will not meet this initial requirement. Matching funds must come from “private financing” in accordance with SSBCI definitions.
- The loan fund must demonstrate the operational capacity to meet all compliance requirements for participating in the program;
- The loan fund must have a strong track record of serving socially and economically distressed individuals (SEDI) businesses and organizations as defined in United States Treasury guidelines;
- The loan fund must submit audited financial statements for its past three (3) fiscal years and agree to continue to submit annual audited financial statements; and
- The loan fund must be prepared to be fully responsible for sourcing, underwriting, and deploying the capital applied for into startups and small businesses.

Additionally, participating CDFI Loan Funds (“participants”) are expected to pursue, above the one-to-one match at the fund level, a ten (10) to one (1) leverage overall from private financing. The additional leverage can be at the transaction level as well as recycling the use of funds by reinvesting returned capital.

•  
Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.4 Terms of Loan Fund Participation.* All selected Participants are required to enter into a SBLF Agreement. This agreement establishes the terms and conditions of the program and obligates the Participant to meet the program requirements. The MDA will review applications for participation in the SBLF from CDFI Funds meeting the criteria outlined above. The MDA will make determinations on which applicants participate in the program and to what extent. If an applicant is selected, the following terms in the loan agreement between the Participant and the MDA will apply:

- The initial loan is a nine-year term.
- 1% interest.
- Interest-only.
- No repayment guarantee.
- The entity must complete two (2) or more eligible transactions per year during the length of the program.
- At least 85% of the transaction must be loans to “SEDI-owned businesses.”
- No principal of the CDFI Fund has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).
- The participant will abide by all rules and regulations of the SBLF in accordance with

SSBCI rules and regulations, including the eligible use of funds described in these guidelines.

While the initial term of the loan is nine (9) years, the MDA will consider applications to end the technical compliance requirements and transaction approvals once all leverage and SEDI deployment requirements have been met. However, if this is granted, the MDA will require participants to provide quarterly reporting on SSBCI-eligible lending activity throughout the MDA's compliance and reporting period to the United States Treasury.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.5 Supported Uses and Transactions of SBLF Funding.* Participants must use SBLF funding in accordance with Treasury regulations promulgated for the SSBCI program, including 31 C.F.R. Subtitle A, Part 35, Subpart C.

Participants must use SBLF funds for the provision of capital to eligible borrowers. Requirements for eligible SBLF transactions and borrowers are as follows:

- 100% of SBLF funding must be used for Mississippi companies;
- No more than 50% of SSBCI funds in an individual transaction;
- Participants are required to:
  - target an average borrower or investee size of 500 employees or less,
  - not extend credit or investment support to borrowers or investees that have more than 750 employees,
  - target support towards loans or investments with an average principal or investment amount of \$5 million or less, and
  - not provide credit or investment support if a given transaction exceeds \$20 million.
- Eligible transactions may not enroll any portion of an SBA-guaranteed loan or the unguaranteed portion of any other federal loan, including the U.S. Department of Agriculture's Business and Industry (USDA B&I) loan program loan.
  - One loan cannot be enrolled in more than one approved program at the same time. A lender may not divide one loan into multiple agreements or notes, each enrolled in an approved program, for the same loan purpose.
    - a borrower may receive two sources of federal support in two separate loans if the proceeds for the two loans are for different purposes.
- Eligible business purposes for SBLF transactions include, but are not limited to:
  - Start-up costs, working capital, franchise fees,
  - Acquisition of equipment,
  - Inventory
  - Services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes, or
  - The purchase of any tangible or intangible assets except goodwill.

While SBLF funds cannot be combined with tax-credit enabled funds at the state level, Federal New Market Tax Credits (NMTC), or Historic Tax Credits to make the one-to-one match, SSBCI funds can be used alongside Historic Tax Credits and NMTCs in an individual transaction, but they may not count towards a fund's overall leverage.

- Eligible small business borrowers may not:
  - Be a business where any principal of the company has been convicted of a sex offense against a minor;
  - Be a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations or through the normal course of trade;
  - Be a business that earns more than half of its annual net revenue from lending activities, unless the business is:
    - a CDFI that is not a depository institution or a bank holding company, or
    - a Tribal enterprise lender that is not a depository institution or a bank holding company;
  - Be a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants;
  - Be a business engaged in activities that are prohibited by state and/or federal law, or
  - Be a business deriving more than one-third of gross annual revenue from legal gambling activities.

The participant must secure an assurance from each borrower affirming that the borrower is not:

- An executive officer, director, or principal shareholder of the financial institution lender;
- A related interest or immediate family member of such an executive officer, director, or principal shareholder of the financial institution lender.
- A related interest or immediate family member of such an executive officer, director, or principal shareholder of the financial institution lender.

For purposes of these three borrower restrictions, the terms “executive officer,” “director,” “principal shareholder,” “immediate family,” and “related interest” refer to the same relationship to a financial institution lender as the relationships described in 12 C.F.R. part 215.

Permissible borrowers may include jurisdiction-designated charitable, religious, or other non-profit or philanthropic institutions; government-owned corporations; consumer and marketing cooperatives; and faith-based organizations, provided the loan is for a “business purpose” as defined above. Permissible borrowers may also include sole proprietors, independent contractors, worker cooperatives, and other employee-owned entities, as well as Tribal enterprises, provided that all applicable program requirements are satisfied.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*; 12 C.F.R. part 21; 31 C.F.R. Subtitle A, Part 35, Subpart C.

*Rule 5.6 Supported Transactions Information.* SBLF supported transactions with the participant must include a disclosure form of all key terms in an easy-to-understand manner. Such disclosures should

include, for example, the loan or investment amount; payment obligation and schedule; any terms giving the participant control over the borrower's or investee's cash balances, cash flows or ownership; any conversion rights and future rights to purchase equity; and any fees or extra costs.

SBLF-supported transactions must follow the SSBCI's rate cap. The interest rate for each individual loan, at the time of obligation and throughout the term of the loan, may not exceed the National Credit Union Administration's (NCUA) interest rate ceiling for loans made by federal credit unions as described in 12 U.S.C. § 1757(5)(A)(vi)(I) and set by the NCUA board.

SBLF-supported transactions may not have certain features, including any of the following:

1. Confessions of judgment;
2. Prepayment or "double-dipping" fees; or
3. Upfront fees or charges paid by the small business, excluding fees to the program, that exceed 3 percent for loans greater than \$25,000 or \$500 for loans under \$25,000.
  - a. Lenders and borrowers may negotiate transaction terms as long as they are within the parameters established by these minimum standards, any additional requirements of the jurisdiction, and any applicable federal requirements.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*; 12 U.S.C. § 1757; 12 C.F.R. part 215.

*Rule 5.7 Ineligible Uses of Funding.* Under the program, loans used for these purposes are not eligible for SSBCI funds:

- Improve or renovate any portion of rentable property that the small business borrower leases to a third party;
- Acquiring or holding passive investments in real estate; Passive real estate investment includes most real estate development (including construction) in which the developer does not intend to occupy or actively use the resulting real property. A small business borrower can deliver the assurance that the loan is not being used for passive real estate if the small business borrower occupies and uses at least a specific percentage of the building; the percentage varies depending on whether the project involves the construction of a new building or renovation of an existing building;
- Purchase of securities;
- Lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended);
- Repay delinquent federal or jurisdiction income taxes unless the borrower has a payment plan in place with the relevant taxing authority;
- Repay taxes held in trust or escrow (e.g., payroll or sales taxes);
- Reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance;
- Purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code. This prohibition applies to the acquisition of shares of a company or the partnership interest of a partner when the proceeds of the loan directly supported by SSBCI funds will go to any existing owner or partner;
- Refinance existing debt unless the debt is from a non-affiliated lender.
  - A lender may refinance a borrower's existing loan, line of credit, extension of

credit, or other debt originally made by an unaffiliated lender only if the following conditions are met:

- The amount of the refinanced loan or other debt is at least 150 percent of the previous outstanding balance;
  - The transaction results in a 30 percent reduction in the fee-adjusted APR contracted for the term of the new debt; and
  - Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution.
- Financial institution lenders are generally prohibited from refinancing an existing outstanding balance or previously made loan, line of credit, extension of credit, or other debt owed by a small business borrower already on the books of the same financial institution (or an affiliate). However, a financial institution lender may use SSBCI funds to support a new extension of credit that repays the amount due on a matured loan or other debt that was previously used for an eligible business purpose when all the following conditions are met:
    - The amount of the new loan or other debt is at least 150 percent of the outstanding amount of the matured loan or other debt;
    - The new credit supported with SSBCI funding is based on a new underwriting of the small business's ability to repay the loan and a new approval by the lender;
    - The prior loan or other debt has been paid as agreed and the borrower was not in default of any financial covenants under the loan or debt for at least the previous 36 months (or since origination, if shorter); and
    - Proceeds of the transaction are not used to finance an extraordinary dividend or other distribution.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.8 Loan Forgiveness or Loan Repayment.* Participants may apply to the MDA to have the SBLF loan forgiven. The MDA will consider such applications for forgiveness if at a minimum, the following conditions are met:

- The participant has achieved at least two to one overall leverage within the 9-year term as calculated through the combined fund level, reinvestment level, or transaction level; and
- At least 95% of leveraged activity is to SEDI businesses.
- 
- The MDA is able to call any SBLF loans to a Participant should the MDA determine that said Participant is not meeting the programmatic requirements outlined. If the MDA calls the loan, the Participant must return an amount of money equal to the principal of the SBLF loan. The MDA will not forgive any of the principal on deployed funding.
- 
- Considerations for calling the SBLF loan are primarily compliance with eligibility and reporting requirements as outlined in these guidelines as well as deployment requirements. A participant must meet the following benchmarks:
  - Deployment of at least 50% of SSBCI funds within 18 months of receipt of the loan from the MDA. If not met, the MDA may call the loan.
  - Deployment of at least 100% of SSBCI funds within 36 months of receipt of the loan from the MDA. If not met, the MDA may call the loan.

- 
- These two benchmarks will be evaluated on a tranche-by-tranche basis. If a participating CDFI is not in compliance with deployment benchmarks at the time a new tranche of funding is to be allocated/disbursed by MDA, they are ineligible to receive funding in that tranche.
- 
- If a Participant issues SBLF-enabled loans that result in a loss of capital, the loss must at least be *pari passu* with the SBLF funds. In the event that the MDA calls the overall SBLF loan, the Participant will be required to fully repay the SBLF loan unless overall benchmarks are met for principal forgiveness as indicated elsewhere in these guidelines. Additionally, the MDA does reserve the right to factor loan fund performance in future tranche awards, such that Participants that issue underperforming loans may receive smaller SBLF loans in future tranche awards.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.9 Application Process for Program Participation.* The MDA will conduct a fair and open application process for selecting CDFI Funds to participate in the SBLF. This application process is described below. Each application must include all of the following information and documents:

- Documentation of certification as a CDFI-certified non-depository institution;
- Documentation of headquarters in Mississippi;
- Summary chart of qualifying prospective loans in excess of the funding amount sought;
- Organization chart and key personnel descriptions for the team involved in running the SSBCI program, including compliance and reporting to the MDA;
- Three most recent years of audited financial statements;
- Proof of the one-to-one match for the first tranche of funding as demonstrated by:
  - Unrestricted cash in bank statements that could be used for the SSBCI match
  - Closed loans, credit facilities or other sources of private capital (closed and not letters of intent or commitment letters); and
- Demonstration for matching for second and third tranches by letters of intent or commitment letters from other funding sources that could be used for the SSBCI match.

After receiving and reviewing each application, the MDA may conduct interviews with each eligible loan fund to further confirm capacity or clarify any points necessary. Following this review period, the MDA will make final determinations on the loan size and terms for each participating CDFI Fund. It is assumed that such determinations will be for the length of the SBLF program period across all three tranches of funding for each participating fund.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.10 Approval Process for Eligible Transactions.* The MDA will approve all SBLF transactions issued by Participants. The Participant must submit a “Request for Determination of a Qualified SBLF Loan” form to the MDA. If the request form meets the basic qualifications, the MDA will approve within five business days. The MDA may choose to conduct sample audits at any point in time of the participating loan funds’ SBLF transactions to further verify the representations made in the form.

Source: Miss. Code Ann. § 57-10-601.

*Rule 5.11 Reporting and Compliance Requirements.* All Participants must submit a monthly transaction

level report for all current and historic activities using SBLF funds. This transaction level report must include:

- SBLF-enabled loan size and current balance;
- Total transaction size excluding non-eligible capital (ex. SBA loans);
- Total eligible capital in the transaction for leverage calculations;
- Any subsequent private financing secured by the borrower after the transaction;
- Demographics of the borrower;
- Date the transaction began;
- Date the transaction was repaid;
- Term of the transaction; and
- Number of employees at the time of the transaction, including independent contractors and sole proprietors.

The MDA will provide training to participating funds on the tools that are required for reporting.

Source: Miss. Code Ann. § 57-10-601; 12 USC § 5701 *et seq.*

*Rule 5.12 Waiver.* These rules and regulations may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the rules and regulations to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: Miss. Code Ann. § 57-10-601.

*Rule 5.13 Debarment and Suspension Policy.* To protect the public trust and interest imposed upon the MDA, if it appears that the Company and/or its agent's conduct, as determined by MDA, creates a reasonable belief that a particular act or omission that is covered by this policy has occurred, the MDA shall implement such discretionary actions known as debarment and suspension. At the time the Company files an application for a loan, they must maintain that there is no action, suit proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of the Company, after reasonable investigation and due inquiry, threatened against the Company in any way contesting or affecting the validity of this Agreement or contesting the powers of the Company to adopt, enter into or perform its obligations under this Agreement or materially and adversely affecting the properties or condition (financial or otherwise) or existence or powers of the Company.

Source: Miss. Code Ann. § 57-10-601.

Inquiries should be directed to:

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(601) 359-2058

Adopted: November 15, 2023

## **Part 9 Chapter 7: Small Unmanned Aircraft Systems Manufacturer Grant**

*Rule 7.1 Program Objective.* Pursuant to House Bill 1983 of the 2024 Regular Session of the Mississippi Legislature, the Small Unmanned Aircraft Systems Manufacturer Grant Fund authorized MDA, through appropriations by the Legislature, to make grants available to designated small Unmanned Aircraft Systems (sUAS) Manufacturer projects that lead to the expansion of sUAS manufacturing in Mississippi.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.2 Program Description.* Through the Mississippi Small Unmanned Aircraft Systems Manufacturer Program, MDA shall accept applications from eligible applicants. These grants will be used to assist sUAS manufacturers with project costs associated with research and development to expand sUAS manufacturing capabilities in Mississippi.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.3 Definitions.* In addition to those terms defined herein, these terms shall have the following meaning, unless the context clearly requires otherwise.

"Eligible applicant" means any Mississippi-based small Unmanned Aircraft Systems (sUAS) manufacturer of which a majority of ownership is by residents of the State of Mississippi, and which will provide a capital investment from private sources of not less than One Million Dollars (\$1,000,000.00) for the purposes for which a grant is requested.

"Mississippi-based" means any for-profit corporation, limited liability company, partnership, person or sole Proprietorship with its headquarters located in the State of Mississippi.

"Resident" means a natural person who has established a permanent residence, as defined as that place where a person has his or her true, fixed and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning, within the State of Mississippi.

"Small Unmanned Aircraft" means an unmanned aircraft weighing less than 55 pounds on takeoff, including everything that is on board or otherwise attached to the aircraft.

"Small unmanned aircraft system (small UAS)" means a small unmanned aircraft and its associated elements (including communication links and the components that control the small unmanned aircraft) that are required for the safe and efficient operation of the small unmanned aircraft in the national airspace system.

"Unmanned Aircraft" means an aircraft operated without the possibility of direct human intervention from within or on the aircraft.

Source: House Bill 1983, 2024 Regular Session; 14 CFR § 107.3

*Rule 7.4 Eligible Applicants and Projects.* MDA will accept applications from eligible applicants (manufacturers of small, unmanned aircraft systems). Eligible applicants may apply for grant assistance for research and development activities.

Grants may be awarded to both existing businesses and prospective new businesses.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.5 Eligibility Criteria.* The minimum criteria to qualify for a grant is as follows:

- O. the business must make a new minimum capital investment from private sources of one million dollars (\$1,000,000);
- P. Mississippi based business entity;
- Q. the business must have a majority ownership by residents of the State of Mississippi;
- R. applicant proposes to use funds for the purpose of research and development activities;
- S. the applicant can demonstrate the ability of the proposed project to expand sUAS manufacturing capabilities in Mississippi; and
- T. the applicant can demonstrate the ability of the proposed project to be completed on time.

Source: House Bill 1983, 2023 Regular Session

*Rule 7.6 Funding Availability.* The number of applications approved will be based on funding availability.

Source: House Bill 1983, 2023 Regular Session

*Rule 7.7 Statutory Requirements.* Small Unmanned Aircraft Systems Manufacturer Grant Program funds may be awarded to sUAS manufacturers with a majority of ownership by residents of the State of Mississippi which will provide a capital investment from private sources of not less than One Million Dollars (\$1,000,000).

U.

Small Unmanned Aircraft Systems Manufacturer Grant funds may be used for research and development activities to expand sUAS manufacturing capabilities in Mississippi.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.8 Grant Amounts.* Grant amounts awarded will vary based on funding availability and other factors, including, but not limited to, the development needs of the projects evaluated, the cost estimates of proposed research and development activities, the minimum private investment, and demonstration that the project will expand upon existing sUAS manufacturing capabilities in the State.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.9 Matching Funds.* All grant awards will require matching funds. The required amount must be at least One Million Dollars (\$1,000,000) from private sources that do not include funds derived from governmental sources.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.10 Application Process.* Applications must be submitted on a form prescribed by MDA. Applications must be submitted with any accompanying documentation deemed necessary by MDA. Each application will be reviewed objectively on the merits of the proposed project. Grant recipients will be notified in writing of the funding decision.

**MDA WILL ACCEPT APPLICATIONS BEGINNING NOVEMBER 1 THROUGH NOVEMBER 30.**

V. The application must include the following:

W.

- a detailed description and narrative explaining the specific sUAS project, describing the purposes for which a grant is requested and how the project will expand upon small unmanned aircraft systems manufacturing capabilities in Mississippi;
- a detailed description of the company ownership and demonstration of Mississippi residency of at least fifty-one percent (51%) of company ownership;
- documentation the project has One Million Dollars (\$1,000,000) in private matching funds;
- a project narrative which should include a cost estimate and timeline of the proposed project;
- budget sheet;
- three (3) years of audited financials of the eligible applicant; and
- E-Verification for the applicant and benefitting business.

X.

Y. The Applicant must submit two (2) originals of the application to MDA. All documentation must have original signatures.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.11 Grant Awards.* After an application is formally approved, a grant agreement outlining the project scope and allowable activities will be executed by the eligible applicant and MDA. Applicants will be accountable for all monies awarded and responsible for the submission and tracking of all expenses. Internal labor will not be reimbursable.

MDA shall provide grant funds to the sUAS projects as approved on a reimbursement basis.

Source: Senate Bill 2525, 2023 Regular Session

*Rule 7.12 Disbursement.* Grant funds will only be disbursed on a reimbursement basis. Applicants must submit a request for payment in a form prescribed by MDA, including documentation of incurred costs and proof of payment to be reimbursed. Projects not completed within twenty-four

(24) months of the execution of a grant agreement must show evidence of progress as determined by MDA's Business Incentives Division to receive grant funds.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.13 Funding.* All projects receiving a grant must adhere to the following rules before requests for payment can be processed and payment can be made:

- K. The applicant must have a current W-9 form with a Federal Tax ID Number on file at MDA and must be registered as a vendor in the State of Mississippi's MAGIC system and in Paymode.
- L. The applicant must list the project name (as listed on the grant application form) and the grant fund number (as listed in the grant agreement) in all correspondence regarding an approved project.
- M. A copy of vendor invoices and a copy of proof of payment to vendors must be provided with requests for payment, along with a request for payment form. (Examples of proof of payment include canceled checks, bank statements, vendor receipts, etc.)
- N. MDA may conduct a final site inspection prior to final grant closeout.
- O. The applicant must return a complete, final report to MDA's Business Incentives Division no later than 90 days from the project completion date.
- P. Grant recipients may be required to provide MDA with access to all studies, reports, documents, and/or plans developed as a result of or in conjunction with MDA grant funds.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.14 Changes in Project Scope or Budget.* If a project's scope changes at any point after an application has been invited, the grant recipient must write to MDA's Business Incentives Division for approval of the change of scope. The letter must state the project name, grant fund number (as noted in the grant agreement), requested change, reasons for requesting the change, and any alterations in cost. If the completed project cost is higher than the approved project cost, grant recipient will receive only the amount of grant funds awarded.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.15 Compliance with Federal and State Laws.* Recipient is required to ensure compliance with the Mississippi Employment Protection Act ("MEPA"), Miss. Code. Ann. § 71-11-3 *et seq.*, and must ensure that the recipient registers and participates in the status verification system for all newly hired employees. Under MEPA, the term "employee" means any person that is hired to perform work within the State of Mississippi. As used in MEPA, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. The recipient must maintain records of such compliance and, upon request of the State of Mississippi, to provide a copy of each such verification to the State. Any person assigned to perform services must meet the employment eligibility requirements of all federal and state immigration laws. Any breach may subject the recipient to the following: (a) termination of the grant agreement and ineligibility for any assistance, grant or state or public contract in Mississippi for up to three (3) years, with notice

of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to the recipient by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, the recipient is also liable for any additional costs incurred by the State.

No person in the United States shall, on the grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the proceeds of, or be subject to discrimination in the performance of any Grant. Grantee will comply with the Civil Rights Act of 1964, as amended, and any regulations promulgated thereto. Grantee shall also comply with the Age Discrimination in Employment Act of 1967 prohibiting discrimination in employment on the basis of age; Equal Pay Act of 1963 prohibiting discrimination in salaries on the basis of gender; Mississippi Equal Pay for Equal Work Act prohibiting discrimination in salaries on the basis of gender; Americans with Disabilities Act of 1990 prohibiting discrimination against individuals with disabilities; and the Genetic Information Nondiscrimination Act of 2008 prohibiting discrimination on the basis of an individual's genetic information including an individual's genetic tests, the genetic tests of an individual's family member, and the manifestation of a disease or disorder in an individual's family member.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.16 Organizational Changes.* The sale, merger, acquisition, reorganization, bankruptcy or relocation from one (1) county to another county within the State of any business enterprise may not create new eligibility in any succeeding business entity.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.17 Certification.* In applying to MDA, the applicant certifies that all documents, instruments and information delivered to MDA by the applicant does not contain any untrue statements of a material fact or omit to state a material fact in light of the circumstances under which they were made not misleading. The applicant also certifies that it has disclosed, in writing, to MDA all facts that might reasonably be expected to result in a material adverse effect upon the applicant's ability either to conduct its business or to carry out any agreement with the State. The applicant or its agents may not knowingly and willfully make or use a document or writing containing any false, fictitious, or fraudulent statement or entry in any application, correspondence, or communication with MDA. If there has been an inadequate or inaccurate disclosure of information, any approval or certification may be invalidated or revoked. Any financial benefit as a result may be required to be paid back to the State.

Source: House Bill 1983, 2024 Regular Session

*Rule 7.18 Waiver.* These Rules and Regulations may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the Rules and Regulations to the extent that the result of such waiver is to promote the public purpose of the statute and is not prohibited by State law.

Source: House Bill 1983, 2024 Regular Session

Contact Information:

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