

Title 6: Economic Development Division

Part 6: Economic Development

Part 6 Chapter 1: Mississippi Forestry Facility Grant Program

Rule 6.1 Program Objective. Pursuant to Miss. Code Ann. § 57-1-781 of the Mississippi Legislature, the Forestry Facility Grant Program will authorize MDA, through funds provided by the Legislature, to make grants available to designated forestry facility projects that lead to the expansion of Mississippi's forestry products industry.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.2 Program Description. Through the Mississippi Forest Facility Grant Program, MDA shall accept applications from eligible applicants, prioritize these applications and submit suggested recipients to the Forest Facility Grant Committee no later than December 1 of each year. Beginning July 1, 2024, and each year thereafter, the committee shall review the submitted list and choose to award grants to the eligible recipients through MDA. These grants will be used to assist forestry facility projects upon the completion of the project.

The Forest Facility Grant Committee consists of the Executive Director of MDA, Chief of Economic Development, the MDA Forest Products expert, an appointee from the Governor's office, and an appointee from the Lieutenant Governor's office.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.3 Eligible Applicants and Projects. MDA will invite applications from eligible applicants.

The eligible applicants are as follows:

- A. Municipalities,
- B. Counties,
- C. Existing Forestry Product Facilities (that have been in operation for at least 12 months),
- D. Regional Economic Development Entities.

Eligible applicants may apply for grant assistance for the following projects:

- A. acquisition of land and any improvements thereon,
- B. installation of power lines,
- C. installation of gas lines,
- D. installation of water systems,

- E. installation of sewage systems,
- F. installation of roads,
- G. installation of railroads, and
- H. other infrastructure-related projects that are necessary for project completion and/or expansion and complying with existing community needs and infrastructure.

Grants may be awarded for both existing projects and development of prospective sites. In the latter case, the project shall be made to help establish or complete a forestry products project.

Forestry Facility Projects are ineligible to use grant funds for construction of their facility or project.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.4 Eligibility Criteria. The minimum criteria to qualify for a grant is as follows:

- A. the project has a minimum investment of ten million dollars (\$10,000,000);
- B. the project site utilizes at least twenty-five (25) acres of land under public control (meaning the land is held or controlled by a public entity, or held by a public option) or an existing wood-use facility;
- C. the applicant proposes to use funds for the purpose of utility, infrastructure, and/or transportation development;
- D. the project produces a high level of public benefit;
- E. the project demonstrates best practices and complies with the required growth-to-drain ratio (meaning a one and five (1.5) growth to one (1) drain ratio of trees within a fifty-mile radius of the facility, which can be verified by the Mississippi Forestry Commission);
- F. the project will comply with and expand upon existing infrastructure in the community;
- G. the distribution of geographic size and location of the project; and
- H. the applicant can demonstrate the ability of the proposed project to be completed on time.

MDA may require that recipients seek and secure technical assistance from the Mississippi Forestry Commission. The Mississippi Forestry Commission will provide administrative support to local forestry project grantees to ensure proper growth-to-drain criteria.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.5 Funding Availability. The number of applications approved will be based on funding availability.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.6 Statutory Requirements. State statute allows Mississippi Forestry Facility Grant Program funds to be expended on forestry facility projects associated with publicly owned land (including public options) and infrastructure. For publicly owned land or infrastructure, all contracts and purchases must be made in accordance with normal bid and purchase laws of the state of Mississippi.

Forestry Facility Grant funds may be used for infrastructure activities on publicly owned or optioned land. Optioned land 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.7 Site Acquisition Requirements. MDA will only assist with approved public land acquisition, including public options that are fair market value of the property.

Forestry Facility 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.8 Project Scope of Work and Budget. MDA reserves the right to negotiate the scope of land and/or infrastructure work and the budget for the proposed work with prospective applicants and as part of the application review process.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.9 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 improvements, the minimum private investment, size and location of the project site, the required growth-to-drain ratio, the ability of the project to be completed on time, demonstration that the project produces a high level of public benefit, and the project will comply with and expand upon existing infrastructure in the community.

Awards shall not exceed seventy-five percent (75%) of the total land or infrastructure cost. Grantees shall not receive compensation for expenses related to the construction of their forestry facility project.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.10 Matching Funds. All grant awards will require matching funds. The required amount must be at least twenty-five percent (25%) of the total land or infrastructure cost. The eligible applicant must use funds other than funds acquired from MDA as the match requirement.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.11 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 forestry facility project. Grant recipients will be notified in writing of the funding decision.

MDA WILL ACCEPT APPLICATIONS FROM AUGUST 1 THROUGH OCTOBER 31.

The application must include the following:

- A. a detailed description and narrative explaining the specific forestry facility project, showing the project produces a high level of public benefit, and will comply with and expand upon existing infrastructure in the community;
- B. documentation the project has a ten million dollar (\$10,000,000) investment;
- C. detailed map/documentation showing the project site utilizes at least fifty (50) acres of land under public control;
- D. documentation of the cost of the public land or infrastructure to be purchased with grant funds;
- E. Engineering/Architect's Report: This should include a cost estimate and timeline. Cost estimate must be submitted by an engineer or architect on their letterhead as a signed and stamped original. The timeline should outline the project construction from implementation to the completion of construction.
- F. documentation of matching funds;
- G. letter from the Mississippi Forestry Commission documenting the required growth-to-drain ratio;
- H. Memorandum of Agreement between local government and eligible applicant (if applicable);
- I. budget sheet;
- J. three (3) years of audited financials of the forest product facility;
- K. three (3) years of audited financials of the eligible applicant; and
- L. E-Verification for the applicant and benefiting business.

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

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.12 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 forestry facilities projects as approved by the committee **upon completion of the project.**

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.13 Disbursement. Grant funds will only be disbursed on a reimbursement basis upon completion of the project. 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.14 Funding. 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.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.15 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, the grant recipient will receive only the amount of grant funds awarded.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.16 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, 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.

Compliance with the equal pay provisions of the Federal Equal Pay Act of 1963, the Americans with Disabilities Act of 1990, and the fair pay provisions of the Civil Rights Act of 1964 is required.

Source: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.17 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.18 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.19 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: Senate Bill 2019, 2025 Regular Session; Miss. Code Ann. § 57-1-781.

Rule 6.20 Audit. Loans and grants made under the Industry Incentive Program are subject to audit by MDA or the Office of the State Auditor. MDA and/or the Office of the State Auditor shall have the right to inspect books, records, plans and other data related to the Project.

Contact Information:

Mississippi Development Authority
Attn: Business Incentives Division
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(601) 359-3449

Adopted: June 24, 2025