

By: Representative Smith (27th)

To: Ways and Means

HOUSE BILL NO. 47

1 AN ACT TO ESTABLISH A DISASTER DISPLACED LEASEHOLDERS GRANT
2 PROGRAM TO PROVIDE GRANTS TO INDIVIDUALS WHO LEASED RESIDENTIAL
3 REAL PROPERTY AND WERE REQUIRED TO VACATE SUCH LEASEHOLD AS A
4 RESULT OF HURRICANE KATRINA; TO PROVIDE THAT THE DEPARTMENT OF
5 FINANCE AND ADMINISTRATION SHALL ADMINISTER THE GRANT PROGRAM; TO
6 PROVIDE THE MAXIMUM AMOUNT OF GRANTS AUTHORIZED UNDER THE GRANT
7 PROGRAM; TO ESTABLISH CERTAIN ELIGIBILITY REQUIREMENTS FOR THE
8 RECEIPT OF SUCH GRANTS; TO AUTHORIZE THE ISSUANCE OF
9 \$12,500,000.00 WORTH OF STATE GENERAL OBLIGATION BONDS FOR THE
10 PURPOSE OF PROVIDING FUNDS FOR THE GRANT PROGRAM; AND FOR RELATED
11 PURPOSES.

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

13 **SECTION 1.** (1) The Department of Finance and Administration
14 shall establish a disaster grant program to provide grants to
15 individuals who were required to evacuate or vacate a home,
16 apartment, condominium or other real property that they were
17 renting or leasing and occupying as a residence and which
18 sustained damage as a result of Hurricane Katrina. For the
19 purposes of the grant program authorized under this section, the
20 leasehold must have been the primary residence of the applicant at
21 the time of the disaster.

22 (2) The amount of a grant made under this section shall not
23 exceed Seven Hundred Fifty Dollars (\$750.00) a month or one-half
24 (1/2) of the amount of the monthly rent such person was paying
25 under the leasehold at the time of evacuation, whichever is less,
26 not to exceed six (6) months. An individual receiving a grant
27 under this section must present proof at the time of application
28 evidencing that since evacuating the damaged leasehold he or she
29 has entered into another residential lease, purchased a home or
30 entered into contract for the purchase of a home in one (1) of the
31 fifteen (15) southernmost counties of the state.

32 (3) To be eligible for a grant under this section, an
33 individual must:

34 (a) Have been required to evacuate or vacate a home,
35 apartment, condominium or other real property that he or she was
36 renting or leasing and occupying as a residence and which
37 sustained damage as a result of Hurricane Katrina;

38 (b) Not have had renter's insurance or other insurance
39 providing living expenses, relocation expenses or personal
40 property insurance coverage or, if they had such insurance, the
41 coverage was not sufficient to cover the cost of relocating or
42 replacing lost or damaged personal property; and

43 (c) Have entered into another residential lease,
44 purchased a home or entered into contract for the purchase of a
45 home in one (1) of the fifteen (15) southernmost counties of the
46 state.

47 (4) An individual desiring assistance under this section
48 must submit an application to the Department of Finance and
49 Administration. The application must include a description and
50 location of the leasehold vacated or evacuated from, the amount of
51 rent paid, a copy of the new leasehold real estate contract
52 entered into and any other information required by the Department
53 of Finance and Administration.

54 (5) The Department of Finance and Administration shall have
55 all powers necessary to implement and administer the program
56 established under this section, and the Department of Finance and
57 Administration shall promulgate rules and regulations, in
58 accordance with the Mississippi Administrative Procedures Law,
59 necessary for the implementation of this section.

60 (6) There is created in the State Treasury a special fund to
61 be designated as the "Mississippi Disaster Displaced Leaseholder's
62 Grant Fund," which shall consist of funds appropriated or
63 otherwise made available by the Legislature in any manner and
64 funds from any other source designated for deposit into such fund.

65 Unexpended amounts remaining in the fund at the end of a fiscal
66 year shall not lapse into the State General Fund, and any
67 investment earnings or interest earned on amounts in the fund
68 shall be deposited to the credit of the fund. Monies in the fund
69 shall be used by the Department of Finance and Administration for
70 the purposes described in this section.

71 **SECTION 2.** As used in Sections 2 through 17 of this act, the
72 following words shall have the meanings ascribed herein unless the
73 context clearly requires otherwise:

74 (a) "Accreted value" of any bonds means, as of any date
75 of computation, an amount equal to the sum of (i) the stated
76 initial value of such bond, plus (ii) the interest accrued thereon
77 from the issue date to the date of computation at the rate,
78 compounded semiannually, that is necessary to produce the
79 approximate yield to maturity shown for bonds of the same
80 maturity.

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

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

83 **SECTION 3.** (1) The commission, at one time, or from time to
84 time, may declare by resolution the necessity for issuance of
85 general obligation bonds of the State of Mississippi to provide
86 funds for the program authorized in Section 1 of this act. Upon
87 the adoption of a resolution by the Department of Finance and
88 Administration, declaring the necessity for the issuance of any
89 part or all of the general obligation bonds authorized by this
90 section, the Department of Finance and Administration shall
91 deliver a certified copy of its resolution or resolutions to the
92 commission. Upon receipt of such resolution, the commission, in
93 its discretion, may act as the issuing agent, prescribe the form
94 of the bonds, advertise for and accept bids, issue and sell the
95 bonds so authorized to be sold and do any and all other things
96 necessary and advisable in connection with the issuance and sale
97 of such bonds. The total amount of bonds issued under Sections 2

98 through 17 of this act shall not exceed Twelve Million Five
99 Hundred Thousand Dollars (\$12,500,000.00). No bonds shall be
100 issued under Sections 2 through 17 of this act after July 1, 2007.

101 (2) The proceeds of bonds issued pursuant to Sections 2
102 through 17 of this act shall be deposited into the special fund
103 created in Section 1 of this act. Any investment earnings on
104 bonds issued pursuant to Sections 2 through 17 of this act shall
105 be used to pay debt service on bonds issued under Sections 2
106 through 17 of this act, in accordance with the proceedings
107 authorizing issuance of such bonds.

108 **SECTION 4.** The principal of and interest on the bonds
109 authorized under Sections 2 through 17 of this act shall be
110 payable in the manner provided in this section. Such bonds shall
111 bear such date or dates, be in such denomination or denominations,
112 bear interest at such rate or rates (not to exceed the limits set
113 forth in Section 75-17-101, Mississippi Code of 1972), be payable
114 at such place or places within or without the State of
115 Mississippi, shall mature absolutely at such time or times not to
116 exceed twenty-five (25) years from date of issue, be redeemable
117 before maturity at such time or times and upon such terms, with or
118 without premium, shall bear such registration privileges, and
119 shall be substantially in such form, all as shall be determined by
120 resolution of the commission.

121 **SECTION 5.** The bonds authorized by Sections 2 through 17 of
122 this act shall be signed by the chairman of the commission, or by
123 his facsimile signature, and the official seal of the commission
124 shall be affixed thereto, attested by the secretary of the
125 commission. The interest coupons, if any, to be attached to such
126 bonds may be executed by the facsimile signatures of such
127 officers. Whenever any such bonds shall have been signed by the
128 officials designated to sign the bonds who were in office at the
129 time of such signing but who may have ceased to be such officers
130 before the sale and delivery of such bonds, or who may not have

131 been in office on the date such bonds may bear, the signatures of
132 such officers upon such bonds and coupons shall nevertheless be
133 valid and sufficient for all purposes and have the same effect as
134 if the person so officially signing such bonds had remained in
135 office until their delivery to the purchaser, or had been in
136 office on the date such bonds may bear. However, notwithstanding
137 anything herein to the contrary, such bonds may be issued as
138 provided in the Registered Bond Act of the State of Mississippi.

139 **SECTION 6.** All bonds and interest coupons issued under the
140 provisions of Sections 2 through 17 of this act have all the
141 qualities and incidents of negotiable instruments under the
142 provisions of the Uniform Commercial Code, and in exercising the
143 powers granted by Sections 2 through 17 of this act, the
144 commission shall not be required to and need not comply with the
145 provisions of the Uniform Commercial Code.

146 **SECTION 7.** The commission shall act as the issuing agent for
147 the bonds authorized under Sections 2 through 17 of this act,
148 prescribe the form of the bonds, advertise for and accept bids,
149 issue and sell the bonds so authorized to be sold, pay all fees
150 and costs incurred in such issuance and sale, and do any and all
151 other things necessary and advisable in connection with the
152 issuance and sale of such bonds. The commission is authorized and
153 empowered to pay the costs that are incident to the sale, issuance
154 and delivery of the bonds authorized under Sections 2 through 17
155 of this act from the proceeds derived from the sale of such bonds.
156 The commission shall sell such bonds on sealed bids at public
157 sale, and for such price as it may determine to be for the best
158 interest of the State of Mississippi, but no such sale shall be
159 made at a price less than par plus accrued interest to the date of
160 delivery of the bonds to the purchaser. All interest accruing on
161 such bonds so issued shall be payable semiannually or annually;
162 however, the first interest payment may be for any period of not
163 more than one (1) year.

164 Notice of the sale of any such bonds shall be published at
165 least one time, not less than ten (10) days before the date of
166 sale, and shall be so published in one or more newspapers
167 published or having a general circulation in the City of Jackson,
168 Mississippi, and in one or more other newspapers or financial
169 journals with a national circulation, to be selected by the
170 commission.

171 The commission, when issuing any bonds under the authority of
172 Sections 2 through 17 of this act, may provide that bonds, at the
173 option of the State of Mississippi, may be called in for payment
174 and redemption at the call price named therein and accrued
175 interest on such date or dates named therein.

176 **SECTION 8.** The bonds issued under the provisions of Sections
177 2 through 17 of this act are general obligations of the State of
178 Mississippi, and for the payment thereof the full faith and credit
179 of the State of Mississippi is irrevocably pledged. If the funds
180 appropriated by the Legislature are insufficient to pay the
181 principal of and the interest on such bonds as they become due,
182 then the deficiency shall be paid by the State Treasurer from any
183 funds in the State Treasury not otherwise appropriated. All such
184 bonds shall contain recitals on their faces substantially covering
185 the provisions of this section.

186 **SECTION 9.** Upon the issuance and sale of bonds under the
187 provisions of Sections 2 through 17 of this act, the commission
188 shall transfer the proceeds of any such sale or sales to the
189 special fund created in Section 1 of this act. The proceeds of
190 such bonds shall be disbursed solely upon the order of the
191 Department of Finance and Administration under such restrictions,
192 if any, as may be contained in the resolution providing for the
193 issuance of the bonds.

194 **SECTION 10.** The bonds authorized under Sections 2 through 17
195 of this act may be issued without any other proceedings or the
196 happening of any other conditions or things other than those

197 proceedings, conditions and things which are specified or required
198 by Sections 2 through 17 of this act. Any resolution providing
199 for the issuance of bonds under the provisions of Sections 2
200 through 17 of this act shall become effective immediately upon its
201 adoption by the commission, and any such resolution may be adopted
202 at any regular or special meeting of the commission by a majority
203 of its members.

204 **SECTION 11.** The bonds authorized under the authority of
205 Sections 2 through 17 of this act may be validated in the Chancery
206 Court of the First Judicial District of Hinds County, Mississippi,
207 in the manner and with the force and effect provided by Chapter
208 13, Title 31, Mississippi Code of 1972, for the validation of
209 county, municipal, school district and other bonds. The notice to
210 taxpayers required by such statutes shall be published in a
211 newspaper published or having a general circulation in the City of
212 Jackson, Mississippi.

213 **SECTION 12.** Any holder of bonds issued under the provisions
214 of Sections 2 through 17 of this act or of any of the interest
215 coupons pertaining thereto may, either at law or in equity, by
216 suit, action, mandamus or other proceeding, protect and enforce
217 any and all rights granted under Sections 2 through 17 of this
218 act, or under such resolution, and may enforce and compel
219 performance of all duties required by Sections 2 through 17 of
220 this act to be performed, in order to provide for the payment of
221 bonds and interest thereon.

222 **SECTION 13.** All bonds issued under the provisions of
223 Sections 2 through 17 of this act shall be legal investments for
224 trustees and other fiduciaries, and for savings banks, trust
225 companies and insurance companies organized under the laws of the
226 State of Mississippi, and such bonds shall be legal securities
227 which may be deposited with and shall be received by all public
228 officers and bodies of this state and all municipalities and

229 political subdivisions for the purpose of securing the deposit of
230 public funds.

231 **SECTION 14.** Bonds issued under the provisions of Sections 2
232 through 17 of this act and income therefrom shall be exempt from
233 all taxation in the State of Mississippi.

234 **SECTION 15.** The proceeds of the bonds issued under Sections
235 2 through 17 of this act shall be used solely for the purposes
236 therein provided, including the costs incident to the issuance and
237 sale of such bonds.

238 **SECTION 16.** The State Treasurer is authorized, without
239 further process of law, to certify to the Department of Finance
240 and Administration the necessity for warrants, and the Department
241 of Finance and Administration is authorized and directed to issue
242 such warrants, in such amounts as may be necessary to pay when due
243 the principal of, premium, if any, and interest on, or the
244 accreted value of, all bonds issued under Sections 2 through 17 of
245 this act; and the State Treasurer shall forward the necessary
246 amount to the designated place or places of payment of such bonds
247 in ample time to discharge such bonds, or the interest thereon, on
248 the due dates thereof.

249 **SECTION 17.** Sections 2 through 17 of this act shall be
250 deemed to be full and complete authority for the exercise of the
251 powers therein granted, but Sections 2 through 17 of this act
252 shall not be deemed to repeal or to be in derogation of any
253 existing law of this state.

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