

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

To: Finance; Economic
Dev, Tourism and
Parks

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 WHO
5 DEVELOP PROPERTY IN THE FARISH STREET HISTORIC DISTRICT; AND FOR
6 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 to assist in the
25 development of property in the Farish Street Historic District.

26 (2) Money received by the Department of Economic and
27 Community Development for the repayment of any loans made pursuant
28 to the program established pursuant to subsection (1) of this
29 section shall be paid to the State Treasurer to be deposited into

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

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

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

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

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

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

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

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

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

66 (2) Any person or other entity desiring a loan authorized
67 under Section 2 of this act shall submit an application along with

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

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

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

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

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

128 SECTION 6. The bonds authorized by this act shall be signed
129 by the chairman of the commission, or by his facsimile signature,
130 and the official seal of the commission shall be affixed thereto,
131 attested by the secretary of the commission. The interest coupons,
132 if any, to be attached to such bonds may be executed by the
133 facsimile signatures of such officers. Whenever any such bonds
134 shall have been signed by the officials designated to sign the
135 bonds who were in office at the time of such signing but who may

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

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

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

159 The commission is authorized and empowered to pay the costs that
160 are incident to the sale, issuance and delivery of the bonds
161 authorized under this act from the proceeds derived from the sale
162 of such bonds. The commission shall sell such bonds on sealed
163 bids at public sale, and for such price as it may determine to be
164 for the best interest of the State of Mississippi, but no such
165 sale shall be made at a price less than par plus accrued interest
166 to the date of delivery of the bonds to the purchaser. All
167 interest accruing on such bonds so issued shall be payable
168 semiannually or annually; however, the first interest payment may
169 be for any period of not more than one (1) year.

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

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

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

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

199 SECTION 11. The bonds authorized under this act may be
200 issued without any other proceedings or the happening of any other
201 conditions or things other than those proceedings, conditions and
202 things which are specified or required by this act. Any
203 resolution providing for the issuance of bonds under the

204 provisions of this act shall become effective immediately upon its
205 adoption by the commission, and any such resolution may be adopted
206 at any regular or special meeting of the commission by a majority
207 of its members.

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

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

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

232 SECTION 15. Bonds issued under the provisions of this act
233 and income therefrom shall be exempt from all taxation in the
234 State of Mississippi.

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

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

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

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