

By: Senator(s) McCaughn

To: Tourism

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2696

1 AN ACT TO AMEND SECTIONS 57-78-3 AND 57-78-5, MISSISSIPPI
2 CODE OF 1972, TO TRANSFER THE ADMINISTRATION OF THE MISSISSIPPI
3 MAIN STREET REVITALIZATION GRANT PROGRAM FROM THE MISSISSIPPI
4 DEVELOPMENT AUTHORITY TO THE DEPARTMENT OF FINANCE AND
5 ADMINISTRATION; TO EXPAND GRANT PROGRAM ELIGIBILITY; TO ALLOW
6 APPLICANTS THAT DID NOT RECEIVE A GRANT THE PRIOR YEAR TO TAKE
7 PRIORITY FOR GRANTS GRANTED THE FOLLOWING YEAR; TO AMEND THE
8 EASEMENT REQUIREMENTS FOR GRANTEES; TO BRING FORWARD SECTIONS
9 57-78-1, 57-1-601 AND 57-123-11, MISSISSIPPI CODE OF 1972, FOR THE
10 PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-78-1, Mississippi Code of 1972, is
13 brought forward as follows:

14 57-78-1. This act shall be known and may be cited as the
15 "Mississippi Main Street Revitalization Grant Program Act."

16 **SECTION 2.** Section 57-78-3, Mississippi Code of 1972, is
17 amended as follows:

18 57-78-3. The Mississippi Main Street Revitalization Grant
19 Program Act will authorize the Legislature, as well as the * * *
20 Department of Finance and Administration through appropriations by
21 the Legislature, to make grants available to * * * eligible



22 recipients for projects leading to the revitalization of
23 Mississippi's downtowns or communities.

24 **SECTION 3.** Section 57-78-5, Mississippi Code of 1972, is
25 amended as follows:

26 57-78-5. (1) For the purposes of this section:

27 (a) "Eligible recipient" means a:

28 (i) Main Street Designated Community, or local
29 Main Street program that has achieved and maintained Designated
30 Community Status by the Mississippi Main Street Association

31 (MMSA), that is a good-standing member of the MMSA, has obtained

32 Section 501(c)(3) tax-exempt status or Section 501(c)(6)

33 tax-exempt status from the Internal Revenue Service and possesses
34 matching funds to match twenty percent (20%) of the total project
35 cost * * *;

36 (ii) Main Street Designated Community * * *;

37 (iii) Main Street Associate Community;

38 (iv) Cities located in Mississippi that otherwise
39 meets the requirements of this act; or

40 (v) Business improvement districts that otherwise
41 meets the requirements of this act.

42 * * *

43 (* * *b) "Matching funds" means cash funds that are
44 either in the applicant's possession or proposed by a match
45 partner and clearly identified in a support letter and are



46 reserved for the proposed project. No state funds may be included
47 in determining the amount of the match.

48 (* * * c) " * * * Administrator" means the Mississippi
49 Main Street Association.

50 (2) The * * * administrator shall accept applications from
51 eligible recipients, prioritize their applications and submit a
52 list of suggested recipients to the Legislature no later than
53 December of each year. Applicants which did not receive an award
54 the prior year shall receive priority for a grant the following
55 year. * * * The Legislature shall review the submitted list and
56 determine the projects for which to award grants to eligible
57 recipients through the Mississippi Development Authority in an
58 appropriation bill. The * * * administrator will consider
59 projects in relation to the following criteria:

- 60 (a) The demonstration of local financial need;
- 61 (b) Projects that demonstrate high local impact;
- 62 (c) Projects that produce a high level of public
63 benefit;
- 64 (d) Projects that demonstrate best practices in
65 preservation;
- 66 (e) Projects that will have local administration and
67 implementation capacity;
- 68 (f) The distribution of geographic size and location of
69 the project;
- 70 (g) Projects that will be completed on time; and



71 (h) * * * Projects that are according to the Main
72 Street approach or a comparable community plan.

73 (3) The * * * Department of Finance and Administration shall
74 provide grant funds to the * * * eligible recipients under this
75 section on a reimbursement basis, not to exceed Five Hundred
76 Thousand Dollars (\$500,000.00) per community each year, and
77 grantees shall not receive compensation for their required twenty
78 percent (20%) local match. Main Street Designated Communities
79 with a population of less than ten thousand (10,000), shall be
80 required to have a local cash match of ten percent (10%) for the
81 first One Hundred Thousand Dollars (\$100,000.00) requested, then
82 will be required to have a local cash match of twenty percent
83 (20%) for any amount over One Hundred Thousand Dollars
84 (\$100,000.00).

85 (4) Eligible costs for the expenditure of grant funds
86 include the acquisition of land and any improvements thereon,
87 preservation of historic downtown structures and sites, and
88 initiatives that will produce a revitalization to the economy of
89 the historic downtown areas.

90 (5) Grants may be awarded for prospective purchases or for
91 acquisitions of which the applicant has closed. In the latter
92 case, the applicant shall demonstrate:

93 (a) The closing occurred no more than twelve (12)
94 months prior to the date of application for the grant; and



95 (b) The subject purchase was made to help preserve and
96 revitalize the location and economy of a historic downtown
97 community.

98 (6) * * * Applicants must contact the Mississippi Department
99 of Archives and History as part of the application process to
100 determine if the property they have acquired or wish to acquire is
101 eligible for or already listed in the National Register of
102 Historic Places ("historic"). Properties will be evaluated, and
103 historic eligibility will be determined by the Mississippi
104 Department of Archives and History using the National Register of
105 Historic Places Criteria for Evaluation.

106 (a) All organizations that are awarded a grant for a
107 project involving a historic property shall grant an easement on
108 that property that will place reasonable restrictions on the use
109 or development of the land and building(s).

110 (i) The Mississippi Department of Archives and
111 History shall be the easement holder for all historic downtown
112 properties. Any eligible historic downtown property will require
113 an executed easement with a term limit based on the awarded grant
114 amount. Projects receiving One Dollar (\$1.00) to Two Hundred
115 Fifty Thousand Dollars (\$250,000.00) will require a ten-year
116 minimum preservation easement and Two Hundred Fifty Thousand One
117 Dollars (\$250,001.00) to Five Hundred Thousand Dollars
118 (\$500,000.00) will require a fifteen-year minimum preservation
119 easement.



120 (ii) In cases where the easement is granted to a
121 holder other than the Mississippi Department of Archives and
122 History, all terms and conditions of the easement shall be
123 reviewed by and found by the Mississippi Department of Archives
124 and History to accomplish the preservation of the historic
125 downtown property. Such other holder shall demonstrate to the
126 Department of Finance and Administration that it has the capacity
127 and expertise to manage and enforce the terms of the easement.

128 (iii) The plans and specifications for any project
129 requiring a preservation easement shall be developed in accordance
130 with the "Secretary of the Interior's Standards for the Treatment
131 of Historic Properties."

132 (b) Any project involving a property that the
133 Mississippi Department of Archives and History has determined to
134 be non-historic will not require an easement.

135 (7) Grantees must adhere to Mississippi state procedures and
136 guidelines relating to the implementation and financing of the
137 approved project. Grantees must also submit any and all audit and
138 financial statements as required by the State of Mississippi.

139 (8) Nothing in this section shall preclude the subsequent
140 transfer or assignment by a state agency or other owner or holder
141 of any property interest acquired pursuant to this section to the
142 State of Mississippi, the county, city, town or municipality in
143 which the land is located, for the purpose of further preserving,
144 improving or maintaining the downtown property. The * * *



145 Department of Finance and Administration shall facilitate
146 transfers and assignments of any such interests held by the
147 department.

148 (9) There is created in the State Treasury a special fund to
149 be known as the "Mississippi Main Street Revitalization Grant
150 Program Fund," which shall consist of funds made available by the
151 Legislature in any manner, funds received as grants, endowments or
152 gifts from the federal government, its agencies and
153 instrumentalities, and funds from any other source designated for
154 deposit into such fund. The fund shall be maintained by the State
155 Treasurer as a separate and special fund, separate and apart from
156 the General Fund of the state. Unexpended amounts remaining in
157 the fund at the end of a fiscal year shall not lapse into the
158 State General Fund, and any investment earnings or interest earned
159 on amounts in the fund shall be deposited to the credit of the
160 fund. Monies in the fund shall be used by the * * * Department of
161 Finance and Administration, upon appropriation by the Legislature,
162 for the purposes provided in this section.

163 (10) The * * * Department of Finance and Administration
164 shall administer the fund and establish guidelines for the
165 expenditure of grant funds and reports relating to the expenditure
166 of grant funds. The department may utilize no more than two
167 percent (2%) of the amount of funds deposited into the Mississippi
168 Main Street Revitalization Grant Fund for administrative expenses
169 in carrying out its duties under this section.



170 (11) To carry out this act, the * * * Department of Finance
171 and Administration may enter into cooperative agreements with
172 entities in the public and private sectors, including:

- 173 (a) Colleges and universities;
- 174 (b) Historical societies;
- 175 (c) State and local agencies; and
- 176 (d) Nonprofit organizations.

177 (12) To develop cooperative land-use strategies and conduct
178 activities that facilitate the conservation of the historic,
179 cultural, natural and scenic resources, the * * * Department of
180 Finance and Administration may require that recipients seek and
181 secure technical assistance from the * * * administrator, to the
182 extent that a recipient of technical assistance is engaged in the
183 protection, interpretation or commemoration of historically
184 significant property in the area in and around the historic
185 downtown site. The * * * administrator will provide
186 administrative support to * * * eligible recipients to ensure
187 proper grant administration and project implementation.

188 **SECTION 4.** Section 57-1-601, Mississippi Code of 1972, is
189 brought forward as follows:

190 57-1-601. (1) For the purposes of this section, the
191 following words shall have the following meanings ascribed in this
192 section, unless the context clearly otherwise requires:

- 193 (a) "MDA" means the Mississippi Development Authority.



194 (b) "Municipality" means any municipality with a
195 population of less than fifteen thousand (15,000) according to the
196 latest federal decennial census at the time the municipality
197 submits an application to the MDA under this section.

198 (c) "Revitalization zone" means an area in the
199 municipality officially designated by ordinance or resolution of
200 the governing authorities of the municipality as a revitalization
201 zone and approved and certified by the MDA as meeting the
202 requirements of this section.

203 (2) (a) There is created in the State Treasury a special
204 fund to be designated as the "Mississippi Main Street Investment
205 Grant Fund" which shall consist of funds from any source
206 designated for deposit into the fund. Unexpended amounts
207 remaining in the fund at the end of a fiscal year shall not lapse
208 into the State General Fund, and any interest earned on amounts in
209 the fund shall be deposited to the credit of the fund. Monies in
210 the fund shall be used by the MDA for the purposes authorized in
211 subsection (3) of this section. In addition, monies remaining in
212 the fund on April 21, 2023, shall be used for such purposes solely
213 to provide grant funds to a municipality that, prior to January 1,
214 2023, has received and/or been approved to receive grant funds
215 under this section for a revitalization zone project or projects
216 commenced before January 1, 2023.

217 (b) Monies in the fund which are derived from the
218 proceeds of general obligation bonds or provided by the



219 Legislature may be used to reimburse reasonable actual and
220 necessary costs incurred by the MDA in providing grants under this
221 section through the use of proceeds of such general obligation
222 bonds. An accounting of actual costs incurred for which
223 reimbursement is sought shall be maintained for the program.
224 Reimbursement of reasonable actual and necessary costs for
225 assistance shall not exceed three percent (3%) of the proceeds of
226 bonds issued for such assistance or the monies provided by the
227 Legislature. Reimbursements made under this subsection shall
228 satisfy any applicable federal tax law requirements.

229 (3) The MDA shall establish a program to make grants to a
230 municipality to assist with maintaining and improving the
231 viability of revitalization zones. The proceeds of a grant made
232 to a municipality under this section may be used for maintaining
233 and/or improving the viability of a revitalization zone through
234 means deemed appropriate by the governing authorities of a
235 municipality, including, but not limited to, making loans, grants
236 and/or other forms of assistance to any person or public or
237 private association or other entity for use for infrastructure
238 projects, improvements to properties, signage and other purposes
239 related to maintaining and/or improving the viability of the
240 revitalization zone.

241 (4) (a) If a municipality desires a grant under this
242 section, the municipality shall submit an application to the MDA
243 seeking (i) approval and certification of the proposed



244 revitalization zone and (ii) a grant for the purposes authorized
245 in this section. The application shall include, at a minimum:

246 1. The name of the proposed revitalization
247 zone, together with the words, "revitalization zone";

248 2. A description of the revitalization zone
249 by metes and bounds;

250 3. A map showing the parcels of real property
251 included in the revitalization zone and the present use of such
252 parcels;

253 4. A master plan for the revitalization zone
254 that has been approved by sixty percent (60%) of the property
255 owners within the zone at the time the municipality submits the
256 application; and

257 5. Any other information required by the MDA.
258 The governing authorities of a municipality may designate the
259 boundaries of a proposed revitalization zone by adoption of an
260 ordinance or resolution that is spread upon its minutes and
261 describes the boundaries of the zone.

262 (b) The MDA shall review the application to confirm
263 that the revitalization zone meets the requirements of this
264 section. A revitalization zone may embrace two (2) or more
265 separate parcels of real property, and such property may be
266 publicly and/or privately owned. Each revitalization zone shall
267 be of such size and form as to include all properties that, in the
268 determination of the municipality and the MDA, constitute an



269 integral part of the revitalization zone. If the MDA determines
270 that the boundaries of the proposed revitalization zone exceed the
271 area that is reasonably deemed to be integral to the
272 revitalization zone, the MDA may reduce the boundaries of the
273 proposed area. Upon the approval and selection of a municipal
274 revitalization zone project, the MDA shall certify the
275 revitalization zone.

276 (c) Notwithstanding any other provision of this
277 section, the MDA shall not accept or approve any application for a
278 grant or grants under this section after April 21, 2023.

279 (5) The MDA shall have all powers necessary to implement and
280 administer the program established under this section, and the MDA
281 shall promulgate rules and regulations, in accordance with the
282 Mississippi Administrative Procedures Law, necessary for the
283 implementation of this section.

284 (6) This section shall stand repealed on the first day of
285 the next month following the date that all monies in the
286 Mississippi Main Street Investment Grant Fund have been disbursed
287 to provide grant funds to a municipality described in subsection
288 (2) of this section.

289 **SECTION 5.** Section 57-123-11, Mississippi Code of 1972, is
290 brought forward as follows:

291 57-123-11. (1) The Department of Finance and Administration
292 shall establish a program for the purpose of providing funds to
293 Mississippi Main Street Association as provided in this section.



294 Monies disbursed by the Department of Finance and Administration
295 under this section shall be disbursed in compliance with all
296 requirements and/or conditions on funds appropriated from the
297 Coronavirus State Fiscal Recovery Fund for the program established
298 under this section.

299 (a) For the first round of grants, the Department of
300 Finance and Administration shall disburse funds under this section
301 to Mississippi Main Street Association to be used for the purpose
302 of making revitalization grants to Mississippi communities as
303 follows:

2020	Number of	Grant	Total
population	communities	amount	grants
More than 25,000	8	\$ 125,000.00	\$ 1,000,000.00
Not more than 25,000	40	\$ 100,000.00	\$ 4,000,000.00
Total			\$ 5,000,000.00

309 (b) For the second round of grants, the Department of
310 Finance and Administration shall disburse funds under this section
311 to Mississippi Main Street Association to be used for the purpose
312 of making revitalization grants to Mississippi communities as
313 follows:

2020	Number of	Grant	Total
Population	Communities	Amount	Grants
More than 25,000	8	\$ 68,000.00	\$ 544,000.00
Not more than 25,000	40	\$ 61,400.00	\$ 2,456,000.00
Total			\$ 3,000,000.00



319 (2) The Department of Finance and Administration shall have
320 all powers necessary for the implementation of this section.

321 **SECTION 6.** This act shall take effect and be in force from
322 and after July 1, 2024.

