

By: The Entire Membership

To: Ways and Means

HOUSE BILL NO. 1335  
(As Sent to Governor)

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 AND  
8 LOAN GUARANTIES ON BEHALF OF RURAL BUSINESSES TO ASSIST IN  
9 COMPLETING CERTAIN PROJECTS; TO AUTHORIZE THE ISSUANCE OF  
10 \$10,000,000.00 IN STATE GENERAL OBLIGATION BONDS TO PROVIDE FUNDS  
11 FOR THE MISSISSIPPI RURAL IMPACT FUND; AND FOR RELATED 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 and loans to rural communities and loan guaranties on  
65 behalf of rural businesses to assist in completing projects under  
66 this section.

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

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

85 (3) The MDA shall establish a program to make grants and  
86 loans to rural communities and loan guaranties on behalf of rural  
87 businesses from the Mississippi Rural Impact Fund. A rural  
88 community may apply to the MDA for a grant or loan under this  
89 section in the manner provided for in this section. A rural  
90 business may apply to the MDA for a loan guaranty under this  
91 section in the manner provided in this section.

92 (4) A rural community desiring assistance under this section  
93 must submit an application to the MDA. The application must  
94 include a description of the project for which assistance is  
95 requested, the cost of the project for which assistance is  
96 requested and any other information required by the MDA. A rural



97 business desiring assistance under this section must submit an  
98 application to the MDA. The application must include a  
99 description of the purpose for which assistance is requested and  
100 any other information required by the MDA. The MDA may waive any  
101 requirements of the program established under this section in  
102 order to expedite funding for unique projects.

103 (5) The MDA shall have all powers necessary to implement and  
104 administer the program established under this section, and the MDA  
105 shall promulgate rules and regulations, in accordance with the  
106 Mississippi Administrative Procedures Law, necessary for the  
107 implementation of this section.

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

111 (a) "Accreted value" of any bonds means, as of any date  
112 of computation, an amount equal to the sum of (i) the stated  
113 initial value of such bond, plus (ii) the interest accrued thereon  
114 from the issue date to the date of computation at the rate,  
115 compounded semiannually, that is necessary to produce the  
116 approximate yield to maturity shown for bonds of the same  
117 maturity.

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

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

120 **SECTION 5.** (1) The Mississippi Development Authority, at  
121 one time, or from time to time, may declare by resolution the  
122 necessity for issuance of general obligation bonds of the State of  
123 Mississippi to provide funds for the program authorized in Section  
124 3 of this act. Upon the adoption of a resolution by the  
125 Mississippi Development Authority, declaring the necessity for the  
126 issuance of any part or all of the general obligation bonds  
127 authorized by this section, the Mississippi Development Authority  
128 shall deliver a certified copy of its resolution or resolutions to  
129 the commission. Upon receipt of such resolution, the commission,



130 in its discretion, may act as the issuing agent, prescribe the  
131 form of the bonds, advertise for and accept bids, issue and sell  
132 the bonds so authorized to be sold and do any and all other things  
133 necessary and advisable in connection with the issuance and sale  
134 of such bonds. The total amount of bonds issued under Sections 4  
135 through 19 of this act shall not exceed Ten Million Dollars  
136 (\$10,000,000.00). No bonds authorized under Sections 4 through 19  
137 of this act shall be issued after July 1, 2007.

138 (2) The proceeds of bonds issued pursuant to Sections 4  
139 through 19 of this act shall be deposited into the Mississippi  
140 Rural Impact Fund created pursuant to Section 3 of this act. Any  
141 investment earnings on bonds issued pursuant to Sections 4 through  
142 19 of this act shall be used to pay debt service on bonds issued  
143 under Sections 4 through 19 of this act, in accordance with the  
144 proceedings authorizing issuance of such bonds.

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

158 **SECTION 7.** The bonds authorized by Sections 4 through 19 of  
159 this act shall be signed by the chairman of the commission, or by  
160 his facsimile signature, and the official seal of the commission  
161 shall be affixed thereto, attested by the secretary of the  
162 commission. The interest coupons, if any, to be attached to such



163 bonds may be executed by the facsimile signatures of such  
164 officers. Whenever any such bonds shall have been signed by the  
165 officials designated to sign the bonds who were in office at the  
166 time of such signing but who may have ceased to be such officers  
167 before the sale and delivery of such bonds, or who may not have  
168 been in office on the date such bonds may bear, the signatures of  
169 such officers upon such bonds and coupons shall nevertheless be  
170 valid and sufficient for all purposes and have the same effect as  
171 if the person so officially signing such bonds had remained in  
172 office until their delivery to the purchaser, or had been in  
173 office on the date such bonds may bear. However, notwithstanding  
174 anything herein to the contrary, such bonds may be issued as  
175 provided in the Registered Bond Act of the State of Mississippi.

176 **SECTION 8.** All bonds and interest coupons issued under the  
177 provisions of Sections 4 through 19 of this act have all the  
178 qualities and incidents of negotiable instruments under the  
179 provisions of the Uniform Commercial Code, and in exercising the  
180 powers granted by Sections 4 through 19 of this act, the  
181 commission shall not be required to and need not comply with the  
182 provisions of the Uniform Commercial Code.

183 **SECTION 9.** The commission shall act as the issuing agent for  
184 the bonds authorized under Sections 4 through 19 of this act,  
185 prescribe the form of the bonds, advertise for and accept bids,  
186 issue and sell the bonds so authorized to be sold, pay all fees  
187 and costs incurred in such issuance and sale, and do any and all  
188 other things necessary and advisable in connection with the  
189 issuance and sale of such bonds. The commission is authorized and  
190 empowered to pay the costs that are incident to the sale, issuance  
191 and delivery of the bonds authorized under Sections 4 through 19  
192 of this act from the proceeds derived from the sale of such bonds.  
193 The commission shall sell such bonds on sealed bids at public  
194 sale, and for such price as it may determine to be for the best  
195 interest of the State of Mississippi, but no such sale shall be



196 made at a price less than par plus accrued interest to the date of  
197 delivery of the bonds to the purchaser. All interest accruing on  
198 such bonds so issued shall be payable semiannually or annually;  
199 however, the first interest payment may be for any period of not  
200 more than one (1) year.

201 Notice of the sale of any such bonds shall be published at  
202 least one time, not less than ten (10) days before the date of  
203 sale, and shall be so published in one or more newspapers  
204 published or having a general circulation in the City of Jackson,  
205 Mississippi, and in one or more other newspapers or financial  
206 journals with a national circulation, to be selected by the  
207 commission.

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

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

223 **SECTION 11.** Upon the issuance and sale of bonds under the  
224 provisions of Sections 4 through 19 of this act, the commission  
225 shall transfer the proceeds of any such sale or sales to the  
226 Mississippi Rural Impact Fund created in Section 3 of this act.  
227 The proceeds of such bonds shall be disbursed solely upon the  
228 order of the Mississippi Development Authority under such



229 restrictions, if any, as may be contained in the resolution  
230 providing for the issuance of the bonds.

231         **SECTION 12.** The bonds authorized under Sections 4 through 19  
232 of this act may be issued without any other proceedings or the  
233 happening of any other conditions or things other than those  
234 proceedings, conditions and things which are specified or required  
235 by Sections 4 through 19 of this act. Any resolution providing  
236 for the issuance of bonds under the provisions of Sections 4  
237 through 19 of this act shall become effective immediately upon its  
238 adoption by the commission, and any such resolution may be adopted  
239 at any regular or special meeting of the commission by a majority  
240 of its members.

241         **SECTION 13.** The bonds authorized under the authority of  
242 Sections 4 through 19 of this act may be validated in the Chancery  
243 Court of the First Judicial District of Hinds County, Mississippi,  
244 in the manner and with the force and effect provided by Chapter  
245 13, Title 31, Mississippi Code of 1972, for the validation of  
246 county, municipal, school district and other bonds. The notice to  
247 taxpayers required by such statutes shall be published in a  
248 newspaper published or having a general circulation in the City of  
249 Jackson, Mississippi.

250         **SECTION 14.** Any holder of bonds issued under the provisions  
251 of Sections 4 through 19 of this act or of any of the interest  
252 coupons pertaining thereto may, either at law or in equity, by  
253 suit, action, mandamus or other proceeding, protect and enforce  
254 any and all rights granted under Sections 4 through 19 of this  
255 act, or under such resolution, and may enforce and compel  
256 performance of all duties required by Sections 4 through 19 of  
257 this act to be performed, in order to provide for the payment of  
258 bonds and interest thereon.

259         **SECTION 15.** All bonds issued under the provisions of  
260 Sections 4 through 19 of this act shall be legal investments for  
261 trustees and other fiduciaries, and for savings banks, trust



262 companies and insurance companies organized under the laws of the  
263 State of Mississippi, and such bonds shall be legal securities  
264 which may be deposited with and shall be received by all public  
265 officers and bodies of this state and all municipalities and  
266 political subdivisions for the purpose of securing the deposit of  
267 public funds.

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

271         **SECTION 17.** The proceeds of the bonds issued under Sections  
272 4 through 19 of this act shall be used solely for the purposes  
273 therein provided, including the costs incident to the issuance and  
274 sale of such bonds.

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

286         **SECTION 19.** Sections 4 through 19 of this act shall be  
287 deemed to be full and complete authority for the exercise of the  
288 powers therein granted, but Sections 4 through 19 of this act  
289 shall not be deemed to repeal or to be in derogation of any  
290 existing law of this state.

291         **SECTION 20.** This act shall take effect and be in force from  
292 and after its passage.

