

By: Representative Creekmore IV

To: Ways and Means

HOUSE BILL NO. 234

1 AN ACT TO ESTABLISH A GRANT PROGRAM TO BE ADMINISTERED BY THE  
 2 MISSISSIPPI DEVELOPMENT AUTHORITY FOR THE PURPOSE OF MAKING GRANTS  
 3 TO MUNICIPALITIES AND COUNTIES TO ASSIST WITH THE ESTABLISHMENT,  
 4 DEVELOPMENT AND PROMOTION OF TRAILS AND TRAILS RELATED ACTIVITIES  
 5 AND THE PROMOTION OF TOURISM AND OTHER BUSINESS AND ECONOMIC  
 6 DEVELOPMENT PURPOSES ASSOCIATED WITH SUCH TRAILS AND TRAILS  
 7 RELATED ACTIVITIES; TO CREATE A SPECIAL FUND IN THE STATE  
 8 TREASURY, DESIGNATED AS THE "MUNICIPALITIES AND COUNTIES TRAILS  
 9 FUND"; TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS  
 10 TO PROVIDE FUNDS FOR THE "MUNICIPALITIES AND COUNTIES TRAILS  
 11 FUND"; AND FOR RELATED PURPOSES.

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

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

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

17 (b) "Trails" means bicycle trails, hiking trails, horse  
 18 riding trails, nature trails, rail trails, walking trails, water  
 19 trails, all-terrain vehicle (ATV) trails and other types of trails  
 20 as determined by the MDA.

21 (2) (a) There is hereby created in the State Treasury a  
 22 special fund to be designated as the "Municipalities and Counties



23 Trails Fund," which shall consist of funds appropriated or  
24 otherwise made available by the Legislature in any manner and  
25 funds from any other source designated for deposit into such fund.  
26 Unexpended amounts remaining in the fund at the end of a fiscal  
27 year shall not lapse into the State General Fund, and any  
28 investment earnings or interest earned on amounts in the fund  
29 shall be deposited to the credit of the fund. Monies in the fund  
30 shall be used to make grants to municipalities and counties as  
31 provided in this section.

32 (3) (a) The MDA shall establish a program to provide grants  
33 to municipalities and counties to assist with the establishment,  
34 development and promotion of trails and trails related activities  
35 and the promotion of tourism and other business and economic  
36 development purposes associated with such trails and trails  
37 related activities.

38 (b) A county or municipality desiring a grant under  
39 this section must submit an application to the MDA. The  
40 application must include a description of the purpose for which  
41 the grant is requested, the amount of the grant requested and any  
42 other information required by the MDA. The maximum amount of a  
43 grant made to a municipality or a county under this section cannot  
44 exceed Fifty Thousand Dollars (\$50,000.00).

45 (4) The MDA shall have all powers necessary to implement and  
46 administer the program established under this section, and the MDA  
47 shall promulgate rules and regulations, in accordance with the



48 Mississippi Administrative Procedures Law, necessary for the  
49 implementation of this section.

50 (5) The MDA shall file an annual report with the Governor,  
51 the Secretary of the Senate and the Clerk of the House of  
52 Representatives not later than December 1 of each year, describing  
53 all assistance provided under this section.

54 **SECTION 2.** (1) As used in this section, the following words  
55 shall have the meanings ascribed herein unless the context clearly  
56 requires otherwise:

57 (a) "Accreted value" of any bonds means, as of any date  
58 of computation, an amount equal to the sum of (i) the stated  
59 initial value of such bond, plus (ii) the interest accrued thereon  
60 from the issue date to the date of computation at the rate,  
61 compounded semiannually, that is necessary to produce the  
62 approximate yield to maturity shown for bonds of the same  
63 maturity.

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

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

66 (2) (a) The Mississippi Development Authority, at one time,  
67 or from time to time, may declare by resolution the necessity for  
68 issuance of general obligation bonds of the State of Mississippi  
69 to provide funds for the program authorized in Section 1 of this  
70 act. Upon the adoption of a resolution by the Mississippi  
71 Development Authority declaring the necessity for the issuance of  
72 any part or all of the general obligation bonds authorized by this



73 subsection, the Mississippi Development Authority shall deliver a  
74 certified copy of its resolution or resolutions to the commission.  
75 Upon receipt of such resolution, the commission, in its  
76 discretion, may act as the issuing agent, prescribe the form of  
77 the bonds, determine the appropriate method for sale of the bonds,  
78 advertise for and accept bids or negotiate the sale of the bonds,  
79 issue and sell the bonds so authorized to be sold, and do any and  
80 all other things necessary and advisable in connection with the  
81 issuance and sale of such bonds. The total amount of bonds issued  
82 under this section shall not exceed One Million Dollars  
83 (\$1,000,000.00). No bonds authorized under this section shall be  
84 issued after July 1, 2027.

85 (b) The proceeds of bonds issued pursuant to this  
86 section shall be deposited into the Municipalities and Counties  
87 Trails Fund created pursuant to Section 1 of this act. Any  
88 investment earnings on bonds issued pursuant to this section shall  
89 be used to pay debt service on bonds issued under this section, in  
90 accordance with the proceedings authorizing issuance of such  
91 bonds.

92 (3) The principal of and interest on the bonds authorized  
93 under this section shall be payable in the manner provided in this  
94 subsection. Such bonds shall bear such date or dates, be in such  
95 denomination or denominations, bear interest at such rate or rates  
96 (not to exceed the limits set forth in Section 75-17-101,  
97 Mississippi Code of 1972), be payable at such place or places



98 within or without the State of Mississippi, shall mature  
99 absolutely at such time or times not to exceed twenty-five (25)  
100 years from date of issue, be redeemable before maturity at such  
101 time or times and upon such terms, with or without premium, shall  
102 bear such registration privileges, and shall be substantially in  
103 such form, all as shall be determined by resolution of the  
104 commission.

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



123           (5) All bonds and interest coupons issued under the  
124 provisions of this section have all the qualities and incidents of  
125 negotiable instruments under the provisions of the Uniform  
126 Commercial Code, and in exercising the powers granted by this  
127 section, the commission shall not be required to and need not  
128 comply with the provisions of the Uniform Commercial Code.

129           (6) The commission shall act as the issuing agent for the  
130 bonds authorized under this section, prescribe the form of the  
131 bonds, determine the appropriate method for sale of the bonds,  
132 advertise for and accept bids or negotiate the sale of the bonds,  
133 issue and sell the bonds so authorized to be sold, pay all fees  
134 and costs incurred in such issuance and sale, and do any and all  
135 other things necessary and advisable in connection with the  
136 issuance and sale of such bonds. The commission is authorized and  
137 empowered to pay the costs that are incident to the sale, issuance  
138 and delivery of the bonds authorized under this section from the  
139 proceeds derived from the sale of such bonds. The commission  
140 shall sell such bonds on sealed bids at public sale or may  
141 negotiate the sale of the bonds for such price as it may determine  
142 to be for the best interest of the State of Mississippi. All  
143 interest accruing on such bonds so issued shall be payable  
144 semiannually or annually.

145           If the bonds are to be sold on sealed bids at public sale,  
146 notice of the sale of any such bonds shall be published at least  
147 one time, not less than ten (10) days before the date of sale, and



148 shall be so published in one or more newspapers published or  
149 having a general circulation in the City of Jackson, Mississippi,  
150 selected by the commission.

151 The commission, when issuing any bonds under the authority of  
152 this section, may provide that bonds, at the option of the State  
153 of Mississippi, may be called in for payment and redemption at the  
154 call price named therein and accrued interest on such date or  
155 dates named therein.

156 (7) The bonds issued under the provisions of this section  
157 are general obligations of the State of Mississippi, and for the  
158 payment thereof the full faith and credit of the State of  
159 Mississippi is irrevocably pledged. If the funds appropriated by  
160 the Legislature are insufficient to pay the principal of and the  
161 interest on such bonds as they become due, then the deficiency  
162 shall be paid by the State Treasurer from any funds in the State  
163 Treasury not otherwise appropriated. All such bonds shall contain  
164 recitals on their faces substantially covering the provisions of  
165 this subsection.

166 (8) Upon the issuance and sale of bonds under the provisions  
167 of this section, the commission shall transfer the proceeds of any  
168 such sale or sales to the Municipalities and Counties Trails Fund  
169 created in Section 1 of this act. The proceeds of such bonds  
170 shall be disbursed solely upon the order of the Mississippi  
171 Development Authority under such restrictions, if any, as may be



172 contained in the resolution providing for the issuance of the  
173 bonds.

174 (9) The bonds authorized under this section may be issued  
175 without any other proceedings or the happening of any other  
176 conditions or things other than those proceedings, conditions and  
177 things which are specified or required by this section. Any  
178 resolution providing for the issuance of bonds under the  
179 provisions of this section shall become effective immediately upon  
180 its adoption by the commission, and any such resolution may be  
181 adopted at any regular or special meeting of the commission by a  
182 majority of its members.

183 (10) The bonds authorized under the authority of this  
184 section may be validated in the Chancery Court of the First  
185 Judicial District of Hinds County, Mississippi, in the manner and  
186 with the force and effect provided by Chapter 13, Title 31,  
187 Mississippi Code of 1972, for the validation of county, municipal,  
188 school district and other bonds. The notice to taxpayers required  
189 by such statutes shall be published in a newspaper published or  
190 having a general circulation in the City of Jackson, Mississippi.

191 (11) Any holder of bonds issued under the provisions of this  
192 section or of any of the interest coupons pertaining thereto may,  
193 either at law or in equity, by suit, action, mandamus or other  
194 proceeding, protect and enforce any and all rights granted under  
195 this section, or under such resolution, and may enforce and compel  
196 performance of all duties required by this section to be





197 performed, in order to provide for the payment of bonds and  
198 interest thereon.

199 (12) All bonds issued under the provisions of this section  
200 shall be legal investments for trustees and other fiduciaries, and  
201 for savings banks, trust companies and insurance companies  
202 organized under the laws of the State of Mississippi, and such  
203 bonds shall be legal securities which may be deposited with and  
204 shall be received by all public officers and bodies of this state  
205 and all municipalities and political subdivisions for the purpose  
206 of securing the deposit of public funds.

207 (13) Bonds issued under the provisions of this section and  
208 income therefrom shall be exempt from all taxation in the State of  
209 Mississippi.

210 (14) The proceeds of the bonds issued under this section  
211 shall be used solely for the purposes therein provided, including  
212 the costs incident to the issuance and sale of such bonds.

213 (15) The State Treasurer is authorized, without further  
214 process of law, to certify to the Department of Finance and  
215 Administration the necessity for warrants, and the Department of  
216 Finance and Administration is authorized and directed to issue  
217 such warrants, in such amounts as may be necessary to pay when due  
218 the principal of, premium, if any, and interest on, or the  
219 accreted value of, all bonds issued under this section; and the  
220 State Treasurer shall forward the necessary amount to the  
221 designated place or places of payment of such bonds in ample time



222 to discharge such bonds, or the interest thereon, on the due dates  
223 thereof.

224 (16) This section shall be deemed to be full and complete  
225 authority for the exercise of the powers therein granted, but this  
226 section shall not be deemed to repeal or to be in derogation of  
227 any existing law of this state.

228 **SECTION 3.** This act shall take effect and be in force from  
229 and after July 1, 2023.

