

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
(As Sent to Governor)

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 LOANS OR GRANTS AVAILABLE TO THE APPROPRIATE
5 PLANNING AND DEVELOPMENT DISTRICT TO MAKE LOW INTEREST LOANS
6 AVAILABLE TO PERSONS OR ENTITIES WHO DEVELOP CERTAIN PROPERTY IN
7 THE FARISH STREET HISTORIC DISTRICT; AND FOR RELATED PURPOSES.

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

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

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

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

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

21 SECTION 2. (1) The Department of Economic and Community
22 Development shall utilize the proceeds of the bonds issued
23 pursuant to this act to loan or grant funds to the appropriate
24 planning and development district to establish a program whereby
25 the planning and development district may make loans, at a rate
26 not to exceed one percent (1%) less than the federal discount
27 rate, to persons or entities to assist in the development of
28 commercial property and culturally significant property in the
29 Farish Street Historic District. The amount of a loan to any one

30 (1) person or entity shall not exceed One Million Dollars
31 (\$1,000,000.00).

32 (2) Money received by the Department of Economic and
33 Community Development for the repayment of any loans made pursuant
34 to the program established pursuant to subsection (1) of this
35 section shall be paid to the State Treasurer to be deposited into
36 a sinking fund hereby created in the State Treasury. The money in
37 the sinking fund shall be expended upon legislative appropriation
38 to pay the interest on and principal of bonds issued pursuant to
39 this act. Unexpended amounts remaining in the sinking fund at the
40 end of the fiscal year shall not lapse into the State General
41 Fund, and any interest earned on amounts in the sinking fund shall
42 be deposited to the credit of the sinking fund.

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

53 (b) Monies deposited into the Farish Street Historic
54 District Fund shall be disbursed by the Department of Economic and
55 Community Development to provide funds for the purposes authorized
56 in subsection (1) of this section.

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

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

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

64 (c) To requisition monies in the Farish Street Historic
65 District Fund and distribute those monies in accordance with the
66 provisions of this act;

67 (d) To maintain an accurate record of all loans made

68 available under this act; and

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

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

100 SECTION 4. (1) The commission, at one time, or from time to
101 time, may declare by resolution the necessity for issuance of

102 general obligation bonds of the State of Mississippi to provide
103 funds for all costs incurred or to be incurred for the purposes
104 described in Section 2 of this act. Upon the adoption of a
105 resolution by the Department of Finance and Administration,
106 declaring the necessity for the issuance of any part or all of the
107 general obligation bonds authorized by this section, the
108 Department of Finance and Administration shall deliver a certified
109 copy of its resolution or resolutions to the commission. Upon
110 receipt of such resolution, the commission, in its discretion, may
111 act as the issuing agent, prescribe the form of the bonds,
112 advertise for and accept bids, issue and sell the bonds so
113 authorized to be sold and do any and all other things necessary
114 and advisable in connection with the issuance and sale of such
115 bonds. The total amount of bonds issued under this act shall not
116 exceed Six Million Dollars (\$6,000,000.00).

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

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

136 SECTION 6. The bonds authorized by this act shall be signed
137 by the chairman of the commission, or by his facsimile signature,
138 and the official seal of the commission shall be affixed thereto,
139 attested by the secretary of the commission. The interest
140 coupons, if any, to be attached to such bonds may be executed by
141 the facsimile signatures of such officers. Whenever any such
142 bonds shall have been signed by the officials designated to sign
143 the bonds who were in office at the time of such signing but who
144 may have ceased to be such officers before the sale and delivery
145 of such bonds, or who may not have been in office on the date such
146 bonds may bear, the signatures of such officers upon such bonds
147 and coupons shall nevertheless be valid and sufficient for all
148 purposes and have the same effect as if the person so officially
149 signing such bonds had remained in office until their delivery to
150 the purchaser, or had been in office on the date such bonds may
151 bear. However, notwithstanding anything herein to the contrary,
152 such bonds may be issued as provided in the Registered Bond Act of
153 the State of Mississippi.

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

161 SECTION 8. The commission shall act as the issuing agent for
162 the bonds authorized under this act, prescribe the form of the
163 bonds, advertise for and accept bids, issue and sell the bonds so
164 authorized to be sold, pay all fees and costs incurred in such
165 issuance and sale, and do any and all other things necessary and
166 advisable in connection with the issuance and sale of such bonds.
167 The commission is authorized and empowered to pay the costs that
168 are incident to the sale, issuance and delivery of the bonds
169 authorized under this act from the proceeds derived from the sale

170 of such bonds. The commission shall sell such bonds on sealed
171 bids at public sale, and for such price as it may determine to be
172 for the best interest of the State of Mississippi, but no such
173 sale shall be made at a price less than par plus accrued interest
174 to the date of delivery of the bonds to the purchaser. All
175 interest accruing on such bonds so issued shall be payable
176 semiannually or annually; however, the first interest payment may
177 be for any period of not more than one (1) year.

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

185 The commission, when issuing any bonds under the authority of
186 this act, may provide that bonds, at the option of the State of
187 Mississippi, may be called in for payment and redemption at the
188 call price named therein and accrued interest on such date or
189 dates named therein.

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

200 SECTION 10. Upon the issuance and sale of bonds under the
201 provisions of this act, the commission shall transfer the proceeds
202 of any such sale or sales to the special fund created in Section
203 2(3) of this act. The proceeds of such bonds shall be disbursed

204 solely upon the order of the Department of Economic and Community
205 Development under such restrictions, if any, as may be contained
206 in the resolution providing for the issuance of the bonds.

207 SECTION 11. The bonds authorized under this act may be
208 issued without any other proceedings or the happening of any other
209 conditions or things other than those proceedings, conditions and
210 things which are specified or required by this act. Any
211 resolution providing for the issuance of bonds under the
212 provisions of this act shall become effective immediately upon its
213 adoption by the commission, and any such resolution may be adopted
214 at any regular or special meeting of the commission by a majority
215 of its members.

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

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

232 SECTION 14. All bonds issued under the provisions of this
233 act shall be legal investments for trustees and other fiduciaries,
234 and for savings banks, trust companies and insurance companies
235 organized under the laws of the State of Mississippi, and such
236 bonds shall be legal securities which may be deposited with and
237 shall be received by all public officers and bodies of this state

238 and all municipalities and political subdivisions for the purpose
239 of securing the deposit of public funds.

240 SECTION 15. Bonds issued under the provisions of this act
241 and income therefrom shall be exempt from all taxation in the
242 State of Mississippi.

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

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

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

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