

By: Representatives Williams, Chaney,
Ellzey, Shows

To: Ways and Means

HOUSE BILL NO. 1529

1 AN ACT TO CREATE THE "CHILD CARE FACILITIES DEMONSTRATION
2 PROJECT REVOLVING LOAN FUND"; TO PROVIDE THAT THE MISSISSIPPI
3 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT SHALL ADMINISTER
4 SUCH FUND AS A REVOLVING FUND FOR THE PURPOSE OF MAKING LOANS TO
5 ASSIST ECONOMIC DEVELOPMENT ORGANIZATIONS IN COOPERATION WITH
6 FIRMS, CORPORATIONS OR OTHER ENTITIES IN BUILDING CHILD CARE
7 FACILITIES IN CERTAIN COUNTIES THROUGH A LOAN PROGRAM WHICH SHALL
8 BE ESTABLISHED AND IMPLEMENTED BY THE DEPARTMENT; TO AUTHORIZE THE
9 ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE OF MISSISSIPPI
10 IN THE AMOUNT OF THREE MILLION DOLLARS TO FUND THE DEPENDENT CARE
11 FACILITIES REVOLVING LOAN FUND; AND FOR RELATED PURPOSES.

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

13 SECTION 1. The Legislature finds that in order to support
14 welfare reform and promote economic development in the state,
15 citizens of the state must participate in the work force to the
16 fullest possible extent. One of the immediate concerns facing
17 working families making the transition from welfare to the work
18 force is the need for affordable quality child care available
19 during their working hours. It is the purpose of this act to
20 provide a means whereby employers in conjunction with local
21 economic development organizations can assist employees in
22 addressing their child care needs.

23 SECTION 2. As used in this act, the following words shall
24 have the meanings ascribed herein unless the context clearly
25 requires otherwise:

26 (a) "Accreted value" of any bond means, as of any date
27 of computation, an amount equal to the sum of (i) the stated
28 initial value of such bond, plus (ii) the interest accrued thereon
29 from the issue date to the date of computation at the rate,
30 compounded semiannually, that is necessary to produce the

31 approximate yield to maturity shown for bonds of the same
32 maturity.

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

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

35 (d) "Consortium" means any local business entity or
36 entities participating with the specified economic development
37 organization in a targeted county.

38 (e) "Department" means the Mississippi Department of
39 Economic and Community Development.

40 (f) "Economic development organization" means any
41 economic development organization operated in any county and
42 recognized by the Mississippi Department of Economic and Community
43 Development.

44 SECTION 3. (1) There is created a special fund in the State
45 Treasury to be designated the "Child Care Facilities Demonstration
46 Project Revolving Loan Fund." The fund shall be administered by
47 the department as a revolving fund for the purpose of making loans
48 to assist economic development organizations in cooperation with
49 firms, corporations or other entities in building child care
50 facilities in the state through a loan program which shall be
51 established and implemented by the department. The fund shall
52 consist of the proceeds of bonds issued under this act, all loan
53 repayments, penalties, and other fees and charges accruing to the
54 fund, and any appropriations, donations, gifts, grants or loans
55 which may be made thereto. Unexpended amounts remaining in the
56 fund at the end of a fiscal year shall not lapse into the State
57 General Fund. Any investment earnings on amounts deposited into
58 the fund shall be used to pay debt service on bonds issued under
59 this act.

60 (2) (a) The department shall have all powers necessary to
61 implement and administer the program established under this
62 section, and the department shall promulgate rules and regulations
63 necessary for the implementation and administration of the
64 program. In developing any such rules and regulations, the
65 department shall ensure that (1) funds provided under the program
66 are used solely for construction-related expenses to establish
67 child care facilities, (2) the building design of any facility

68 will allow for other use of the facility should it no longer be
69 used to provide child care, (3) the organization applying for
70 assistance has the financial capacity to repay any loan received
71 under the program, (4) facilities established with funds under the
72 program provide programs of child care that exceed the minimum
73 standards established by the Department of Health for the
74 operation of child care facilities, (5) all facilities established
75 under the program are of the same design, size and specifications
76 as determined by the department, (6) funds provided under the
77 program are available to meet the child care needs of all
78 families, including low-income families, (7) the application
79 process used in the program is inclusive and recognizes the
80 viability of both nonprofit and for-profit organizations and
81 affords access to minority owned and/or operated enterprises, and
82 (8) funds provided under the program will be equally distributed
83 throughout the state. The department shall also require that each
84 application for assistance under the program include the
85 methodology by which an applicant will make child care affordable
86 to employees unable to pay the full cost of such care, bid
87 specifications for both the construction and operation of the
88 facility which shall be in compliance with paragraph (b) of this
89 subsection (2), and a business plan addressing the proposed
90 operation of the facility.

91 (b) Any economic development organization that receives
92 a loan from the department under this section for assistance in
93 building a child care facility shall contract for the construction
94 of the child care facility and contract for the operation of the
95 child care facility as follows:

96 (i) The economic development organization shall
97 contract with the lowest and best bidder to provide each of those
98 services, after advertising for competitive sealed bids once each
99 week for two (2) consecutive weeks in a regular newspaper
100 published in the county in which the organization is located. The

101 date published for the bid opening shall not be less than fifteen
102 (15) working days after the last published notice. The notice of
103 intention to let contracts shall state the time and place at which
104 bids will be received, list the contracts to be made or types of
105 services to be performed, and, if all plans and/or specifications
106 are not published, refer to the plans and/or specifications on
107 file. If there is no newspaper published in the county, then the
108 notice shall be given by posting at the courthouse and at two (2)
109 other public places in the county, and also by publication once
110 each week for two (2) consecutive weeks in some newspaper having a
111 general circulation in the county in the manner described in this
112 subparagraph.

113 (ii) If any economic development organization
114 accepts a bid other than the lowest bid actually submitted, it
115 shall place on its minutes detailed calculations and narrative
116 summary showing that the accepted bid was determined to be the
117 lowest and best bid, including the dollar amount of the accepted
118 bid and the dollar amount of the lowest bid.

119 (iii) Whenever bids are solicited as required in
120 this paragraph (b) and only one (1) bid is received, the economic
121 development organization may accept the bid if the bid is opened,
122 it is within the funds allocated for the services to be provided,
123 it is responsive to the solicitation and the contractor is capable
124 of performing the contract in accordance with the solicitation.

125 SECTION 4. (1) The commission, at one (1) time, or from
126 time to time, may declare by resolution the necessity for issuance
127 of general obligation bonds of the State of Mississippi to provide
128 funds for all costs incurred or to be incurred for the purposes
129 described in Section 3 of this act. Upon the adoption of a
130 resolution by the department, declaring the necessity for the
131 issuance of any part or all of the general obligation bonds
132 authorized by this section, the department shall deliver a
133 certified copy of its resolution or resolutions to the commission.

134 Upon receipt of such resolution, the commission, in its
135 discretion, may act as the issuing agent, prescribe the form of
136 the bonds, advertise for and accept bids, issue and sell the bonds
137 so authorized to be sold and do any and all other things necessary
138 and advisable in connection with the issuance and sale of such
139 bonds. The total amount of bonds issued under this act shall not
140 exceed Three Million Dollars (\$3,000,000.00).

141 (2) Any investment earnings on amounts deposited into the
142 special fund created in Section 3 of this act shall be used to pay
143 debt service on bonds issued under this act, in accordance with
144 the proceedings authorizing issuance of such bonds.

145 SECTION 5. The principal of and interest on the bonds
146 authorized under this act shall be payable in the manner provided
147 in this section. Such bonds shall bear such date or dates, be in
148 such denomination or denominations, bear interest at such rate or
149 rates (not to exceed the limits set forth in Section 75-17-101,
150 Mississippi Code of 1972), be payable at such place or places
151 within or without the State of Mississippi, shall mature
152 absolutely at such time or times not to exceed twenty-five (25)
153 years from date of issue, be redeemable before maturity at such
154 time or times and upon such terms, with or without premium, shall
155 bear such registration privileges, and shall be substantially in
156 such form, all as shall be determined by resolution of the
157 commission.

158 SECTION 6. The bonds authorized by this act shall be signed
159 by the chairman of the commission, or by his facsimile signature,
160 and the official seal of the commission shall be affixed thereto,
161 attested by the secretary of the commission. The interest coupons,
162 if any, to be attached to such bonds may be executed by the
163 facsimile signatures of such officers. Whenever any such bonds
164 shall have been signed by the officials designated to sign the
165 bonds who were in office at the time of such signing but who may
166 have ceased to be such officers before the sale and delivery of

167 such bonds, or who may not have been in office on the date such
168 bonds may bear, the signatures of such officers upon such bonds
169 and coupons shall nevertheless be valid and sufficient for all
170 purposes and have the same effect as if the person so officially
171 signing such bonds had remained in office until their delivery to
172 the purchaser, or had been in office on the date such bonds may
173 bear. However, notwithstanding anything herein to the contrary,
174 such bonds may be issued as provided in the Registered Bond Act of
175 the State of Mississippi.

176 SECTION 7. All bonds and interest coupons issued under the
177 provisions of this act have all the qualities and incidents of
178 negotiable instruments under the provisions of the Mississippi
179 Uniform Commercial Code, and in exercising the powers granted by
180 this act, the commission shall not be required to and need not
181 comply with the provisions of the Mississippi Uniform Commercial
182 Code.

183 SECTION 8. The commission shall act as the issuing agent for
184 the bonds authorized under this act, prescribe the form of the
185 bonds, advertise for and accept bids, issue and sell the bonds so
186 authorized to be sold, pay all fees and costs incurred in such
187 issuance and sale, and do any and all other things necessary and
188 advisable in connection with the issuance and sale of such bonds.

189 The commission is authorized and empowered to pay the costs that
190 are incident to the sale, issuance and delivery of the bonds
191 authorized under this act from the proceeds derived from the sale
192 of such bonds. The commission shall sell such bonds on sealed
193 bids at public sale, and for such price as it may determine to be
194 for the best interest of the State of Mississippi, but no such
195 sale shall be made at a price less than par plus accrued interest
196 to the date of delivery of the bonds to the purchaser. All
197 interest accruing on such bonds so issued shall be payable
198 semiannually or annually; however, the first interest payment may
199 be for any period of not more than one (1) year.

200 Notice of the sale of any such bonds shall be published at
201 least one (1) time, not less than ten (10) days before the date of
202 sale, and shall be so published in one or more newspapers
203 published or having a general circulation in the City of Jackson,
204 Mississippi, and in one or more other newspapers or financial
205 journals with a national circulation, to be selected by the
206 commission.

207 The commission, when issuing any bonds under the authority of
208 this act, may provide that bonds, at the option of the State of
209 Mississippi, may be called in for payment and redemption at the
210 call price named therein and accrued interest on such date or
211 dates named therein.

212 SECTION 9. The bonds issued under the provisions of this act
213 are general obligations of the State of Mississippi, and for the
214 payment thereof the full faith and credit of the State of
215 Mississippi is irrevocably pledged. If the funds appropriated by
216 the Legislature are insufficient to pay the principal of and the
217 interest on such bonds as they become due, then the deficiency
218 shall be paid by the State Treasurer from any funds in the State
219 Treasury not otherwise appropriated. All such bonds shall contain
220 recitals on their faces substantially covering the provisions of
221 this section.

222 SECTION 10. Upon the issuance and sale of bonds under the
223 provisions of this act, the commission shall transfer the proceeds
224 of any such sale or sales to the special fund created in Section 3
225 of this act. The proceeds of such bonds shall be disbursed solely
226 upon the order of the department under such restrictions, if any,
227 as may be contained in the resolution providing for the issuance
228 of the bonds.

229 SECTION 11. The bonds authorized under this act may be
230 issued without any other proceedings or the happening of any other
231 conditions or things other than those proceedings, conditions and
232 things which are specified or required by this act. Any

233 resolution providing for the issuance of bonds under the
234 provisions of this act shall become effective immediately upon its
235 adoption by the commission, and any such resolution may be adopted
236 at any regular or special meeting of the commission by a majority
237 of its members.

238 SECTION 12. The bonds authorized under the authority of this
239 act may be validated in the Chancery Court of the First Judicial
240 District of Hinds County, Mississippi, in the manner and with the
241 force and effect provided by Chapter 13, Title 31, Mississippi
242 Code of 1972, for the validation of county, municipal, school
243 district and other bonds. The notice to taxpayers required by
244 such statutes shall be published in a newspaper published or
245 having a general circulation in the City of Jackson, Mississippi.

246 SECTION 13. Any holder of bonds issued under the provisions
247 of this act or of any of the interest coupons pertaining thereto
248 may, either at law or in equity, by suit, action, mandamus or
249 other proceeding, protect and enforce any and all rights granted
250 under this act, or under such resolution, and may enforce and
251 compel performance of all duties required by this act to be
252 performed, in order to provide for the payment of bonds and
253 interest thereon.

254 SECTION 14. All bonds issued under the provisions of this
255 act shall be legal investments for trustees and other fiduciaries,
256 and for savings banks, trust companies and insurance companies
257 organized under the laws of the State of Mississippi, and such
258 bonds shall be legal securities which may be deposited with and
259 shall be received by all public officers and bodies of this state
260 and all municipalities and political subdivisions for the purpose
261 of securing the deposit of public funds.

262 SECTION 15. Bonds issued under the provisions of this act
263 and income therefrom shall be exempt from all taxation in the
264 State of Mississippi.

265 SECTION 16. The proceeds of the bonds issued under this act

266 shall be used solely for the purposes herein provided, including
267 the costs incident to the issuance and sale of such bonds.

268 SECTION 17. The State Treasurer is authorized, without
269 further process of law, to certify to the Department of Finance
270 and Administration the necessity for warrants, and the Department
271 of Finance and Administration is authorized and directed to issue
272 such warrants, in such amounts as may be necessary to pay when due
273 the principal of, premium, if any, and interest on, or the
274 accreted value of, all bonds issued under this act; and the State
275 Treasurer shall forward the necessary amount to the designated
276 place or places of payment of such bonds in ample time to
277 discharge such bonds, or the interest thereon, on the due dates
278 thereof.

279 SECTION 18. Sections 2 through 18 of this act shall be
280 deemed to be full and complete authority for the exercise of the
281 powers herein granted, but this act shall not be deemed to repeal
282 or to be in derogation of any existing law of this state.

283 SECTION 19. This act shall take effect and be in force from
284 and after its passage.