

By: Representatives McCoy, Morris, Smith  
(39th), Scott (80th), Eads, Gadd, McBride,  
Reynolds

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.

