

By: Representatives McCoy, Morris, Smith
(39th), Scott (80th)

To: Ways and Means

HOUSE BILL NO. 1597

1 AN ACT TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION
2 BONDS FOR THE PURPOSE OF PROVIDING ADDITIONAL FUNDS FOR THE
3 MISSISSIPPI COMMUNITY HERITAGE PRESERVATION GRANT FUND; TO AMEND
4 SECTIONS 39-5-145, MISSISSIPPI CODE OF 1972, IN CONFORMITY
5 THERETO; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** As used in Sections 1 through 16 of this act, the
8 following words shall have the meanings ascribed herein unless the
9 context clearly requires otherwise:

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

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

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

19 **SECTION 2.** (1) The commission, at one time, or from time to
20 time, may declare by resolution the necessity for issuance of
21 general obligation bonds of the State of Mississippi to provide
22 funds for the Mississippi Community Heritage Preservation Grant
23 Fund created pursuant to Section 39-5-145, Mississippi Code of
24 1972. Upon the adoption of a resolution by the Department of
25 Finance and Administration, declaring the necessity for the
26 issuance of any part or all of the general obligation bonds
27 authorized by this section, the Department of Finance and
28 Administration shall deliver a certified copy of its resolution or



29 resolutions to the commission. Upon receipt of such resolution,
30 the commission, in its discretion, may act as the issuing agent,
31 prescribe the form of the bonds, advertise for and accept bids,
32 issue and sell the bonds so authorized to be sold and do any and
33 all other things necessary and advisable in connection with the
34 issuance and sale of such bonds. The total amount of bonds issued
35 under Sections 1 through 16 of this act shall not exceed Five
36 Million Dollars (\$5,000,000.00). No bonds authorized under
37 Sections 1 through 16 of this act shall be issued after July 1,
38 2007.

39 (2) The proceeds of bonds issued pursuant to Sections 1
40 through 16 of this act shall be deposited into the Mississippi
41 Community Heritage Preservation Grant Fund created pursuant to
42 Section 39-5-145, Mississippi Code of 1972. Any investment
43 earnings on bonds issued pursuant to Sections 1 through 16 of this
44 act shall be used to pay debt service on bonds issued under
45 Sections 1 through 16 of this act, in accordance with the
46 proceedings authorizing issuance of such bonds.

47 **SECTION 3.** The principal of and interest on the bonds
48 authorized under Sections 1 through 16 of this act shall be
49 payable in the manner provided in this section. Such bonds shall
50 bear such date or dates, be in such denomination or denominations,
51 bear interest at such rate or rates (not to exceed the limits set
52 forth in Section 75-17-101, Mississippi Code of 1972), be payable
53 at such place or places within or without the State of
54 Mississippi, shall mature absolutely at such time or times not to
55 exceed twenty-five (25) years from date of issue, be redeemable
56 before maturity at such time or times and upon such terms, with or
57 without premium, shall bear such registration privileges, and
58 shall be substantially in such form, all as shall be determined by
59 resolution of the commission.

60 **SECTION 4.** The bonds authorized by Sections 1 through 16 of
61 this act shall be signed by the chairman of the commission, or by



62 his facsimile signature, and the official seal of the commission
63 shall be affixed thereto, attested by the secretary of the
64 commission. The interest coupons, if any, to be attached to such
65 bonds may be executed by the facsimile signatures of such
66 officers. Whenever any such bonds shall have been signed by the
67 officials designated to sign the bonds who were in office at the
68 time of such signing but who may have ceased to be such officers
69 before the sale and delivery of such bonds, or who may not have
70 been in office on the date such bonds may bear, the signatures of
71 such officers upon such bonds and coupons shall nevertheless be
72 valid and sufficient for all purposes and have the same effect as
73 if the person so officially signing such bonds had remained in
74 office until their delivery to the purchaser, or had been in
75 office on the date such bonds may bear. However, notwithstanding
76 anything herein to the contrary, such bonds may be issued as
77 provided in the Registered Bond Act of the State of Mississippi.

78 **SECTION 5.** All bonds and interest coupons issued under the
79 provisions of Sections 1 through 16 of this act have all the
80 qualities and incidents of negotiable instruments under the
81 provisions of the Uniform Commercial Code, and in exercising the
82 powers granted by Sections 1 through 16 of this act, the
83 commission shall not be required to and need not comply with the
84 provisions of the Uniform Commercial Code.

85 **SECTION 6.** The commission shall act as the issuing agent for
86 the bonds authorized under Sections 1 through 16 of this act,
87 prescribe the form of the bonds, advertise for and accept bids,
88 issue and sell the bonds so authorized to be sold, pay all fees
89 and costs incurred in such issuance and sale, and do any and all
90 other things necessary and advisable in connection with the
91 issuance and sale of such bonds. The commission is authorized and
92 empowered to pay the costs that are incident to the sale, issuance
93 and delivery of the bonds authorized under Sections 1 through 16
94 of this act from the proceeds derived from the sale of such bonds.



95 The commission shall sell such bonds on sealed bids at public
96 sale, and for such price as it may determine to be for the best
97 interest of the State of Mississippi, but no such sale shall be
98 made at a price less than par plus accrued interest to the date of
99 delivery of the bonds to the purchaser. All interest accruing on
100 such bonds so issued shall be payable semiannually or annually;
101 however, the first interest payment may be for any period of not
102 more than one (1) year.

103 Notice of the sale of any such bonds shall be published at
104 least one time, not less than ten (10) days before the date of
105 sale, and shall be so published in one or more newspapers
106 published or having a general circulation in the City of Jackson,
107 Mississippi, and in one or more other newspapers or financial
108 journals with a national circulation, to be selected by the
109 commission.

110 The commission, when issuing any bonds under the authority of
111 Sections 1 through 16 of this act, may provide that bonds, at the
112 option of the State of Mississippi, may be called in for payment
113 and redemption at the call price named therein and accrued
114 interest on such date or dates named therein.

115 **SECTION 7.** The bonds issued under the provisions of Sections
116 1 through 16 of this act are general obligations of the State of
117 Mississippi, and for the payment thereof the full faith and credit
118 of the State of Mississippi is irrevocably pledged. If the funds
119 appropriated by the Legislature are insufficient to pay the
120 principal of and the interest on such bonds as they become due,
121 then the deficiency shall be paid by the State Treasurer from any
122 funds in the State Treasury not otherwise appropriated. All such
123 bonds shall contain recitals on their faces substantially covering
124 the provisions of this section.

125 **SECTION 8.** Upon the issuance and sale of bonds under the
126 provisions of Sections 1 through 16 of this act, the commission
127 shall transfer the proceeds of any such sale or sales to the



128 Mississippi Community Heritage Preservation Grant Fund created in
129 Section 39-5-145, Mississippi Code of 1972, and the proceeds of
130 such bonds shall be disbursed for the purposes provided in Section
131 39-5-145.

132 **SECTION 9.** The bonds authorized under Sections 1 through 16
133 of this act may be issued without any other proceedings or the
134 happening of any other conditions or things other than those
135 proceedings, conditions and things which are specified or required
136 by Sections 1 through 16 of this act. Any resolution providing
137 for the issuance of bonds under the provisions of Sections 1
138 through 16 of this act shall become effective immediately upon its
139 adoption by the commission, and any such resolution may be adopted
140 at any regular or special meeting of the commission by a majority
141 of its members.

142 **SECTION 10.** The bonds authorized under the authority of
143 Sections 1 through 16 of this act may be validated in the Chancery
144 Court of the First Judicial District of Hinds County, Mississippi,
145 in the manner and with the force and effect provided by Chapter
146 13, Title 31, Mississippi Code of 1972, for the validation of
147 county, municipal, school district and other bonds. The notice to
148 taxpayers required by such statutes shall be published in a
149 newspaper published or having a general circulation in the City of
150 Jackson, Mississippi.

151 **SECTION 11.** Any holder of bonds issued under the provisions
152 of Sections 1 through 16 of this act or of any of the interest
153 coupons pertaining thereto may, either at law or in equity, by
154 suit, action, mandamus or other proceeding, protect and enforce
155 any and all rights granted under Sections 1 through 16 of this
156 act, or under such resolution, and may enforce and compel
157 performance of all duties required by Sections 1 through 16 of
158 this act to be performed, in order to provide for the payment of
159 bonds and interest thereon.



160 **SECTION 12.** All bonds issued under the provisions of
161 Sections 1 through 16 of this act shall be legal investments for
162 trustees and other fiduciaries, and for savings banks, trust
163 companies and insurance companies organized under the laws of the
164 State of Mississippi, and such bonds shall be legal securities
165 which may be deposited with and shall be received by all public
166 officers and bodies of this state and all municipalities and
167 political subdivisions for the purpose of securing the deposit of
168 public funds.

169 **SECTION 13.** Bonds issued under the provisions of Sections 1
170 through 16 of this act and income therefrom shall be exempt from
171 all taxation in the State of Mississippi.

172 **SECTION 14.** The proceeds of the bonds issued under Sections
173 1 through 16 of this act shall be used solely for the purposes
174 therein provided, including the costs incident to the issuance and
175 sale of such bonds.

176 **SECTION 15.** The State Treasurer is authorized, without
177 further process of law, to certify to the Department of Finance
178 and Administration the necessity for warrants, and the Department
179 of Finance and Administration is authorized and directed to issue
180 such warrants, in such amounts as may be necessary to pay when due
181 the principal of, premium, if any, and interest on, or the
182 accreted value of, all bonds issued under Sections 1 through 16 of
183 this act; and the State Treasurer shall forward the necessary
184 amount to the designated place or places of payment of such bonds
185 in ample time to discharge such bonds, or the interest thereon, on
186 the due dates thereof.

187 **SECTION 16.** Sections 1 through 16 of this act shall be
188 deemed to be full and complete authority for the exercise of the
189 powers therein granted, but Sections 1 through 16 of this act
190 shall not be deemed to repeal or to be in derogation of any
191 existing law of this state.



192 **SECTION 17.** Section 39-5-145, Mississippi Code of 1972, is
193 amended as follows:

194 39-5-145. (1) A special fund, to be designated the
195 "Mississippi Community Heritage Preservation Grant Fund," is
196 created within the State Treasury. The fund shall be maintained
197 by the State Treasurer as a separate and special fund, separate
198 and apart from the General Fund of the state. The fund shall
199 consist of any monies designated for deposit therein from any
200 source, including proceeds of any state general obligation bonds
201 issued under Sections 39-5-143 and 39-5-145, Sections 22 through
202 36 of Laws, 2001, Chapter 541, * * * Sections 1 through 16 of
203 Laws, 2002, Chapter 543, and Sections 1 through 16 of House Bill
204 No. 1597, 2003 Regular Session. Unexpended amounts remaining in
205 the fund at the end of a fiscal year shall not lapse into the
206 State General Fund and any interest earned or investment earnings
207 on amounts in the fund shall be deposited into the fund. The
208 expenditure of monies deposited into the fund shall be under the
209 direction of the Department of Finance and Administration, based
210 upon recommendations of the Board of Trustees of the Department of
211 Archives and History, and such funds shall be paid by the State
212 Treasurer upon warrants issued by the Department of Finance and
213 Administration. Monies deposited into such fund shall be
214 allocated and disbursed according to the provisions of this
215 section. If any monies in the special fund are derived from
216 proceeds of bonds issued under this chapter, Sections 1 through 16
217 of Laws, 2002, Chapter 543, and/or Sections 1 through 16 of House
218 Bill No. 1597, 2003 Regular Session, and are not used within four
219 (4) years after the date such bond proceeds are deposited into the
220 special fund, then the Department of Finance and Administration
221 shall provide an accounting of such unused monies to the State
222 Bond Commission.

223 (2) Monies deposited into the fund shall be allocated and
224 disbursed as follows:



225 (a) Sixteen Million Five Hundred Thousand Dollars
226 (\$16,500,000.00) shall be allocated and disbursed as grants on a
227 reimbursable basis through the Department of Finance and
228 Administration, based upon the recommendations of the Board of
229 Trustees of the Department of Archives and History, to assist
230 county governments, municipal governments, school districts and
231 nonprofit organizations that have obtained Section 501(c)(3)
232 tax-exempt status from the United States Internal Revenue Service
233 in helping pay the costs incurred in preserving, restoring,
234 rehabilitating, repairing or interpreting (i) historic county
235 courthouses, (ii) historic school buildings, and/or (iii) other
236 historic properties identified by certified local governments.
237 Where possible, expenditures from the fund shall be used to match
238 federal grants or other grants that may be accessed by the
239 Department of Archives and History, other state agencies, county
240 governments or municipal governments, school districts or
241 nonprofit organizations that have obtained Section 501(c)(3)
242 tax-exempt status from the United States Internal Revenue Service.
243 Any properties, except that described in paragraph (b) of this
244 subsection, receiving monies pursuant to this section must be
245 designated as "Mississippi Landmark" properties prior to selection
246 as projects for funding under the provisions of this section.

247 (b) Two Hundred Fifty Thousand Dollars (\$250,000.00)
248 shall be allocated and disbursed as grant funds to the Amory
249 Regional Museum in Amory, Mississippi, to pay the costs of capital
250 improvements, repair, renovation, furnishing and/or equipping of
251 the museum. The disbursement of grant funds shall be contingent
252 upon such museum providing matching funds from any source, other
253 than the state, equal to at least Two Hundred Fifty Thousand
254 Dollars (\$250,000.00).

255 (c) Monies in the Mississippi Community Heritage
256 Preservation Grant Fund which are derived from proceeds of bonds
257 issued under Sections 1 through 16 of Laws 2002, Chapter 543 or



258 Sections 1 through 16 of House Bill No. 1597, 2003 Regular
259 Session, or both, may be used to reimburse reasonable actual and
260 necessary costs incurred by the Mississippi Department of Archives
261 and History in providing assistance directly related to a project
262 described in paragraph (a) of this subsection for which funding is
263 provided under this section. Reimbursement may be made only until
264 such time as the project is completed. An accounting of actual
265 costs incurred for which reimbursement is sought shall be
266 maintained for each project by the Mississippi Department of
267 Archives and History. Reimbursement of reasonable actual and
268 necessary costs for a project shall not exceed three percent (3%)
269 of the proceeds of bonds issued for such project. Monies
270 authorized for a particular project may not be used to reimburse
271 administrative costs for unrelated projects.

272 (3) The Board of Trustees of the Department of Archives and
273 History shall receive and consider proposals from county
274 governments, municipal governments, school districts and nonprofit
275 organizations that have obtained Section 501(c)(3) tax-exempt
276 status from the United States Internal Revenue Service for
277 projects associated with the preservation, restoration,
278 rehabilitation, repair or interpretation of (a) historic
279 courthouses, (b) historic school buildings and/or (c) other
280 historic properties identified by certified local governments.
281 Proposals shall be submitted in accordance with the provisions of
282 procedures, criteria and standards developed by the board. The
283 board shall determine those projects to be funded and may require
284 matching funds from any applicant seeking assistance under this
285 section. This subsection shall not apply to any project described
286 in subsection (2)(b) of this section.

287 (4) The Department of Archives and History shall publicize
288 the Community Heritage Preservation Grant program described in
289 this section on a statewide basis, including the publication of
290 the criteria and standards used by the department in selecting



291 projects for funding. The selection of a project for funding
292 under the provisions of this section shall be made solely upon the
293 deliberate consideration of each proposed project on its merits.
294 The board shall make every effort to award the grants in a manner
295 that will fairly distribute the funds in regard to the geography
296 and cultural diversity of the state. This subsection shall not
297 apply to any project described in subsection (2)(b) of this
298 section.

299 (5) With regard to any project awarded funding under this
300 section, any consultant, planner, architect, engineer, exhibit
301 contracting firm, historic preservation specialist or other
302 professional hired by a grant recipient to work on any such
303 project shall be approved by the board before their employment by
304 the grant recipient.

305 (6) Plans and specifications for all projects initiated
306 under the provisions of this section shall be approved by the
307 board before the awarding of any contracts. The plans and
308 specifications for any work involving "Mississippi Landmark"
309 properties shall be developed in accordance with "The Secretary of
310 the Interior's Standards for the Treatment of Historic
311 Properties."

312 **SECTION 18.** This act shall take effect and be in force from
313 and after its passage.

