

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2915

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

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

57 (e) 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 **SECTION 4.** (1) The State Bond Commission, at one time, or  
61 from time to time, may declare by resolution the necessity for



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

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

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



94 such form, all as shall be determined by resolution of the State  
95 Bond Commission.

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

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

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



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

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

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

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



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

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

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

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



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

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

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

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

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

220           **SECTION 19.** This act shall take effect and be in force from  
221 and after July 1, 2003.

