

By: Senator(s) Horhn, Harden, Hall, Frazier,
Walls, Ferris, Simmons, Jackson, Jordan
(24th), Furniss, Turner

To: Finance; Economic
Dev, Tourism and
Parks

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3194

1 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS
2 OF THE STATE OF MISSISSIPPI FOR THE PURPOSE OF PROVIDING FUNDS TO
3 THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO BE
4 UTILIZED TO MAKE LOW INTEREST LOANS AVAILABLE TO PERSONS OR
5 ENTITIES WHO DEVELOP CERTAIN PROPERTY IN THE FARISH STREET
6 HISTORIC DISTRICT; AND FOR RELATED PURPOSES.

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

8 SECTION 1. As used in this act, the following words shall
9 have the meanings ascribed herein unless the context clearly
10 requires otherwise:

11 (a) "Accreted value" of any bond means, as of any date
12 of computation, an amount equal to the sum of (i) the stated
13 initial value of such bond, plus (ii) the interest accrued thereon
14 from the issue date to the date of computation at the rate,
15 compounded semiannually, that is necessary to produce the
16 approximate yield to maturity shown for bonds of the same
17 maturity.

18 (b) "State" means the State of Mississippi.

19 (c) "Commission" means the State Bond Commission.

20 SECTION 2. (1) The Department of Economic and Community
21 Development shall utilize the proceeds of the bonds issued
22 pursuant to this act to establish a program whereby loans, at a
23 rate not to exceed one percent (1%) less than the federal discount
24 rate, may be made available to persons or entities to assist in
25 the development of commercial property and culturally significant
26 property in the Farish Street Historic District.

27 (2) Money received by the Department of Economic and
28 Community Development for the repayment of any loans made pursuant
29 to the program established pursuant to subsection (1) of this

30 section shall be paid to the State Treasurer to be deposited into
31 a sinking fund hereby created in the State Treasury. The money in
32 the sinking fund shall be expended upon legislative appropriation
33 to pay the interest on and principal of bonds issued pursuant to
34 this act. Unexpended amounts remaining in the sinking fund at the
35 end of the fiscal year shall not lapse into the State General
36 Fund, and any interest earned on amounts in the sinking fund shall
37 be deposited to the credit of the sinking fund.

38 (3) (a) A special fund, to be designated as the "Farish
39 Street Historic District Fund," is created within the State
40 Treasury, which shall consist of money deposited into the fund
41 pursuant to this act. The fund shall be maintained by the State
42 Treasurer as a separate and special fund, separate and apart from
43 the General Fund of the state. Money remaining in the fund at the
44 end of a fiscal year shall not lapse into the General Fund and
45 investment earnings on amounts in the fund shall be deposited into
46 such fund. Money in the fund may not be used or expended for any
47 purpose except as authorized under this act.

48 (b) Monies deposited into the Farish Street Historic
49 District Fund shall be disbursed by the Department of Economic and
50 Community Development to provide funds for the loans authorized in
51 subsection (1) of this section.

52 SECTION 3. (1) In administering the provisions of this act,
53 the Department of Economic and Community Development shall have
54 the following powers and duties:

55 (a) To supervise the use of all funds made available
56 under this act for the loans authorized in Section 2 of this act;

57 (b) To review all loans for which funds are authorized
58 to be made available under this act;

59 (c) To requisition monies in the Farish Street Historic
60 District Fund and distribute those monies in accordance with the
61 provisions of this act;

62 (d) To maintain an accurate record of all loans made
63 available under this act; and

64 (e) To adopt and promulgate such rules and regulations
65 as may be necessary or desirable for the purpose of implementing
66 the provisions of this act.

67 (2) Any person or other entity desiring a loan authorized

68 under Section 2 of this act shall submit an application along with
69 plans for the proposed project, for which a loan is sought, to the
70 Department of Archives and History for review. The Department of
71 Archives and History shall review the proposed project and
72 determine whether or not the proposed work conforms with the
73 "Secretary of the Interior's Standards for Rehabilitation and
74 Guidelines for Rehabilitating Historic Buildings." In making such
75 a determination, the Department of Archives and History shall also
76 obtain an opinion from the Farish Street Neighborhood Historic
77 District Foundation. If the Department of Archives and History
78 determines that a proposed project conforms with the "Secretary of
79 the Interior's Standards for Rehabilitation and Guidelines for
80 Rehabilitating Historic Buildings" and the opinion from the Farish
81 Street Neighborhood Historic District Foundation, the Department
82 of Archives and History shall forward the loan application to the
83 Department of Economic and Community Development. If the
84 Department of Archives and History determines that a proposed
85 project does not conform with the "Secretary of the Interior's
86 Standards for Rehabilitation and Guidelines for Rehabilitating
87 Historic Buildings" and the opinion from the Farish Street
88 Neighborhood Historic District Foundation, the Department of
89 Archives and History shall advise the applicant of its review
90 assessment and shall return the application to the applicant. New
91 construction within the Farish Street Neighborhood Historic
92 District and rehabilitation of historic buildings within the
93 district shall be compatible in size, scale, massing, materials
94 and setback in relation to the district's historic buildings.

95 SECTION 4. (1) The commission, at one time, or from time to
96 time, may declare by resolution the necessity for issuance of
97 general obligation bonds of the State of Mississippi to provide
98 funds for all costs incurred or to be incurred for the purposes
99 described in Section 2 of this act. Upon the adoption of a
100 resolution by the Department of Finance and Administration,
101 declaring the necessity for the issuance of any part or all of the

102 general obligation bonds authorized by this section, the
103 Department of Finance and Administration shall deliver a certified
104 copy of its resolution or resolutions to the commission. Upon
105 receipt of such resolution, the commission, in its discretion, may
106 act as the issuing agent, prescribe the form of the bonds,
107 advertise for and accept bids, issue and sell the bonds so
108 authorized to be sold and do any and all other things necessary
109 and advisable in connection with the issuance and sale of such
110 bonds. The total amount of bonds issued under this act shall not
111 exceed Six Million Dollars (\$6,000,000.00).

112 (2) Proceeds from the sale of the bonds issued under this
113 act shall be deposited in the special fund created in Section 2(3)
114 of this act. Any investment earnings on amounts deposited into
115 the special fund created in Section 2(3) of this act shall be used
116 to pay debt service on bonds issued under this act, in accordance
117 with the proceedings authorizing issuance of such bonds.

118 SECTION 5. The principal of and interest on the bonds
119 authorized under this act shall be payable in the manner provided
120 in this section. Such bonds shall bear such date or dates, be in
121 such denomination or denominations, bear interest at such rate or
122 rates (not to exceed the limits set forth in Section 75-17-101,
123 Mississippi Code of 1972), be payable at such place or places
124 within or without the State of Mississippi, shall mature
125 absolutely at such time or times not to exceed twenty-five (25)
126 years from date of issue, be redeemable before maturity at such
127 time or times and upon such terms, with or without premium, shall
128 bear such registration privileges, and shall be substantially in
129 such form, all as shall be determined by resolution of the
130 commission.

131 SECTION 6. The bonds authorized by this act shall be signed
132 by the chairman of the commission, or by his facsimile signature,
133 and the official seal of the commission shall be affixed thereto,
134 attested by the secretary of the commission. The interest coupons,
135 if any, to be attached to such bonds may be executed by the

136 facsimile signatures of such officers. Whenever any such bonds
137 shall have been signed by the officials designated to sign the
138 bonds who were in office at the time of such signing but who may
139 have ceased to be such officers before the sale and delivery of
140 such bonds, or who may not have been in office on the date such
141 bonds may bear, the signatures of such officers upon such bonds
142 and coupons shall nevertheless be valid and sufficient for all
143 purposes and have the same effect as if the person so officially
144 signing such bonds had remained in office until their delivery to
145 the purchaser, or had been in office on the date such bonds may
146 bear. However, notwithstanding anything herein to the contrary,
147 such bonds may be issued as provided in the Registered Bond Act of
148 the State of Mississippi.

149 SECTION 7. All bonds and interest coupons issued under the
150 provisions of this act have all the qualities and incidents of
151 negotiable instruments under the provisions of the Mississippi
152 Uniform Commercial Code, and in exercising the powers granted by
153 this act, the commission shall not be required to and need not
154 comply with the provisions of the Mississippi Uniform Commercial
155 Code.

156 SECTION 8. The commission shall act as the issuing agent for
157 the bonds authorized under this act, prescribe the form of the
158 bonds, advertise for and accept bids, issue and sell the bonds so
159 authorized to be sold, pay all fees and costs incurred in such
160 issuance and sale, and do any and all other things necessary and
161 advisable in connection with the issuance and sale of such bonds.

162 The commission is authorized and empowered to pay the costs that
163 are incident to the sale, issuance and delivery of the bonds
164 authorized under this act from the proceeds derived from the sale
165 of such bonds. The commission shall sell such bonds on sealed
166 bids at public sale, and for such price as it may determine to be
167 for the best interest of the State of Mississippi, but no such
168 sale shall be made at a price less than par plus accrued interest
169 to the date of delivery of the bonds to the purchaser. All

170 interest accruing on such bonds so issued shall be payable
171 semiannually or annually; however, the first interest payment may
172 be for any period of not more than one (1) year.

173 Notice of the sale of any such bonds shall be published at
174 least one (1) time, not less than ten (10) days before the date of
175 sale, and shall be so published in one or more newspapers
176 published or having a general circulation in the City of Jackson,
177 Mississippi, and in one or more other newspapers or financial
178 journals with a national circulation, to be selected by the
179 commission.

180 The commission, when issuing any bonds under the authority of
181 this act, may provide that bonds, at the option of the State of
182 Mississippi, may be called in for payment and redemption at the
183 call price named therein and accrued interest on such date or
184 dates named therein.

185 SECTION 9. The bonds issued under the provisions of this act
186 are general obligations of the State of Mississippi, and for the
187 payment thereof the full faith and credit of the State of
188 Mississippi is irrevocably pledged. If the funds appropriated by
189 the Legislature are insufficient to pay the principal of and the
190 interest on such bonds as they become due, then the deficiency
191 shall be paid by the State Treasurer from any funds in the State
192 Treasury not otherwise appropriated. All such bonds shall contain
193 recitals on their faces substantially covering the provisions of
194 this section.

195 SECTION 10. Upon the issuance and sale of bonds under the
196 provisions of this act, the commission shall transfer the proceeds
197 of any such sale or sales to the special fund created in Section
198 2(3) of this act. The proceeds of such bonds shall be disbursed
199 solely upon the order of the Department of Economic and Community
200 Development under such restrictions, if any, as may be contained
201 in the resolution providing for the issuance of the bonds.

202 SECTION 11. The bonds authorized under this act may be
203 issued without any other proceedings or the happening of any other

204 conditions or things other than those proceedings, conditions and
205 things which are specified or required by this act. Any
206 resolution providing for the issuance of bonds under the
207 provisions of this act shall become effective immediately upon its
208 adoption by the commission, and any such resolution may be adopted
209 at any regular or special meeting of the commission by a majority
210 of its members.

211 SECTION 12. The bonds authorized under the authority of this
212 act may be validated in the Chancery Court of the First Judicial
213 District of Hinds County, Mississippi, in the manner and with the
214 force and effect provided by Chapter 13, Title 31, Mississippi
215 Code of 1972, for the validation of county, municipal, school
216 district and other bonds. The notice to taxpayers required by
217 such statutes shall be published in a newspaper published or
218 having a general circulation in the City of Jackson, Mississippi.

219 SECTION 13. Any holder of bonds issued under the provisions
220 of this act or of any of the interest coupons pertaining thereto
221 may, either at law or in equity, by suit, action, mandamus or
222 other proceeding, protect and enforce any and all rights granted
223 under this act, or under such resolution, and may enforce and
224 compel performance of all duties required by this act to be
225 performed, in order to provide for the payment of bonds and
226 interest thereon.

227 SECTION 14. All bonds issued under the provisions of this
228 act shall be legal investments for trustees and other fiduciaries,
229 and for savings banks, trust companies and insurance companies
230 organized under the laws of the State of Mississippi, and such
231 bonds shall be legal securities which may be deposited with and
232 shall be received by all public officers and bodies of this state
233 and all municipalities and political subdivisions for the purpose
234 of securing the deposit of public funds.

235 SECTION 15. Bonds issued under the provisions of this act
236 and income therefrom shall be exempt from all taxation in the
237 State of Mississippi.

238 SECTION 16. The proceeds of the bonds issued under this act
239 shall be used solely for the purposes herein provided, including
240 the costs incident to the issuance and sale of such bonds.

241 SECTION 17. The State Treasurer is authorized, without
242 further process of law, to certify to the Department of Finance
243 and Administration the necessity for warrants, and the Department
244 of Finance and Administration is authorized and directed to issue
245 such warrants, in such amounts as may be necessary to pay when due
246 the principal of, premium, if any, and interest on, or the
247 accreted value of, all bonds issued under this act; and the State
248 Treasurer shall forward the necessary amount to the designated
249 place or places of payment of such bonds in ample time to
250 discharge such bonds, or the interest thereon, on the due dates
251 thereof.

252 SECTION 18. This act shall be deemed to be full and complete
253 authority for the exercise of the powers herein granted, but this
254 act shall not be deemed to repeal or to be in derogation of any
255 existing law of this state.

256 SECTION 19. This act shall take effect and be in force from
257 and after its passage.