

By: Representatives Holland, Ford, Scott  
(17th)

To: Ways and Means

## HOUSE BILL NO. 1587

1 AN ACT TO GRANT MUNICIPALITIES THE SAME POWERS TO ISSUE BONDS  
2 AS ARE GRANTED TO THE MISSISSIPPI BUSINESS FINANCE CORPORATION; TO  
3 EXEMPT ALL PROCEEDS FROM THE SALE OF ANY BONDS UNDER THIS ACT FROM  
4 ALL TAXATION BY THE STATE OR ANY POLITICAL SUBDIVISION THEREOF; TO  
5 PROVIDE THAT ALL MORTGAGES OR DEEDS OF TRUST ENTERED INTO AND ALL  
6 LEASE, LOAN OR PURCHASE AGREEMENTS MADE PURSUANT TO THIS ACT SHALL  
7 BE EXEMPT FROM ALL TAXATION BY THE STATE; TO PROVIDE FOR  
8 EXCEPTIONS UNDER THE TAX EXEMPTIONS; AND FOR RELATED PURPOSES.

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

10 SECTION 1. The following provision shall be codified as  
11 Section 57-3-35, Mississippi Code of 1972:

12 57-3-35. (1) In addition to any other powers granted to  
13 municipalities under this chapter, municipalities shall have the  
14 same powers to issue bonds granted to the Mississippi Business  
15 Finance Corporation under Title 57, Chapter 10, Article 7,  
16 Mississippi Code of 1972, and under Title 57, Chapter 10, Article  
17 11, Mississippi Code of 1972.

18 (2) The governing body of any municipality, as defined under  
19 this chapter, is granted all powers necessary or appropriate to  
20 carry out and effectuate the purposes of Title 57, Chapter 10,  
21 Article 7, Mississippi Code of 1972, including, but not limited  
22 to, the following powers to:

23 (a) Borrow money and issue bonds as provided by Title  
24 57, Chapter 10, Article 7, Mississippi Code of 1972;

25 (b) Procure insurance or guarantees from any public or  
26 private entities, including any department, agency or  
27 instrumentality of the United States of America, or, subject to  
28 the provisions of and to the extent monies are available in the  
29 fund created by Section 57-10-215, insure or guarantee the payment

30 of any bonds issued by the municipality, including the power to  
31 pay premiums on any such insurance or guarantees or other  
32 instruments of indebtedness;

33 (c) Receive and accept from any source aid or  
34 contributions of money, property, labor or other things of value  
35 to be held, used and applied to carry out the purposes of this  
36 Title 57, Chapter 10, Article 7, Mississippi Code of 1972,  
37 (subject, however, to any conditions upon which grants or  
38 contributions are made) including, but not limited to, gifts or  
39 grants from any department, agency or instrumentality of the  
40 United States of America;

41 (d) Enter into agreements with any department, agency  
42 or instrumentality of the United States of America or of the state  
43 and with lenders and enter into loans with contracting parties for  
44 the purpose of planning, regulating and providing for the  
45 financing or assisting in the financing of any eligible business  
46 or any project of such business;

47 (e) Enter into contracts or agreements with lenders for  
48 the servicing and/or processing of loans;

49 (f) Provide technical assistance to local industrial  
50 development authorities and to profit and nonprofit entities in  
51 the development or operation by, or assistance to, persons engaged  
52 in business enterprises and distribute data and information  
53 concerning the encouragement and improvement of business  
54 enterprises in the state;

55 (g) To the extent permitted in the proceedings pursuant  
56 to which the bonds of the municipality are issued, consent to any  
57 modification with respect to the rate of interest, time for, and  
58 payment of, any installment of principal or interest, or any other  
59 term of any contract, loan, sales contract, lease, indenture or  
60 agreement of any kind to which the municipality is a party;

61 (h) To the extent permitted in the proceedings pursuant  
62 to which the bonds of the municipality are issued, enter into  
63 contracts with any lender containing provisions authorizing the  
64 lender to reduce the charges or fees, exclusive of loan payments,  
65 to persons unable to pay the regular schedule of the payments  
66 when, by reason of other income or payment by any department,

67 agency or instrumentality of the United States of America or the  
68 state, the reduction can be made without jeopardizing the economic  
69 stability of the eligible business being financed;

70 (i) Allocate any of its property to the insurance or  
71 guaranty fund established by Section 57-10-215 or to any other  
72 fund of the municipality, the property consisting of:

73 (i) Monies appropriated by the state;

74 (ii) Premiums, fees and any other amounts received  
75 by the municipality with respect to financial assistance provided  
76 by the municipality;

77 (iii) Proceeds as designated by the municipality  
78 from the loan or other disposition of property held or acquired by  
79 the municipality;

80 (iv) Income from investments that were made by the  
81 municipality or on the behalf of the municipality from monies in  
82 one or more of its funds; or

83 (v) Any other monies made available to the  
84 municipality consistent with Title 57, Chapter 10, Article 7,  
85 Mississippi Code of 1972;

86 (j) Use any fund or funds of the municipality for any  
87 and all expenses to be paid by the municipality including, by way  
88 of example, but not by limitation: (i) any and all expenses for  
89 administrative, legal, actuarial and other services; (ii) all  
90 costs, charges, fees and expenses of the municipality relating to  
91 the authorizing, preparing, printing, selling, issuing and  
92 insuring of bonds and the funding of reserves; and (iii) all  
93 expenses and costs relating to the guaranteeing, insuring or  
94 procurement of guarantees, insurance or other instruments  
95 providing credit or the enhancement of credit for the bonds;

96 (k) Collect fees and charges, as the municipality  
97 determines to be reasonable, in connection with its loans,  
98 insurance, guarantees, commitments and servicing thereof;

99 (l) Sell, at public or private sale, with or without

100 public bidding, any obligation held by the municipality under  
101 Title 57, Chapter 10, Article 7, Mississippi Code of 1972;

102 (m) Invest any funds not needed for immediate  
103 disbursement, including any funds held in reserve, in any  
104 obligations or securities which may be legally purchased by  
105 political subdivisions in the state or as may be otherwise  
106 permitted by Section 57-10-251; and

107 (n) Take any action necessary or convenient for the  
108 exercise of the powers granted by Title 57, Chapter 10, Article 7,  
109 Mississippi Code of 1972, or reasonably implied from them.

110 (3) The governing body of any municipality, as defined in  
111 this chapter, shall have all the powers necessary or convenient to  
112 carry out and effectuate the purposes and provisions of Sections  
113 57-10-401 through 57-10-445, including, but without limiting the  
114 generality of the foregoing, the power:

115 (a) To provide and finance economic development  
116 projects under the provisions of Sections 57-10-401 through  
117 57-10-445, and cooperate with counties, municipalities and  
118 eligible companies in order to promote, foster and support  
119 economic development within the counties and municipalities;

120 (b) To conduct hearings and inquiries, in the manner  
121 and by the methods as it deems desirable, including, without  
122 limitation, appointment of special committees, for the purpose of  
123 gathering information with respect to counties, municipalities,  
124 eligible companies and economic development projects, for the  
125 purpose of making any determinations necessary or desirable in the  
126 furtherance of Sections 57-10-401 through 57-10-445;

127 (c) To negotiate the terms of, and enter into financing  
128 agreements with, approved companies, and in connection therewith  
129 to acquire, convey, sell, own, lease, mortgage, finance, foreclose  
130 or otherwise dispose of any property, real or personal, in  
131 connection with an economic development project, and to pay, or  
132 cause to be paid, in accordance with the provisions of a financing

133 agreement, the approved costs of an economic development project  
134 from any funds available for that purpose;

135 (d) To consent, if it deems it necessary or desirable  
136 in the fulfillment of its purposes, to the modification of the  
137 terms of any financing agreements of any kind to which the  
138 municipality is a party;

139 (e) To include in any borrowing the amounts deemed  
140 necessary by the municipality to pay financing charges,  
141 consultant, advisory and legal fees, fees for bond insurance,  
142 letters of credit or other forms of credit enhancement, investment  
143 advisory fees, trustees' fees and other expenses necessary or  
144 incident to the borrowing;

145 (f) To make and publish administrative regulations  
146 respecting its programs and other administrative regulations  
147 necessary or appropriate to effectuate the purposes of Sections  
148 57-10-401 through 57-10-445, and necessary to administer the  
149 procedures and program as provided for in Sections 57-10-401  
150 through 57-10-445;

151 (g) To make, execute and effectuate any and all  
152 agreements or other documents with any governmental agency or any  
153 person, corporation, association, partnership, or other  
154 organization or entity, necessary or appropriate to accomplish the  
155 purposes of Sections 57-10-401 through 57-10-445, including any  
156 financing agreements with state agencies or any political  
157 subdivisions of the state under which funds may be pledged by or  
158 to the municipality for the payment of its bonds;

159 (h) To accept gifts, devises, bequests, grants, loans,  
160 appropriations, revenue sharing, other financing and assistance  
161 and any other aid from any source and to agree to, and to comply  
162 with, conditions attached thereto;

163 (i) To sue and be sued in its own name, plead and be  
164 impleaded; and

165 (j) To invest any funds held by the municipality or its

166 agents or trustees, under Sections 57-10-401 through 57-10-445,  
167 including, but not limited to, the proceeds of bonds issued under  
168 Sections 57-10-401 through 57-10-445, reserve or other funds, or  
169 any monies not required for immediate disbursement, and the  
170 investment income on any of the foregoing, in obligations  
171 authorized by Sections 57-10-401 through 57-10-445.

172 SECTION 2. The following provision shall be codified as  
173 Section 57-3-37, Mississippi Code of 1972:

174 57-3-37. (1) The income, including any profit made on the  
175 sale of all bonds issued by the governing body, shall at all times  
176 be exempt from all taxation by the state or any public subdivision  
177 thereof.

178 (2) All mortgages or deeds of trust executed as security  
179 therefor, all lease, loan or purchase agreements made pursuant to  
180 the provisions of this chapter and the provisions of Title 57,  
181 Chapter 10, Article 7, Mississippi Code of 1972, all purchases  
182 financed by proceeds from bonds issued pursuant to the provisions  
183 of this chapter and the provisions of Title 57, Chapter 10,  
184 Article 7, Mississippi Code of 1972, shall likewise be exempt from  
185 all taxation in the State of Mississippi except the contractors'  
186 tax imposed by Section 27-65-21. All projects financed by the  
187 proceeds from the bonds and the revenue derived from any lease  
188 thereof shall be exempt from all taxation in the State of  
189 Mississippi, except the tax levied by Section 27-65-21, and except  
190 the tax levied under Chapter 7, Title 27, Mississippi Code of  
191 1972.

192 (3) The time of any ad valorem tax exemption provided for  
193 under this section shall not exceed a total of ten (10) years,  
194 which shall run from the date of the completion of the project.  
195 In no event shall the term of the ad valorem tax exemption  
196 provided for under this section be limited, terminated or  
197 otherwise affected by payment in full of the bonds issued under  
198 this chapter or under Title 57, Chapter 10, Article 7, Mississippi

199 Code of 1972, or by the change from a leasehold to a fee title in  
200 the enterprise financed with bonds issued under this chapter or  
201 under Title 57, Chapter 10, Article 7, Mississippi Code of 1972.

202 (4) There shall be no exemption under this section from ad  
203 valorem taxes levied for school district purposes.

204 SECTION 3. The following provision shall be codified as  
205 Section 57-3-39, Mississippi Code of 1972:

206 57-3-39. (1) The income, including any profit made on the  
207 sale thereof from all bonds issued by the municipality, shall at  
208 all times be exempt from all taxation by the state or any  
209 political subdivision thereof.

210 (2) All mortgages or deeds of trust executed as security  
211 therefor, all lease or purchase agreements made pursuant to the  
212 provisions of this chapter or the provisions of Title 57, Chapter  
213 10, Article 11, Mississippi Code of 1972, and all purchases  
214 required to establish the industrial enterprise and financed by  
215 proceeds from bonds issued under the provisions of this chapter or  
216 the provisions of Sections 57-10-401 through 57-10-445, shall  
217 likewise be exempt from all taxation in the State of Mississippi  
218 except the contractors' tax imposed by Section 27-65-21,  
219 Mississippi Code of 1972, and except ad valorem taxes levied for  
220 school district purposes. All projects and the revenue derived  
221 from any lease thereof shall be exempt from all taxation in the  
222 State of Mississippi, except the tax levied by Section 27-65-21,  
223 except the tax levied under Title 27, Chapter 7, Mississippi Code  
224 of 1972, and except ad valorem taxes levied for school district  
225 purposes.

226 SECTION 4. Sections 57-3-11, 57-3-13, 57-3-15 and 57-3-17,  
227 which require an election to be held before any bonds may be  
228 issued under the laws which govern municipalities promoting  
229 industry and the use of agricultural products of the state, are  
230 repealed.

231 SECTION 5. This act shall take effect and be in force from

232 and after July 1, 1999.