

By: The Entire Membership

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1335

1 AN ACT TO CREATE THE MISSISSIPPI RURAL IMPACT ACT FOR THE
2 PURPOSE OF PROMOTING BUSINESS AND ECONOMIC DEVELOPMENT IN THE
3 RURAL AREAS OF THE STATE THROUGH JOB PRODUCING PROGRAMS AND BY
4 PROVIDING FINANCIAL ASSISTANCE TO COMMUNITIES AND BUSINESSES; TO
5 CREATE THE MISSISSIPPI RURAL IMPACT FUND; TO PROVIDE THAT THE
6 MISSISSIPPI DEVELOPMENT AUTHORITY SHALL ADMINISTER SUCH FUND FOR
7 THE PURPOSE OF MAKING GRANTS OR LOANS TO RURAL COMMUNITIES TO
8 ASSIST IN COMPLETING CERTAIN PROJECTS; TO AUTHORIZE THE ISSUANCE
9 OF \$20,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE
10 FUNDS FOR THE MISSISSIPPI RURAL IMPACT FUND; AND FOR RELATED
11 PURPOSES.

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

13 **SECTION 1.** Sections 1 through 3 of this act shall be known
14 and may be cited as the "Mississippi Rural Impact Act."

15 **SECTION 2.** The Legislature finds and determines that:

16 (a) There exists in the State of Mississippi a
17 continuing need for gainful employment for the citizens of the
18 rural areas of the state.

19 (b) To help provide employment opportunities and to
20 impact the quality of life in these rural areas, a division within
21 the Mississippi Development Authority should be created with power
22 to promote business and economic development through job producing
23 programs and by providing financial assistance to communities and
24 businesses.

25 (c) In accomplishing this purpose, such division will
26 be acting in all respects for the benefit of the people of the
27 state in the performance of essential public functions and serving
28 a valid purpose in improving or otherwise promoting their health,
29 welfare and prosperity, and the enactment of the provisions
30 hereinafter set forth is for a valid public purpose.



31 (d) The borrowing of money and the issuance of bonds
32 for the purposes hereinafter set forth serves valid public
33 purposes that will contribute to the employment base of the state.

34 **SECTION 3.** (1) For the purposes of this section, the
35 following words and phrases shall have the meanings ascribed in
36 this section unless the context clearly indicates otherwise:

37 (a) "MDA" means the Mississippi Development Authority.

38 (b) "Project" means construction, rehabilitation or
39 repair of buildings; sewer systems and transportation directly
40 affecting the site of the proposed rural business; sewer
41 facilities, acquisition of real property, development of real
42 property, improvements to real property, and any other project
43 approved by the Mississippi Development Authority.

44 (c) "Rural business" means a new or existing business
45 located or to be located in a rural community or a business or
46 industry located or to be located within five (5) miles of a rural
47 community. "Rural business" does not include gaming businesses or
48 utility businesses.

49 (d) "Rural community" means a county in the State of
50 Mississippi that meets the population criteria for the term
51 "limited population county" as provided in Section 57-1-18.
52 "Rural community" also means a municipality in the State of
53 Mississippi that meets the population criteria for the term "small
54 municipality" as provided in Section 57-1-18.

55 (2) (a) There is created in the State Treasury a special
56 fund to be designated as the "Mississippi Rural Impact Fund,"
57 which shall consist of funds appropriated or otherwise made
58 available by the Legislature in any manner and funds from any
59 other source designated for deposit into such fund. Unexpended
60 amounts remaining in the fund at the end of a fiscal year shall
61 not lapse into the State General Fund, and any investment earnings
62 or interest earned on amounts in the fund shall be deposited to
63 the credit of the fund. Monies in the fund shall be used to make



64 grants or loans to rural communities to assist in completing
65 projects under this section.

66 (b) Monies in the fund which are derived from proceeds
67 of bonds issued after the effective date this act, may be used to
68 reimburse reasonable actual and necessary costs incurred by the
69 MDA in providing assistance related to a project for which funding
70 is provided under this section from the use of proceeds of such
71 bonds. An accounting of actual costs incurred for which
72 reimbursement is sought shall be maintained for each project by
73 the MDA. Reimbursement of reasonable actual and necessary costs
74 for a project shall not exceed three percent (3%) of the proceeds
75 of bonds issued for such project. Monies authorized for a
76 particular project may not be used to reimburse administrative
77 costs for unrelated projects. Reimbursements under this paragraph
78 (b) shall satisfy any applicable federal tax law requirements.

79 (c) The MDA may use monies in the fund to pay for the
80 services of architects, engineers, attorneys and such other
81 advisors, consultants and agents that MDA determines are necessary
82 to review loan and grant applications and to implement and
83 administer the program established under this section.

84 (3) The MDA shall establish a program to make grants and
85 loans to rural communities from the Mississippi Rural Impact Fund.
86 A rural community may apply to the MDA for a grant or loan under
87 this section in the manner provided for in this section.

88 (4) A rural community desiring assistance under this section
89 must submit an application to the MDA. The application must
90 include a description of the project for which assistance is
91 requested, the cost of the project for which assistance is
92 requested and any other information required by the MDA. The MDA
93 may waive any requirements of the grant or loan program in order
94 to expedite funding for unique projects.

95 (5) The MDA shall have all powers necessary to implement and
96 administer the program established under this section, and the MDA



97 shall promulgate rules and regulations, in accordance with the
98 Mississippi Administrative Procedures Law, necessary for the
99 implementation of this section.

100 **SECTION 4.** As used in Sections 4 through 19 of this act, the
101 following words shall have the meanings ascribed herein unless the
102 context clearly requires otherwise:

103 (a) "Accreted value" of any bonds means, as of any date
104 of computation, an amount equal to the sum of (i) the stated
105 initial value of such bond, plus (ii) the interest accrued thereon
106 from the issue date to the date of computation at the rate,
107 compounded semiannually, that is necessary to produce the
108 approximate yield to maturity shown for bonds of the same
109 maturity.

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

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

112 **SECTION 5.** (1) The Mississippi Development Authority, at
113 one time, or from time to time, may declare by resolution the
114 necessity for issuance of general obligation bonds of the State of
115 Mississippi to provide funds for the program authorized in Section
116 3 of this act. Upon the adoption of a resolution by the
117 Mississippi Development Authority, declaring the necessity for the
118 issuance of any part or all of the general obligation bonds
119 authorized by this section, the Mississippi Development Authority
120 shall deliver a certified copy of its resolution or resolutions to
121 the commission. Upon receipt of such resolution, the commission,
122 in its discretion, may act as the issuing agent, prescribe the
123 form of the bonds, advertise for and accept bids, issue and sell
124 the bonds so authorized to be sold and do any and all other things
125 necessary and advisable in connection with the issuance and sale
126 of such bonds. The total amount of bonds issued under Sections 4
127 through 19 of this act shall not exceed Twenty Million Dollars
128 (\$20,000,000.00). No bonds authorized under Sections 4 through 19
129 of this act shall be issued after July 1, 2007.



130 (2) The proceeds of bonds issued pursuant to Sections 4
131 through 19 of this act shall be deposited into the Mississippi
132 Rural Impact Fund created pursuant to Section 3 of this act. Any
133 investment earnings on bonds issued pursuant to Sections 4 through
134 19 of this act shall be used to pay debt service on bonds issued
135 under Sections 4 through 19 of this act, in accordance with the
136 proceedings authorizing issuance of such bonds.

137 **SECTION 6.** The principal of and interest on the bonds
138 authorized under Sections 4 through 19 of this act shall be
139 payable in the manner provided in this section. Such bonds shall
140 bear such date or dates, be in such denomination or denominations,
141 bear interest at such rate or rates (not to exceed the limits set
142 forth in Section 75-17-101, Mississippi Code of 1972), be payable
143 at such place or places within or without the State of
144 Mississippi, shall mature absolutely at such time or times not to
145 exceed twenty-five (25) years from date of issue, be redeemable
146 before maturity at such time or times and upon such terms, with or
147 without premium, shall bear such registration privileges, and
148 shall be substantially in such form, all as shall be determined by
149 resolution of the commission.

150 **SECTION 7.** The bonds authorized by Sections 4 through 19 of
151 this act shall be signed by the chairman of the commission, or by
152 his facsimile signature, and the official seal of the commission
153 shall be affixed thereto, attested by the secretary of the
154 commission. The interest coupons, if any, to be attached to such
155 bonds may be executed by the facsimile signatures of such
156 officers. Whenever any such bonds shall have been signed by the
157 officials designated to sign the bonds who were in office at the
158 time of such signing but who may have ceased to be such officers
159 before the sale and delivery of such bonds, or who may not have
160 been in office on the date such bonds may bear, the signatures of
161 such officers upon such bonds and coupons shall nevertheless be
162 valid and sufficient for all purposes and have the same effect as



163 if the person so officially signing such bonds had remained in
164 office until their delivery to the purchaser, or had been in
165 office on the date such bonds may bear. However, notwithstanding
166 anything herein to the contrary, such bonds may be issued as
167 provided in the Registered Bond Act of the State of Mississippi.

168 **SECTION 8.** All bonds and interest coupons issued under the
169 provisions of Sections 4 through 19 of this act have all the
170 qualities and incidents of negotiable instruments under the
171 provisions of the Uniform Commercial Code, and in exercising the
172 powers granted by Sections 4 through 19 of this act, the
173 commission shall not be required to and need not comply with the
174 provisions of the Uniform Commercial Code.

175 **SECTION 9.** The commission shall act as the issuing agent for
176 the bonds authorized under Sections 4 through 19 of this act,
177 prescribe the form of the bonds, advertise for and accept bids,
178 issue and sell the bonds so authorized to be sold, pay all fees
179 and costs incurred in such issuance and sale, and do any and all
180 other things necessary and advisable in connection with the
181 issuance and sale of such bonds. The commission is authorized and
182 empowered to pay the costs that are incident to the sale, issuance
183 and delivery of the bonds authorized under Sections 4 through 19
184 of this act from the proceeds derived from the sale of such bonds.
185 The commission shall sell such bonds on sealed bids at public
186 sale, and for such price as it may determine to be for the best
187 interest of the State of Mississippi, but no such sale shall be
188 made at a price less than par plus accrued interest to the date of
189 delivery of the bonds to the purchaser. All interest accruing on
190 such bonds so issued shall be payable semiannually or annually;
191 however, the first interest payment may be for any period of not
192 more than one (1) year.

193 Notice of the sale of any such bonds shall be published at
194 least one (1) time, not less than ten (10) days before the date of
195 sale, and shall be so published in one or more newspapers



196 published or having a general circulation in the City of Jackson,
197 Mississippi, and in one or more other newspapers or financial
198 journals with a national circulation, to be selected by the
199 commission.

200 The commission, when issuing any bonds under the authority of
201 Sections 4 through 19 of this act, may provide that bonds, at the
202 option of the State of Mississippi, may be called in for payment
203 and redemption at the call price named therein and accrued
204 interest on such date or dates named therein.

205 **SECTION 10.** The bonds issued under the provisions of
206 Sections 4 through 19 of this act are general obligations of the
207 State of Mississippi, and for the payment thereof the full faith
208 and credit of the State of Mississippi is irrevocably pledged. If
209 the funds appropriated by the Legislature are insufficient to pay
210 the principal of and the interest on such bonds as they become
211 due, then the deficiency shall be paid by the State Treasurer from
212 any funds in the State Treasury not otherwise appropriated. All
213 such bonds shall contain recitals on their faces substantially
214 covering the provisions of this section.

215 **SECTION 11.** Upon the issuance and sale of bonds under the
216 provisions of Sections 4 through 19 of this act, the commission
217 shall transfer the proceeds of any such sale or sales to the
218 Mississippi Rural Impact Fund created in Section 3 of this act.
219 The proceeds of such bonds shall be disbursed solely upon the
220 order of the Mississippi Development Authority under such
221 restrictions, if any, as may be contained in the resolution
222 providing for the issuance of the bonds.

223 **SECTION 12.** The bonds authorized under Sections 4 through 19
224 of this act may be issued without any other proceedings or the
225 happening of any other conditions or things other than those
226 proceedings, conditions and things which are specified or required
227 by Sections 4 through 19 of this act. Any resolution providing
228 for the issuance of bonds under the provisions of Sections 4



229 through 19 of this act shall become effective immediately upon its
230 adoption by the commission, and any such resolution may be adopted
231 at any regular or special meeting of the commission by a majority
232 of its members.

233 **SECTION 13.** The bonds authorized under the authority of
234 Sections 4 through 19 of this act may be validated in the Chancery
235 Court of the First Judicial District of Hinds County, Mississippi,
236 in the manner and with the force and effect provided by Chapter
237 13, Title 31, Mississippi Code of 1972, for the validation of
238 county, municipal, school district and other bonds. The notice to
239 taxpayers required by such statutes shall be published in a
240 newspaper published or having a general circulation in the City of
241 Jackson, Mississippi.

242 **SECTION 14.** Any holder of bonds issued under the provisions
243 of Sections 4 through 19 of this act or of any of the interest
244 coupons pertaining thereto may, either at law or in equity, by
245 suit, action, mandamus or other proceeding, protect and enforce
246 any and all rights granted under Sections 4 through 19 of this
247 act, or under such resolution, and may enforce and compel
248 performance of all duties required by Sections 4 through 19 of
249 this act to be performed, in order to provide for the payment of
250 bonds and interest thereon.

251 **SECTION 15.** All bonds issued under the provisions of
252 Sections 4 through 19 of this act shall be legal investments for
253 trustees and other fiduciaries, and for savings banks, trust
254 companies and insurance companies organized under the laws of the
255 State of Mississippi, and such bonds shall be legal securities
256 which may be deposited with and shall be received by all public
257 officers and bodies of this state and all municipalities and
258 political subdivisions for the purpose of securing the deposit of
259 public funds.



260 **SECTION 16.** Bonds issued under the provisions of Sections 4
261 through 19 of this act and income therefrom shall be exempt from
262 all taxation in the State of Mississippi.

263 **SECTION 17.** The proceeds of the bonds issued under Sections
264 4 through 19 of this act shall be used solely for the purposes
265 therein provided, including the costs incident to the issuance and
266 sale of such bonds.

267 **SECTION 18.** The State Treasurer is authorized, without
268 further process of law, to certify to the Department of Finance
269 and Administration the necessity for warrants, and the Department
270 of Finance and Administration is authorized and directed to issue
271 such warrants, in such amounts as may be necessary to pay when due
272 the principal of, premium, if any, and interest on, or the
273 accreted value of, all bonds issued under Sections 4 through 19 of
274 this act; and the State Treasurer shall forward the necessary
275 amount to the designated place or places of payment of such bonds
276 in ample time to discharge such bonds, or the interest thereon, on
277 the due dates thereof.

278 **SECTION 19.** Sections 4 through 19 of this act shall be
279 deemed to be full and complete authority for the exercise of the
280 powers therein granted, but Sections 4 through 19 of this act
281 shall not be deemed to repeal or to be in derogation of any
282 existing law of this state.

283 **SECTION 20.** This act shall take effect and be in force from
284 and after July 1, 2003.

