

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 3037

1 AN ACT TO ESTABLISH A PROGRAM ADMINISTERED BY THE MISSISSIPPI  
2 DEVELOPMENT AUTHORITY; TO PROVIDE GRANTS FOR COMMUNITY DEVELOPMENT  
3 CORPORATIONS; TO PROVIDE FOR THE ISSUANCE OF \$2,000,000.00 IN  
4 STATE GENERAL OBLIGATION BONDS TO FUND SUCH GRANTS; AND FOR  
5 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 Mississippi Development Authority;

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 Mississippi Development Authority shall establish a  
26 grant program to support community development projects and  
27 activities within the state's minority community. Any community  
28 development corporations may apply for funds under this section.

29 The Mississippi Development Authority shall establish and  
30 implement performance-based criteria for determining which  
31 community development corporations will receive a grant and the  
32 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 Mississippi Development Authority for a grant under this act.

44 SECTION 3. In administering the provisions of this act, the  
45 Mississippi Development Authority shall have the following powers  
46 and duties:

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

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

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

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

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

60

61        SECTION 4. (1) The State Bond Commission, at one time, or  
62 from time to time, may declare by resolution the necessity for  
63 issuance of general obligation bonds of the State of Mississippi  
64 to provide funds for all costs incurred or to be incurred for the  
65 purposes described in this act. Upon the adoption of a resolution  
66 by the Mississippi Development Authority declaring the necessity  
67 for the issuance of any part or all of the general obligation  
68 bonds authorized by this section, the Mississippi Development  
69 Authority shall deliver a certified copy of its resolution or  
70 resolutions to the State Bond Commission. Upon receipt of such  
71 resolution, the State Bond Commission, in its discretion, may act  
72 as the issuing agent, prescribe the form of the bonds, advertise  
73 for and accept bids, issue and sell the bonds so authorized to be  
74 sold and do any and all other things necessary and advisable in  
75 connection with the issuance and sale of such bonds. The total  
76 amount of bonds issued under this act shall not exceed Two Million  
77 Dollars (\$2,000,000.00).

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

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

94 bear such registration privileges, and shall be substantially in  
95 such form, all as shall be determined by resolution of the State  
96 Bond Commission.

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

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

122       SECTION 8. The State Bond Commission shall act as the  
123 issuing agent for the bonds authorized under this act, prescribe  
124 the form of the bonds, advertise for and accept bids, issue and  
125 sell the bonds so authorized to be sold, pay all fees and costs  
126 incurred in such issuance and sale, and do any and all other

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

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

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

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

160 recitals on their faces substantially covering the provisions of  
161 this section.

162       SECTION 10. Upon the issuance and sale of bonds under the  
163 provisions of this act, the State Bond Commission shall transfer  
164 the proceeds of any such sale or sales to the special fund created  
165 in Section 2 of this act. The proceeds of such bonds shall be  
166 disbursed solely upon the order of the Mississippi Development  
167 Authority under such restrictions, if any, as may be contained in  
168 the resolution providing for the issuance of the bonds.

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

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

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

192 performed, in order to provide for the payment of bonds and  
193 interest thereon.

194 SECTION 14. All bonds issued under the provisions of this  
195 act shall be legal investments for trustees and other fiduciaries,  
196 and for savings banks, trust companies and insurance companies  
197 organized under the laws of the State of Mississippi, and such  
198 bonds shall be legal securities which may be deposited with and  
199 shall be received by all public officers and bodies of this state  
200 and all municipalities and political subdivisions for the purpose  
201 of securing the deposit of public funds.

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

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

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

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

222 SECTION 19. This act shall take effect and be in force from  
223 and after July 1, 2001.