

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2351

1 AN ACT TO ESTABLISH A PROGRAM ADMINISTERED BY THE MISSISSIPPI
2 DEVELOPMENT AUTHORITY TO PROVIDE GRANTS FOR COMMUNITY DEVELOPMENT
3 CORPORATIONS; TO PROVIDE FOR THE ISSUANCE OF \$2,000,000.00 IN
4 STATE GENERAL OBLIGATION BONDS TO FUND SUCH GRANTS; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** (1) For purposes of this section, the term
8 "community development corporation" means a nonprofit corporation:

9 (a) That meets the criteria established by the
10 Mississippi Development Authority;

11 (b) That is tax exempt pursuant to Section 501(c)(3) of
12 the Internal Revenue Code;

13 (c) Whose primary mission is to develop and improve
14 low-income communities and neighborhoods through economic and
15 related development;

16 (d) Whose activities and decisions are initiated,
17 managed and controlled by the constituents of those local
18 communities; and

19 (e) Whose primary function is to act as deal-maker and
20 packager of projects and activities that will increase their
21 constituencies' opportunities to become owners, managers and
22 producers of small businesses, affordable housing and jobs
23 designed to produce positive cash flow and curb blight in the
24 target community.

25 (2) The Mississippi Development Authority shall establish a
26 grant program to support community development projects and
27 activities within the state's minority community. Any community
28 development corporations may apply for funds under this section.

29 The Mississippi Development Authority shall establish and
30 implement performance-based criteria for determining which
31 community development corporations will receive a grant and the
32 amount of the grant.

33 **SECTION 2.** (1) There is created a special fund in the State
34 Treasury to be designated as the "Community Development
35 Corporation Grant Fund," which shall consist of such monies as
36 provided in this act. Unexpended amounts remaining in the fund at
37 the end of a fiscal year shall not lapse into the State General
38 Fund, and any interest earned on the amount in the fund shall be
39 deposited to the credit of the fund. Monies in the fund may not
40 be used or expended for any purpose except as authorized under
41 this act.

42 (2) A community development corporation may apply to the
43 Mississippi Development Authority for a grant under this act.

44 **SECTION 3.** In administering the provisions of this act, the
45 Mississippi Development Authority shall have the following powers
46 and duties:

47 (a) To supervise the use of all funds made available
48 under this act;

49 (b) To requisition monies in the Community Development
50 Corporation Grant Fund and distribute those monies in accordance
51 with the provisions of this act;

52 (c) To insure that the funds made available under this
53 act are equitably distributed among community development
54 corporations;

55 (d) To maintain an accurate record of all funds made
56 available under this act; and

57 (e) To adopt and promulgate such rules and regulations
58 as may be necessary or desirable for the purpose of implementing
59 the provisions of this act.

60 **SECTION 4.** (1) The State Bond Commission, at one time, or
61 from time to time, may declare by resolution the necessity for

62 issuance of general obligation bonds of the State of Mississippi
63 to provide funds for all costs incurred or to be incurred for the
64 purposes described in this act. Upon the adoption of a resolution
65 by the Mississippi Development Authority, declaring the necessity
66 for the issuance of any part or all of the general obligation
67 bonds authorized by this section, the Mississippi Development
68 Authority shall deliver a certified copy of its resolution or
69 resolutions to the State Bond Commission. Upon receipt of such
70 resolution, the State Bond Commission, in its discretion, may act
71 as the issuing agent, prescribe the form of the bonds, advertise
72 for and accept bids, issue and sell the bonds so authorized to be
73 sold and do any and all other things necessary and advisable in
74 connection with the issuance and sale of such bonds. The total
75 amount of bonds issued under this act shall not exceed Two Million
76 Dollars (\$2,000,000.00).

77 (2) Proceeds from the sale of bonds shall be deposited in
78 the special fund created in Section 2 of this act. Any investment
79 earnings on amounts deposited into the special fund created in
80 Section 2 of this act shall be used to pay debt service on bonds
81 issued under this act, in accordance with the proceedings
82 authorizing issuance of such bonds.

83 **SECTION 5.** The principal of and interest on the bonds
84 authorized under this act shall be payable in the manner provided
85 in this section. Such bonds shall bear such date or dates, be in
86 such denomination or denominations, bear interest at such rate or
87 rates (not to exceed the limits set forth in Section 75-17-101,
88 Mississippi Code of 1972), be payable at such place or places
89 within or without the State of Mississippi, shall mature
90 absolutely at such time or times not to exceed twenty-five (25)
91 years from date of issue, be redeemable before maturity at such
92 time or times and upon such terms, with or without premium, shall
93 bear such registration privileges, and shall be substantially in

94 such form, all as shall be determined by resolution of the State
95 Bond Commission.

96 **SECTION 6.** The bonds authorized by this act shall be signed
97 by the Chairman of the State Bond Commission, or by his facsimile
98 signature, and the official seal of the commission shall be
99 affixed thereto, attested by the Secretary of the State Bond
100 Commission. The interest coupons, if any, to be attached to such
101 bonds may be executed by the facsimile signatures of such
102 officers. Whenever any such bonds shall have been signed by the
103 officials designated to sign the bonds who were in office at the
104 time of such signing but who may have ceased to be such officers
105 before the sale and delivery of such bonds, or who may not have
106 been in office on the date such bonds may bear, the signatures of
107 such officers upon such bonds and coupons shall nevertheless be
108 valid and sufficient for all purposes and have the same effect as
109 if the person so officially signing such bonds had remained in
110 office until their delivery to the purchaser, or had been in
111 office on the date such bonds may bear. However, notwithstanding
112 anything herein to the contrary, such bonds may be issued as
113 provided in the Registered Bond Act of the State of Mississippi.

114 **SECTION 7.** All bonds and interest coupons issued under the
115 provisions of this act have all the qualities and incidents of
116 negotiable instruments under the provisions of the Uniform
117 Commercial Code, and in exercising the powers granted by this act,
118 the State Bond Commission shall not be required to and need not
119 comply with the provisions of the Uniform Commercial Code.

120 **SECTION 8.** The State Bond Commission shall act as the
121 issuing agent for the bonds authorized under this act, prescribe
122 the form of the bonds, advertise for and accept bids, issue and
123 sell the bonds so authorized to be sold, pay all fees and costs
124 incurred in such issuance and sale, and do any and all other
125 things necessary and advisable in connection with the issuance and
126 sale of such bonds. The State Bond Commission is authorized and

127 empowered to pay the costs that are incident to the sale, issuance
128 and delivery of the bonds authorized under this act from the
129 proceeds derived from the sale of such bonds. The State Bond
130 Commission shall sell such bonds on sealed bids at public sale,
131 and for such price as it may determine to be for the best interest
132 of the State of Mississippi, but no such sale shall be made at a
133 price less than par plus accrued interest to the date of delivery
134 of the bonds to the purchaser. All interest accruing on such
135 bonds so issued shall be payable semiannually or annually;
136 however, the first interest payment may be for any period of not
137 more than one (1) year.

138 Notice of the sale of any such bond shall be published at
139 least one (1) time, not less than ten (10) days before the date of
140 sale, and shall be so published in one or more newspapers
141 published or having a general circulation in the City of Jackson,
142 Mississippi, and in one or more other newspapers or financial
143 journals with a national circulation, to be selected by the State
144 Bond Commission.

145 The State Bond Commission, when issuing any bonds under the
146 authority of this act, may provide that bonds, at the option of
147 the State of Mississippi, may be called in for payment and
148 redemption at the call price named therein and accrued interest on
149 such date or dates named therein.

150 **SECTION 9.** The bonds issued under the provisions of this act
151 are general obligations of the State of Mississippi, and for the
152 payment thereof the full faith and credit of the State of
153 Mississippi is irrevocably pledged. If the funds appropriated by
154 the Legislature are insufficient to pay the principal of and the
155 interest on such bonds as they become due, then the deficiency
156 shall be paid by the State Treasurer from any funds in the State
157 Treasury not otherwise appropriated. All such bonds shall contain
158 recitals on their faces substantially covering the provisions of
159 this section.

160 **SECTION 10.** Upon the issuance and sale of bonds under the
161 provisions of this act, the State Bond Commission shall transfer
162 the proceeds of any such sale or sales to the special fund created
163 in Section 2 of this act. The proceeds of such bonds shall be
164 disbursed solely upon the order of the Mississippi Development
165 Authority under such restrictions, if any, as may be contained in
166 the resolution providing for the issuance of the bonds.

167 **SECTION 11.** The bonds authorized under this act may be
168 issued without any other proceedings or the happening of any other
169 conditions or things other than those proceedings, conditions and
170 things which are specified or required by this act. Any
171 resolution providing for the issuance of bonds under the
172 provisions of this act shall become effective immediately upon its
173 adoption by the State Bond Commission, and any such resolution may
174 be adopted at any regular or special meeting of the State Bond
175 Commission by a majority of its members.

176 **SECTION 12.** The bonds authorized under the authority of this
177 act may be validated in the Chancery Court of the First Judicial
178 District of Hinds County, Mississippi, in the manner and with the
179 force and effect provided by Chapter 13, Title 31, Mississippi
180 Code of 1972, for the validation of county, municipal, school
181 district and other bonds. The notice to taxpayers required by
182 such statutes shall be published in a newspaper published or
183 having a general circulation in the City of Jackson, Mississippi.

184 **SECTION 13.** Any holder of bonds issued under the provisions
185 of this act or of any of the interest coupons pertaining thereto
186 may, either at law or in equity, by suit, action, mandamus or
187 other proceeding, protect and enforce any and all rights granted
188 under this act, or under such resolution, and may enforce and
189 compel performance of all duties required by this act to be
190 performed, in order to provide for the payment of bonds and
191 interest thereon.

192 **SECTION 14.** All bonds issued under the provisions of this
193 act shall be legal investments for trustees and other fiduciaries,
194 and for savings banks, trust companies and insurance companies
195 organized under the laws of the State of Mississippi, and such
196 bonds shall be legal securities which may be deposited with and
197 shall be received by all public officers and bodies of this state
198 and all municipalities and political subdivisions for the purpose
199 of securing the deposit of public funds.

200 **SECTION 15.** Bonds issued under the provisions of this act
201 and income therefrom shall be exempt from all taxation in the
202 State of Mississippi.

203 **SECTION 16.** The proceeds of the bonds issued under this act
204 shall be used solely for the purposes herein provided, including
205 the costs incident to the issuance and sale of such bonds.

206 **SECTION 17.** The State Treasurer is authorized to certify to
207 the Department of Finance and Administration the necessity for
208 warrants, and the Executive Director of the Department of Finance
209 and Administration is authorized and directed to issue such
210 warrants, in such amounts as may be necessary to pay when due the
211 principal of, premium, if any, and interest on, or the accreted
212 value of, all bonds issued under this act; and the State Treasurer
213 shall forward the necessary amount to the designated place or
214 places of payment of such bonds in ample time to discharge such
215 bonds, or the interest thereon, on the due dates thereof.

216 **SECTION 18.** This act shall be deemed to be full and complete
217 authority for the exercise of the powers herein granted, but this
218 act shall not be deemed to repeal or to be in derogation of any
219 existing law of this state.

220 **SECTION 19.** This act shall take effect and be in force from
221 and after July 1, 2004.