

By: Horhn

To: Finance

SENATE BILL NO. 3299

1 AN ACT TO ESTABLISH A PROGRAM ADMINISTERED BY THE DEPARTMENT
2 OF ECONOMIC AND COMMUNITY DEVELOPMENT TO PROVIDE GRANTS FOR
3 COMMUNITY DEVELOPMENT CORPORATIONS; TO PROVIDE FOR THE ISSUANCE OF
4 \$2,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO FUND SUCH
5 GRANTS; AND FOR RELATED PURPOSES.

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

7 SECTION 1. (1) For purposes of this section, the term
8 "community development corporation" means a nonprofit corporation:

9 (a) That meets the criteria established by the
10 Department of Economic and Community Development;

11 (b) That is tax exempt pursuant to Section 501(c)(3) of
12 the Internal Revenue Code;

13 (c) Whose primary mission is to develop and improve
14 low-income communities and neighborhoods through economic and
15 related development;

16 (d) Whose activities and decisions are initiated,
17 managed and controlled by the constituents of those local
18 communities; and

19 (e) Whose primary function is to act as deal-maker and
20 packager of projects and activities that will increase their
21 constituencies' opportunities to become owners, managers and
22 producers of small businesses, affordable housing, and jobs
23 designed to produce positive cash flow and curb blight in the
24 target community.

25 (2) The Department of Economic and Community Development
26 shall establish a grant program to support community development
27 projects and activities within the state's minority community.

28 Any community development corporations may apply for funds under
29 this section. The Department of Economic and Community
30 Development shall establish and implement performance-based
31 criteria for determining which community development corporations
32 will receive a grant and the amount of the grant.

33 SECTION 2. (1) There is created a special fund in the State
34 Treasury to be designated as the "Community Development
35 Corporation Grant Fund," which shall consist of such monies as
36 provided in this act. Unexpended amounts remaining in the fund at
37 the end of a fiscal year shall not lapse into the State General
38 Fund, and any interest earned on the amount in the fund shall be
39 deposited to the credit of the fund. Monies in the fund may not
40 be used or expended for any purpose except as authorized under
41 this act.

42 (2) A community development corporation may apply to the
43 Department of Economic and Community Development for a grant under
44 this act.

45 SECTION 3. In administering the provisions of this act, the
46 Department of Economic and Community Development shall have the
47 following powers and duties:

48 (a) To supervise the use of all funds made available
49 under this act;

50 (c) To requisition monies in the Community Development
51 Corporation Grant Fund and distribute those monies in accordance
52 with the provisions of this act;

53 (d) To insure that the funds made available under this
54 act are equitably distributed among community development
55 corporations;

56 (e) To maintain an accurate record of all funds made
57 available under this act; and

58 (f) To adopt and promulgate such rules and regulations
59 as may be necessary or desirable for the purpose of implementing
60 the provisions of this act.

61

62 SECTION 4. (1) The State Bond Commission, at one time, or
63 from time to time, may declare by resolution the necessity for
64 issuance of general obligation bonds of the State of Mississippi

65 to provide funds for all costs incurred or to be incurred for the
66 purposes described in this act. Upon the adoption of a resolution
67 by the Department of Economic and Community Development, declaring
68 the necessity for the issuance of any part or all of the general
69 obligation bonds authorized by this section, the Department of
70 Economic and Community Development shall deliver a certified copy
71 of its resolution or resolutions to the State Bond Commission.
72 Upon receipt of such resolution, the State Bond Commission, in its
73 discretion, may act as the issuing agent, prescribe the form of
74 the bonds, advertise for and accept bids, issue and sell the bonds
75 so authorized to be sold and do any and all other things necessary
76 and advisable in connection with the issuance and sale of such
77 bonds. The total amount of bonds issued under this act shall not
78 exceed Two Million Dollars (\$2,000,000.00).

79 (2) Proceeds from the sale of bonds shall be deposited in
80 the special fund created in Section 2 of this act. Any investment
81 earnings on amounts deposited into the special fund created in
82 Section 2 of this act shall be used to pay debt service on bonds
83 issued under this act, in accordance with the proceedings
84 authorizing issuance of such bonds.

85 SECTION 5. The principal of and interest on the bonds
86 authorized under this act shall be payable in the manner provided
87 in this section. Such bonds shall bear such date or dates, be in
88 such denomination or denominations, bear interest at such rate or
89 rates (not to exceed the limits set forth in Section 75-17-101,
90 Mississippi Code of 1972), be payable at such place or places
91 within or without the State of Mississippi, shall mature
92 absolutely at such time or times not to exceed twenty-five (25)
93 years from date of issue, be redeemable before maturity at such
94 time or times and upon such terms, with or without premium, shall
95 bear such registration privileges, and shall be substantially in
96 such form, all as shall be determined by resolution of the State
97 Bond Commission.

98 SECTION 6. The bonds authorized by this act shall be signed
99 by the Chairman of the State Bond Commission, or by his facsimile
100 signature, and the official seal of the commission shall be
101 affixed thereto, attested by the Secretary of the State Bond
102 Commission. The interest coupons, if any, to be attached to such
103 bonds may be executed by the facsimile signatures of such
104 officers. Whenever any such bonds shall have been signed by the
105 officials designated to sign the bonds who were in office at the
106 time of such signing but who may have ceased to be such officers
107 before the sale and delivery of such bonds, or who may not have
108 been in office on the date such bonds may bear, the signatures of
109 such officers upon such bonds and coupons shall nevertheless be
110 valid and sufficient for all purposes and have the same effect as
111 if the person so officially signing such bonds had remained in
112 office until their delivery to the purchaser, or had been in
113 office on the date such bonds may bear. However, notwithstanding
114 anything herein to the contrary, such bonds may be issued as
115 provided in the Registered Bond Act of the State of Mississippi.

116 SECTION 7. All bonds and interest coupons issued under the
117 provisions of this act have all the qualities and incidents of
118 negotiable instruments under the provisions of the Uniform
119 Commercial Code, and in exercising the powers granted by this
120 chapter, the State Bond Commission shall not be required to and
121 need not comply with the provisions of the Uniform Commercial
122 Code.

123 SECTION 8. The State Bond Commission shall act as the
124 issuing agent for the bonds authorized under this act, prescribe
125 the form of the bonds, advertise for and accept bids, issue and
126 sell the bonds so authorized to be sold, pay all fees and costs
127 incurred in such issuance and sale, and do any and all other
128 things necessary and advisable in connection with the issuance and
129 sale of such bonds. The State Bond Commission is authorized and
130 empowered to pay the costs that are incident to the sale, issuance

131 and delivery of the bonds authorized under this act from the
132 proceeds derived from the sale of such bonds. The State Bond
133 Commission shall sell such bonds on sealed bids at public sale,
134 and for such price as it may determine to be for the best interest
135 of the State of Mississippi, but no such sale shall be made at a
136 price less than par plus accrued interest to the date of delivery
137 of the bonds to the purchaser. All interest accruing on such
138 bonds so issued shall be payable semiannually or annually;
139 however, the first interest payment may be for any period of not
140 more than one (1) year.

141 Notice of the sale of any such bond shall be published at
142 least one (1) time, not less than ten (10) days before the date of
143 sale, and shall be so published in one or more newspapers
144 published or having a general circulation in the City of Jackson,
145 Mississippi, and in one or more other newspapers or financial
146 journals with a national circulation, to be selected by the State
147 Bond Commission.

148 The State Bond Commission, when issuing any bonds under the
149 authority of this act, may provide that bonds, at the option of
150 the State of Mississippi, may be called in for payment and
151 redemption at the call price named therein and accrued interest on
152 such date or dates named therein.

153 SECTION 9. The bonds issued under the provisions of this act
154 are general obligations of the State of Mississippi, and for the
155 payment thereof the full faith and credit of the State of
156 Mississippi is irrevocably pledged. If the funds appropriated by
157 the Legislature are insufficient to pay the principal of and the
158 interest on such bonds as they become due, then the deficiency
159 shall be paid by the State Treasurer from any funds in the State
160 Treasury not otherwise appropriated. All such bonds shall contain
161 recitals on their faces substantially covering the provisions of
162 this section.

163 SECTION 10. Upon the issuance and sale of bonds under the

164 provisions of this act, the State Bond Commission shall transfer
165 the proceeds of any such sale or sales to the special fund created
166 in Section 2 of this act. The proceeds of such bonds shall be
167 disbursed solely upon the order of the Department of Economic and
168 Community Development under such restrictions, if any, as may be
169 contained in the resolution providing for the issuance of the
170 bonds.

171 SECTION 11. The bonds authorized under this act may be
172 issued without any other proceedings or the happening of any other
173 conditions or things other than those proceedings, conditions and
174 things which are specified or required by this act. Any
175 resolution providing for the issuance of bonds under the
176 provisions of this act shall become effective immediately upon its
177 adoption by the State Bond Commission, and any such resolution may
178 be adopted at any regular or special meeting of the State Bond
179 Commission by a majority of its members.

180 SECTION 12. The bonds authorized under the authority of this
181 act may be validated in the Chancery Court of the First Judicial
182 District of Hinds County, Mississippi, in the manner and with the
183 force and effect provided by Chapter 13, Title 31, Mississippi
184 Code of 1972, for the validation of county, municipal, school
185 district and other bonds. The notice to taxpayers required by
186 such statutes shall be published in a newspaper published or
187 having a general circulation in the City of Jackson, Mississippi.

188 SECTION 13. Any holder of bonds issued under the provisions
189 of this act or of any of the interest coupons pertaining thereto
190 may, either at law or in equity, by suit, action, mandamus or
191 other proceeding, protect and enforce any and all rights granted
192 under this act, or under such resolution, and may enforce and
193 compel performance of all duties required by this act to be
194 performed, in order to provide for the payment of bonds and
195 interest thereon.

196 SECTION 14. All bonds issued under the provisions of this

197 act shall be legal investments for trustees and other fiduciaries,
198 and for savings banks, trust companies and insurance companies
199 organized under the laws of the State of Mississippi, and such
200 bonds shall be legal securities which may be deposited with and
201 shall be received by all public officers and bodies of this state
202 and all municipalities and political subdivisions for the purpose
203 of securing the deposit of public funds.

204 SECTION 15. Bonds issued under the provisions of this act
205 and income therefrom shall be exempt from all taxation in the
206 State of Mississippi.

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

210 SECTION 17. The State Treasurer is authorized to certify to
211 the Department of Finance and Administration the necessity for
212 warrants, and the Executive Director of the Department of Finance
213 and Administration is authorized and directed to issue such
214 warrants, in such amounts as may be necessary to pay when due the
215 principal of, premium, if any, and interest on, or the accreted
216 value of, all bonds issued under this act; and the State Treasurer
217 shall forward the necessary amount to the designated place or
218 places of payment of such bonds in ample time to discharge such
219 bonds, or the interest thereon, on the due dates thereof.

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

224 SECTION 19. This act shall take effect and be in force from
225 and after July 1, 2000.