

By: Senator(s) McCaughn

To: Tourism

SENATE BILL NO. 2696

1 AN ACT TO BRING FORWARD SECTIONS 57-78-1, 57-78-3, 57-78-5,
2 57-1-601 AND 57-123-11, MISSISSIPPI CODE OF 1972, FOR THE PURPOSE
3 OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

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

7 57-78-1. This act shall be known and may be cited as the
8 "Mississippi Main Street Revitalization Grant Program Act."

9 **SECTION 2.** Section 57-78-3, Mississippi Code of 1972, is
10 brought forward as follows:

11 57-78-3. The Mississippi Main Street Revitalization Grant
12 Program Act will authorize the Legislature, as well as the
13 Mississippi Development Authority through appropriations by the
14 Legislature, to make grants available to selected Main Street
15 Designated Community programs for projects leading to the
16 revitalization of Mississippi's downtowns.

17 **SECTION 3.** Section 57-78-5, Mississippi Code of 1972, is
18 brought forward as follows:



19 57-78-5. (1) For the purposes of this section:

20 (a) "Eligible recipient" means a Main Street Designated
21 Community that is a good-standing member of the MMSA, has obtained
22 Section 501(c)(3) tax-exempt status or Section 501(c)(6)
23 tax-exempt status from the Internal Revenue Service and possesses
24 matching funds to match twenty percent (20%) of the total project
25 cost. A Main Street Designated Community will be ineligible for a
26 grant under this section, if their community was a recipient of a
27 grant under this section in the previous year.

28 (b) "Main Street Designated Community" means a local
29 Main Street program that has achieved and maintained Designated
30 Community status by the MMSA.

31 (c) "Matching funds" means cash funds that are either
32 in the applicant's possession or proposed by a match partner and
33 clearly identified in a support letter and are reserved for the
34 proposed project. No state funds may be included in determining
35 the amount of the match.

36 (d) "MMSA" means the Mississippi Main Street
37 Association.

38 (2) The MMSA shall accept applications from eligible
39 recipients, prioritize their applications and submit a list of
40 suggested recipients to the Legislature no later than December of
41 each year. Beginning with the 2024 Regular Session of the
42 Legislature, and each Regular Session thereafter, the Legislature
43 shall review the submitted list and determine the projects for



44 which to award grants to eligible recipients through the
45 Mississippi Development Authority in an appropriation bill. The
46 MMSA will consider projects in relation to the following criteria:

- 47 (a) The demonstration of local financial need;
- 48 (b) Projects that demonstrate high local impact;
- 49 (c) Projects that produce a high level of public
50 benefit;
- 51 (d) Projects that demonstrate best practices in
52 preservation;
- 53 (e) Projects that will have local administration and
54 implementation capacity;
- 55 (f) The distribution of geographic size and location of
56 the project;
- 57 (g) Projects that will be completed on time; and
- 58 (h) Whether the community in which the project is
59 located has not received funding under this section for the
60 previous year.

61 (3) The Mississippi Development Authority shall provide
62 grant funds to the Main Street Designated Communities under this
63 section on a reimbursement basis, not to exceed Five Hundred
64 Thousand Dollars (\$500,000.00) per community each year, and
65 grantees shall not receive compensation for their required twenty
66 percent (20%) local match. Main Street Designated Communities
67 with a population of less than ten thousand (10,000), shall be
68 required to have a local cash match of ten percent (10%) for the



69 first One Hundred Thousand Dollars (\$100,000.00) requested, then
70 will be required to have a local cash match of twenty percent
71 (20%) for any amount over One Hundred Thousand Dollars
72 (\$100,000.00).

73 (4) Eligible costs for the expenditure of grant funds
74 include the acquisition of land and any improvements thereon,
75 preservation of historic downtown structures and sites, and
76 initiatives that will produce a revitalization to the economy of
77 the historic downtown areas.

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

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

83 (b) The subject purchase was made to help preserve and
84 revitalize the location and economy of a historic downtown
85 community.

86 (6) Any eligible organization making an acquisition of
87 downtown property or interest therein pursuant to this section
88 shall grant to the Mississippi Department of Archives and History
89 or other holder a perpetual easement placing reasonable
90 restrictions on the use or development of the land. In cases
91 where the easement is granted to a holder other than the
92 Mississippi Department of Archives and History, all terms and
93 conditions of the easement shall be reviewed by and found by the



94 Mississippi Department of Archives and History to accomplish the
95 perpetual preservation of the historic downtown property. Such
96 other holder shall demonstrate to the department that it has the
97 capacity and expertise to manage and enforce the terms of the
98 easement.

99 (7) Grantees must adhere to Mississippi state procedures and
100 guidelines relating to the implementation and financing of the
101 approved project. Grantees must also submit any and all audit and
102 financial statements as required by the State of Mississippi.

103 (8) Nothing in this section shall preclude the subsequent
104 transfer or assignment by a state agency or other owner or holder
105 of any property interest acquired pursuant to this section to the
106 State of Mississippi, the county, city, town or municipality in
107 which the land is located, for the purpose of further preserving,
108 improving or maintaining the downtown property. The Mississippi
109 Development Authority shall facilitate transfers and assignments
110 of any such interests held by the department.

111 (9) There is created in the State Treasury a special fund to
112 be known as the "Mississippi Main Street Revitalization Grant
113 Program Fund," which shall consist of funds made available by the
114 Legislature in any manner, funds received as grants, endowments or
115 gifts from the federal government, its agencies and
116 instrumentalities, and funds from any other source designated for
117 deposit into such fund. The fund shall be maintained by the State
118 Treasurer as a separate and special fund, separate and apart from



119 the General Fund of the state. Unexpended amounts remaining in
120 the fund at the end of a fiscal year shall not lapse into the
121 State General Fund, and any investment earnings or interest earned
122 on amounts in the fund shall be deposited to the credit of the
123 fund. Monies in the fund shall be used by the Mississippi
124 Development Authority, upon appropriation by the Legislature, for
125 the purposes provided in this section.

126 (10) The Mississippi Development Authority shall administer
127 the fund and establish guidelines for the expenditure of grant
128 funds and reports relating to the expenditure of grant funds. The
129 department may utilize no more than two percent (2%) of the amount
130 of funds deposited into the Mississippi Main Street Revitalization
131 Grant Fund for administrative expenses in carrying out its duties
132 under this section.

133 (11) To carry out this act, the Mississippi Development
134 Authority may enter into cooperative agreements with entities in
135 the public and private sectors, including:

- 136 (a) Colleges and universities;
- 137 (b) Historical societies;
- 138 (c) State and local agencies; and
- 139 (d) Nonprofit organizations.

140 (12) To develop cooperative land-use strategies and conduct
141 activities that facilitate the conservation of the historic,
142 cultural, natural and scenic resources, the Mississippi
143 Development Authority may require that recipients seek and secure



144 technical assistance from the MMSA, to the extent that a recipient
145 of technical assistance is engaged in the protection,
146 interpretation or commemoration of historically significant
147 property in the area in and around the historic downtown site.
148 The MMSA will provide administrative support to local Main Street
149 grantees to ensure proper grant administration and project
150 implementation.

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

153 57-1-601. (1) For the purposes of this section, the
154 following words shall have the following meanings ascribed in this
155 section, unless the context clearly otherwise requires:

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

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

161 (c) "Revitalization zone" means an area in the
162 municipality officially designated by ordinance or resolution of
163 the governing authorities of the municipality as a revitalization
164 zone and approved and certified by the MDA as meeting the
165 requirements of this section.

166 (2) (a) There is created in the State Treasury a special
167 fund to be designated as the "Mississippi Main Street Investment
168 Grant Fund" which shall consist of funds from any source



169 designated for deposit into the fund. Unexpended amounts
170 remaining in the fund at the end of a fiscal year shall not lapse
171 into the State General Fund, and any interest earned on amounts in
172 the fund shall be deposited to the credit of the fund. Monies in
173 the fund shall be used by the MDA for the purposes authorized in
174 subsection (3) of this section. In addition, monies remaining in
175 the fund on April 21, 2023, shall be used for such purposes solely
176 to provide grant funds to a municipality that, prior to January 1,
177 2023, has received and/or been approved to receive grant funds
178 under this section for a revitalization zone project or projects
179 commenced before January 1, 2023.

180 (b) Monies in the fund which are derived from the
181 proceeds of general obligation bonds or provided by the
182 Legislature may be used to reimburse reasonable actual and
183 necessary costs incurred by the MDA in providing grants under this
184 section through the use of proceeds of such general obligation
185 bonds. An accounting of actual costs incurred for which
186 reimbursement is sought shall be maintained for the program.
187 Reimbursement of reasonable actual and necessary costs for
188 assistance shall not exceed three percent (3%) of the proceeds of
189 bonds issued for such assistance or the monies provided by the
190 Legislature. Reimbursements made under this subsection shall
191 satisfy any applicable federal tax law requirements.

192 (3) The MDA shall establish a program to make grants to a
193 municipality to assist with maintaining and improving the



194 viability of revitalization zones. The proceeds of a grant made
195 to a municipality under this section may be used for maintaining
196 and/or improving the viability of a revitalization zone through
197 means deemed appropriate by the governing authorities of a
198 municipality, including, but not limited to, making loans, grants
199 and/or other forms of assistance to any person or public or
200 private association or other entity for use for infrastructure
201 projects, improvements to properties, signage and other purposes
202 related to maintaining and/or improving the viability of the
203 revitalization zone.

204 (4) (a) If a municipality desires a grant under this
205 section, the municipality shall submit an application to the MDA
206 seeking (i) approval and certification of the proposed
207 revitalization zone and (ii) a grant for the purposes authorized
208 in this section. The application shall include, at a minimum:

- 209 1. The name of the proposed revitalization
210 zone, together with the words, "revitalization zone";
- 211 2. A description of the revitalization zone
212 by metes and bounds;
- 213 3. A map showing the parcels of real property
214 included in the revitalization zone and the present use of such
215 parcels;
- 216 4. A master plan for the revitalization zone
217 that has been approved by sixty percent (60%) of the property



218 owners within the zone at the time the municipality submits the
219 application; and

220 5. Any other information required by the MDA.
221 The governing authorities of a municipality may designate the
222 boundaries of a proposed revitalization zone by adoption of an
223 ordinance or resolution that is spread upon its minutes and
224 describes the boundaries of the zone.

225 (b) The MDA shall review the application to confirm
226 that the revitalization zone meets the requirements of this
227 section. A revitalization zone may embrace two (2) or more
228 separate parcels of real property, and such property may be
229 publicly and/or privately owned. Each revitalization zone shall
230 be of such size and form as to include all properties that, in the
231 determination of the municipality and the MDA, constitute an
232 integral part of the revitalization zone. If the MDA determines
233 that the boundaries of the proposed revitalization zone exceed the
234 area that is reasonably deemed to be integral to the
235 revitalization zone, the MDA may reduce the boundaries of the
236 proposed area. Upon the approval and selection of a municipal
237 revitalization zone project, the MDA shall certify the
238 revitalization zone.

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



242 (5) The MDA shall have all powers necessary to implement and
243 administer the program established under this section, and the MDA
244 shall promulgate rules and regulations, in accordance with the
245 Mississippi Administrative Procedures Law, necessary for the
246 implementation of this section.

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

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

254 57-123-11. (1) The Department of Finance and Administration
255 shall establish a program for the purpose of providing funds to
256 Mississippi Main Street Association as provided in this section.
257 Monies disbursed by the Department of Finance and Administration
258 under this section shall be disbursed in compliance with all
259 requirements and/or conditions on funds appropriated from the
260 Coronavirus State Fiscal Recovery Fund for the program established
261 under this section.

262 (a) For the first round of grants, the Department of
263 Finance and Administration shall disburse funds under this section
264 to Mississippi Main Street Association to be used for the purpose
265 of making revitalization grants to Mississippi communities as
266 follows:



267	2020	Number of	Grant	Total
268	population	communities	amount	grants
269	More than 25,000	8	\$ 125,000.00	\$ 1,000,000.00
270	Not more than 25,000	40	\$ 100,000.00	\$ 4,000,000.00
271	Total			\$ 5,000,000.00

272 (b) For the second round of grants, the Department of
 273 Finance and Administration shall disburse funds under this section
 274 to Mississippi Main Street Association to be used for the purpose
 275 of making revitalization grants to Mississippi communities as
 276 follows:

277	2020	Number of	Grant	Total
278	Population	Communities	Amount	Grants
279	More than 25,000	8	\$ 68,000.00	\$ 544,000.00
280	Not more than 25,000	40	\$ 61,400.00	\$ 2,456,000.00
281	Total			\$ 3,000,000.00

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

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

