

By: Representative Flaggs

To: Ways and Means

HOUSE BILL NO. 1712

1 AN ACT TO ESTABLISH A PROGRAM TO BE ADMINISTERED BY THE
2 MISSISSIPPI DEVELOPMENT AUTHORITY FOR THE PURPOSE OF PROVIDING
3 GRANTS TO MISSISSIPPI FAITH-BASED, NONPROFIT VENTURE CORPORATIONS,
4 OR SIMILAR BUSINESSES, ORGANIZATIONS OR ASSOCIATIONS TO ASSIST
5 INDIVIDUALS AND FAMILIES THAT HAVE SUFFERED PHYSICAL, EMOTIONAL OR
6 FINANCIAL HARDSHIP OR LOSS AS A RESULT OF THE EFFECTS OF HURRICANE
7 KATRINA; TO AUTHORIZE THE ISSUANCE OF \$100,000,000.00 IN STATE
8 GENERAL OBLIGATION BONDS TO PROVIDE FUNDS FOR SUCH PURPOSES; AND
9 FOR RELATED PURPOSES.

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

11 **SECTION 1.** As used in this act, the following words
12 shall have the meanings ascribed herein unless the context clearly
13 requires otherwise:

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

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

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

23 **SECTION 2.** (1) There is established a program to be
24 administered by the Mississippi Development Authority (MDA) for
25 the purpose of providing grants to Mississippi faith-based,
26 nonprofit venture capital corporations, or similar businesses,
27 organizations or associations that qualify under Section 501(c)(3)
28 of the Internal Revenue Code, hereinafter referred to as
29 "businesses." Businesses that qualify for and receive grants
30 under the program shall expend monies they receive from the MDA

31 for the purpose of assisting individuals and families that have
32 suffered physical, emotional or financial hardship or loss as a
33 result of the effects of Hurricane Katrina and, more specifically,
34 to:

35 (a) Identify and fill gaps in weak areas in the
36 delivery of governmental and nongovernmental services and benefits
37 to Katrina victims;

38 (b) Develop a model for community transitioning from
39 trailers and temporary housing to permanent and safer housing;

40 (c) Establish and conduct classes and instructional
41 programs in social, family and community development designed to
42 help families in identifying problem areas that could hinder
43 successful transition to community living;

44 (d) Develop effective fresh-start programs for
45 Hurricane Katrina survivors who have been devastated financially
46 and assist such survivors in establishing and reestablishing
47 destroyed businesses and securing jobs; and

48 (e) Organize and streamline an effective delivery
49 system of services, benefits, programs and information resources
50 to accomplish current Katrina initiatives.

51 (2) The MDA shall establish criteria for selecting the
52 businesses that qualify for receipt of the grants and the amount
53 of the grants to be made to businesses.

54 (3) A business desiring to qualify for the receipt of a
55 grant under this section must submit an application to the MDA.
56 The application must include a description of the purpose for
57 which a grant is requested, the amount of the grant requested and
58 any other information required by the MDA.

59 (4) The MDA shall have all powers necessary to implement and
60 administer the program established under this section, and the MDA
61 shall promulgate rules and regulations, in accordance with the
62 Mississippi Administrative Procedures Law, necessary for the
63 implementation of this section.

64 (5) There is created in the State Treasury a special fund
65 which shall consist of funds appropriated or otherwise made
66 available by the Legislature in any manner and funds from any
67 other source designated for deposit into such fund. Unexpended
68 amounts remaining in the fund at the end of a fiscal year shall
69 not lapse into the State General Fund, and any investment earnings
70 or interest earned on amounts in the fund shall be deposited to
71 the credit of the fund. Monies in the fund shall be used by the
72 MDA for the purposes described in this section.

73 **SECTION 3.** (1) The commission, at one time, or from time to
74 time, may declare by resolution the necessity for issuance of
75 general obligation bonds of the State of Mississippi to provide
76 funds for the program authorized in Section 2 of this act. Upon
77 the adoption of a resolution by the Mississippi Development
78 Authority, declaring the necessity for the issuance of any part or
79 all of the general obligation bonds authorized by this section,
80 the Mississippi Development Authority shall deliver a certified
81 copy of its resolution or resolutions to the commission. Upon
82 receipt of such resolution, the commission, in its discretion, may
83 act as the issuing agent, prescribe the form of the bonds,
84 advertise for and accept bids, issue and sell the bonds so
85 authorized to be sold and do any and all other things necessary
86 and advisable in connection with the issuance and sale of such
87 bonds. The total amount of bonds issued under this act shall not
88 exceed One Hundred Million Dollars (\$100,000,000.00). No bonds
89 shall be issued under this act after July 1, 2010.

90 (2) The proceeds of bonds issued pursuant to this act shall
91 be deposited into the special fund created pursuant to Section 2
92 of this act. Any investment earnings on bonds issued pursuant to
93 this act shall be used to pay debt service on bonds issued under
94 this act, in accordance with the proceedings authorizing issuance
95 of such bonds.

96 **SECTION 4.** The principal of and interest on the bonds
97 authorized under this act shall be payable in the manner provided
98 in this section. Such bonds shall bear such date or dates, be in
99 such denomination or denominations, bear interest at such rate or
100 rates (not to exceed the limits set forth in Section 75-17-101,
101 Mississippi Code of 1972), be payable at such place or places
102 within or without the State of Mississippi, shall mature
103 absolutely at such time or times not to exceed twenty-five (25)
104 years from date of issue, be redeemable before maturity at such
105 time or times and upon such terms, with or without premium, shall
106 bear such registration privileges, and shall be substantially in
107 such form, all as shall be determined by resolution of the
108 commission.

109 **SECTION 5.** The bonds authorized by this act shall be signed
110 by the chairman of the commission, or by his facsimile signature,
111 and the official seal of the commission shall be affixed thereto,
112 attested by the secretary of the commission. The interest
113 coupons, if any, to be attached to such bonds may be executed by
114 the facsimile signatures of such officers. Whenever any such
115 bonds shall have been signed by the officials designated to sign
116 the bonds who were in office at the time of such signing but who
117 may have ceased to be such officers before the sale and delivery
118 of such bonds, or who may not have been in office on the date such
119 bonds may bear, the signatures of such officers upon such bonds
120 and coupons shall nevertheless be valid and sufficient for all
121 purposes and have the same effect as if the person so officially
122 signing such bonds had remained in office until their delivery to
123 the purchaser, or had been in office on the date such bonds may
124 bear. However, notwithstanding anything herein to the contrary,
125 such bonds may be issued as provided in the Registered Bond Act of
126 the State of Mississippi.

127 **SECTION 6.** All bonds and interest coupons issued under the
128 provisions of this act have all the qualities and incidents of

129 negotiable instruments under the provisions of the Uniform
130 Commercial Code, and in exercising the powers granted by this act,
131 the commission shall not be required to and need not comply with
132 the provisions of the Uniform Commercial Code.

133 **SECTION 7.** The commission shall act as the issuing agent for
134 the bonds authorized under this act, prescribe the form of the
135 bonds, advertise for and accept bids, issue and sell the bonds so
136 authorized to be sold, pay all fees and costs incurred in such
137 issuance and sale, and do any and all other things necessary and
138 advisable in connection with the issuance and sale of such bonds.
139 The commission is authorized and empowered to pay the costs that
140 are incident to the sale, issuance and delivery of the bonds
141 authorized under this act from the proceeds derived from the sale
142 of such bonds. The commission shall sell such bonds on sealed
143 bids at public sale, and for such price as it may determine to be
144 for the best interest of the State of Mississippi, but no such
145 sale shall be made at a price less than par plus accrued interest
146 to the date of delivery of the bonds to the purchaser. All
147 interest accruing on such bonds so issued shall be payable
148 semiannually or annually; however, the first interest payment may
149 be for any period of not more than one (1) year.

150 Notice of the sale of any such bonds shall be published at
151 least one time, not less than ten (10) days before the date of
152 sale, and shall be so published in one or more newspapers
153 published or having a general circulation in the City of Jackson,
154 Mississippi, and in one or more other newspapers or financial
155 journals with a national circulation, to be selected by the
156 commission.

157 The commission, when issuing any bonds under the authority of
158 this act, may provide that bonds, at the option of the State of
159 Mississippi, may be called in for payment and redemption at the
160 call price named therein and accrued interest on such date or
161 dates named therein.

162 **SECTION 8.** The bonds issued under the provisions of this act
163 are general obligations of the State of Mississippi, and for the
164 payment thereof the full faith and credit of the State of
165 Mississippi is irrevocably pledged. If the funds appropriated by
166 the Legislature are insufficient to pay the principal of and the
167 interest on such bonds as they become due, then the deficiency
168 shall be paid by the State Treasurer from any funds in the State
169 Treasury not otherwise appropriated. All such bonds shall contain
170 recitals on their faces substantially covering the provisions of
171 this section.

172 **SECTION 9.** Upon the issuance and sale of bonds under the
173 provisions of this act, the commission shall transfer the proceeds
174 of any such sale or sales to the special fund created in Section 2
175 of this act. The proceeds of such bonds shall be disbursed solely
176 upon the order of the Mississippi Development Authority under such
177 restrictions, if any, as may be contained in the resolution
178 providing for the issuance of the bonds.

179 **SECTION 10.** The bonds authorized under this act may be
180 issued without any other proceedings or the happening of any other
181 conditions or things other than those proceedings, conditions and
182 things which are specified or required by this act. Any
183 resolution providing for the issuance of bonds under the
184 provisions of this act shall become effective immediately upon its
185 adoption by the commission, and any such resolution may be adopted
186 at any regular or special meeting of the commission by a majority
187 of its members.

188 **SECTION 11.** The bonds authorized under the authority of this
189 act may be validated in the Chancery Court of the First Judicial
190 District of Hinds County, Mississippi, in the manner and with the
191 force and effect provided by Chapter 13, Title 31, Mississippi
192 Code of 1972, for the validation of county, municipal, school
193 district and other bonds. The notice to taxpayers required by

194 such statutes shall be published in a newspaper published or
195 having a general circulation in the City of Jackson, Mississippi.

196 **SECTION 12.** Any holder of bonds issued under the provisions
197 of this act or of any of the interest coupons pertaining thereto
198 may, either at law or in equity, by suit, action, mandamus or
199 other proceeding, protect and enforce any and all rights granted
200 under this act, or under such resolution, and may enforce and
201 compel performance of all duties required by this act to be
202 performed, in order to provide for the payment of bonds and
203 interest thereon.

204 **SECTION 13.** All bonds issued under the provisions of this
205 act shall be legal investments for trustees and other fiduciaries,
206 and for savings banks, trust companies and insurance companies
207 organized under the laws of the State of Mississippi, and such
208 bonds shall be legal securities which may be deposited with and
209 shall be received by all public officers and bodies of this state
210 and all municipalities and political subdivisions for the purpose
211 of securing the deposit of public funds.

212 **SECTION 14.** Bonds issued under the provisions of this act
213 and income therefrom shall be exempt from all taxation in the
214 State of Mississippi.

215 **SECTION 15.** The proceeds of the bonds issued under this act
216 shall be used solely for the purposes therein provided, including
217 the costs incident to the issuance and sale of such bonds.

218 **SECTION 16.** The State Treasurer is authorized, without
219 further process of law, to certify to the Department of Finance
220 and Administration the necessity for warrants, and the Department
221 of Finance and Administration is authorized and directed to issue
222 such warrants, in such amounts as may be necessary to pay when due
223 the principal of, premium, if any, and interest on, or the
224 accreted value of, all bonds issued under this act; and the State
225 Treasurer shall forward the necessary amount to the designated
226 place or places of payment of such bonds in ample time to

227 discharge such bonds, or the interest thereon, on the due dates
228 thereof.

229 **SECTION 17.** This act shall be deemed to be full and complete
230 authority for the exercise of the powers therein granted, but this
231 act shall not be deemed to repeal or to be in derogation of any
232 existing law of this state.

233 **SECTION 18.** This act shall take effect and be in force from
234 and after July 1, 2007.