

## REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 1335: Mississippi Rural Impact Act; create and authorize issuance of bonds to fund grant/loan program under.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
  
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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.

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

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

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

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

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

56           (2) (a) There is created in the State Treasury a special  
57 fund to be designated as the "Mississippi Rural Impact Fund,"  
58 which shall consist of funds appropriated or otherwise made  
59 available by the Legislature in any manner and funds from any  
60 other source designated for deposit into such fund. Unexpended  
61 amounts remaining in the fund at the end of a fiscal year shall  
62 not lapse into the State General Fund, and any investment earnings  
63 or interest earned on amounts in the fund shall be deposited to  
64 the credit of the fund. Monies in the fund shall be used to make  
65 grants and loans to rural communities and loan guaranties on  
66 behalf of rural businesses to assist in completing projects under  
67 this section.

68           (b) Monies in the fund which are derived from proceeds  
69 of bonds issued after the effective date this act, may be used to  
70 reimburse reasonable actual and necessary costs incurred by the

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

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

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

93 (4) A rural community desiring assistance under this section  
94 must submit an application to the MDA. The application must  
95 include a description of the project for which assistance is  
96 requested, the cost of the project for which assistance is  
97 requested and any other information required by the MDA. A rural  
98 business desiring assistance under this section must submit an  
99 application to the MDA. The application must include a  
100 description of the purpose for which assistance is requested and  
101 any other information required by the MDA. The MDA may waive any  
102 requirements of the program established under this section in  
103 order to expedite funding for unique projects.

104 (5) The MDA shall have all powers necessary to implement and  
105 administer the program established under this section, and the MDA  
106 shall promulgate rules and regulations, in accordance with the

107 Mississippi Administrative Procedures Law, necessary for the  
108 implementation of this section.

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

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

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

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

121         **SECTION 5.** (1) The Mississippi Development Authority, at  
122 one time, or from time to time, may declare by resolution the  
123 necessity for issuance of general obligation bonds of the State of  
124 Mississippi to provide funds for the program authorized in Section  
125 3 of this act. Upon the adoption of a resolution by the  
126 Mississippi Development Authority, declaring the necessity for the  
127 issuance of any part or all of the general obligation bonds  
128 authorized by this section, the Mississippi Development Authority  
129 shall deliver a certified copy of its resolution or resolutions to  
130 the commission. Upon receipt of such resolution, the commission,  
131 in its discretion, may act as the issuing agent, prescribe the  
132 form of the bonds, advertise for and accept bids, issue and sell  
133 the bonds so authorized to be sold and do any and all other things  
134 necessary and advisable in connection with the issuance and sale  
135 of such bonds. The total amount of bonds issued under Sections 4  
136 through 19 of this act shall not exceed Ten Million Dollars  
137 (\$10,000,000.00). No bonds authorized under Sections 4 through 19  
138 of this act shall be issued after July 1, 2007.

139             (2) The proceeds of bonds issued pursuant to Sections 4  
140 through 19 of this act shall be deposited into the Mississippi  
141 Rural Impact Fund created pursuant to Section 3 of this act. Any  
142 investment earnings on bonds issued pursuant to Sections 4 through

143 19 of this act shall be used to pay debt service on bonds issued  
144 under Sections 4 through 19 of this act, in accordance with the  
145 proceedings authorizing issuance of such bonds.

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

159         **SECTION 7.** The bonds authorized by Sections 4 through 19 of  
160 this act shall be signed by the chairman of the commission, or by  
161 his facsimile signature, and the official seal of the commission  
162 shall be affixed thereto, attested by the secretary of the  
163 commission. The interest coupons, if any, to be attached to such  
164 bonds may be executed by the facsimile signatures of such  
165 officers. Whenever any such bonds shall have been signed by the  
166 officials designated to sign the bonds who were in office at the  
167 time of such signing but who may have ceased to be such officers  
168 before the sale and delivery of such bonds, or who may not have  
169 been in office on the date such bonds may bear, the signatures of  
170 such officers upon such bonds and coupons shall nevertheless be  
171 valid and sufficient for all purposes and have the same effect as  
172 if the person so officially signing such bonds had remained in  
173 office until their delivery to the purchaser, or had been in  
174 office on the date such bonds may bear. However, notwithstanding  
175 anything herein to the contrary, such bonds may be issued as  
176 provided in the Registered Bond Act of the State of Mississippi.

177         **SECTION 8.** All bonds and interest coupons issued under the  
178 provisions of Sections 4 through 19 of this act have all the

179 qualities and incidents of negotiable instruments under the  
180 provisions of the Uniform Commercial Code, and in exercising the  
181 powers granted by Sections 4 through 19 of this act, the  
182 commission shall not be required to and need not comply with the  
183 provisions of the Uniform Commercial Code.

184       **SECTION 9.** The commission shall act as the issuing agent for  
185 the bonds authorized under Sections 4 through 19 of this act,  
186 prescribe the form of the bonds, advertise for and accept bids,  
187 issue and sell the bonds so authorized to be sold, pay all fees  
188 and costs incurred in such issuance and sale, and do any and all  
189 other things necessary and advisable in connection with the  
190 issuance and sale of such bonds. The commission is authorized and  
191 empowered to pay the costs that are incident to the sale, issuance  
192 and delivery of the bonds authorized under Sections 4 through 19  
193 of this act from the proceeds derived from the sale of such bonds.

194 The commission shall sell such bonds on sealed bids at public  
195 sale, and for such price as it may determine to be for the best  
196 interest of the State of Mississippi, but no such sale shall be  
197 made at a price less than par plus accrued interest to the date of  
198 delivery of the bonds to the purchaser. All interest accruing on  
199 such bonds so issued shall be payable semiannually or annually;  
200 however, the first interest payment may be for any period of not  
201 more than one (1) year.

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

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

214       **SECTION 10.** The bonds issued under the provisions of

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

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

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

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

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

260           **SECTION 15.** All bonds issued under the provisions of  
261 Sections 4 through 19 of this act shall be legal investments for  
262 trustees and other fiduciaries, and for savings banks, trust  
263 companies and insurance companies organized under the laws of the  
264 State of Mississippi, and such bonds shall be legal securities  
265 which may be deposited with and shall be received by all public  
266 officers and bodies of this state and all municipalities and  
267 political subdivisions for the purpose of securing the deposit of  
268 public funds.

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

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

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



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

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.

CONFEREES FOR THE HOUSE

**X** \_\_\_\_\_  
Leonard Morris

**X** \_\_\_\_\_  
Jeffrey C. Smith

**X** \_\_\_\_\_  
Bennett Malone

CONFEREES FOR THE SENATE

**X** \_\_\_\_\_  
William R. Minor

**X** \_\_\_\_\_  
Alan Nunnelee

**X** \_\_\_\_\_  
Tommy Dickerson