

By: Representatives Reynolds, Gadd, Gibbs,
Hudson, Livingston, Maples

To: Ways and Means

HOUSE BILL NO. 1652

1 AN ACT TO ESTABLISH A COUNTY FIRE PROTECTION EQUIPMENT
2 REVOLVING LOAN PROGRAM TO BE ADMINISTERED BY THE DEPARTMENT OF
3 ECONOMIC AND COMMUNITY DEVELOPMENT FOR THE PURPOSE OF ASSISTING
4 COUNTIES IN PURCHASING FIRE PROTECTION EQUIPMENT OR FIRE TRUCKS,
5 OR BOTH; TO CREATE A SPECIAL FUND IN THE STATE TREASURY DESIGNATED
6 AS THE "COUNTY FIRE PROTECTION EQUIPMENT REVOLVING LOAN FUND"; TO
7 PRESCRIBE THE MANNER IN WHICH FUNDS UNDER THIS ACT MAY BE MADE
8 AVAILABLE AND EXPENDED BY COUNTIES; TO PRESCRIBE THE POWERS AND
9 DUTIES OF THE DEPARTMENT UNDER THE PROVISIONS OF THIS ACT; TO
10 AMEND SECTION 27-33-77, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
11 REIMBURSEMENT FOR TAX LOSS BECAUSE OF HOMESTEAD EXEMPTION
12 ALLOCATED TO COUNTIES TO BE PLEDGED AS SECURITY FOR A LOAN UNDER
13 THE PROVISIONS OF THIS ACT; TO AUTHORIZE THE ISSUANCE OF GENERAL
14 OBLIGATION BONDS TO PROVIDE MONIES FOR THE FUND; TO AMEND SECTION
15 57-1-55, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR
16 RELATED PURPOSES.

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

18 SECTION 1. There is established a county fire protection
19 equipment revolving loan program to be administered by the
20 Department of Economic and Community Development for the purpose
21 of assisting counties in purchasing fire protection equipment or
22 fire trucks, or both.

23 SECTION 2. (1) There is created a special fund in the State
24 Treasury to be designated as the "County Fire Protection Equipment
25 Revolving Loan Fund," hereinafter referred to as "revolving fund,"
26 which fund shall consist of such monies as provided in Sections 5
27 and 12 of this act. The revolving fund may receive
28 appropriations, bond proceeds, grants, gifts, donations or funds
29 from any source, public or private. The revolving fund shall be
30 credited with all repayments of principal and interest derived
31 from loans made from the revolving fund. The monies in the
32 revolving fund may be expended only in amounts appropriated by the
33 Legislature. The revolving fund shall be maintained in perpetuity

34 for the purposes established in this act. Unexpended amounts
35 remaining in the revolving fund at the end of a fiscal year shall
36 not lapse into the State General Fund, and any interest earned on
37 amounts in the revolving fund shall be deposited to the credit of
38 the fund. Monies in the revolving fund may not be used or
39 expended for any purpose except as authorized under this act. All
40 or any portion of the monies in the fund may be used to match any
41 federal funds that are available for the same or related purposes
42 for which funds are used and expended under this act. However,
43 any such federal funds shall be used and expended only in
44 accordance with federal laws, rules and regulations governing the
45 expenditure of such funds.

46 (2) The Department of Economic and Community Development
47 shall establish loan programs by which loans may be made available
48 to counties to assist such counties in purchasing fire protection
49 equipment or fire trucks, or both. The interest rate on such
50 loans may vary from time to time and from loan to loan as
51 determined by the Department of Economic and Community
52 Development, and shall be substantially equal to, but not more
53 than, a rate necessary to repay the state's cost of making such
54 loans. The department shall act as quickly as is practicable and
55 prudent in deciding on any loan request that it receives. Loans
56 from the revolving fund may be made to counties, as set forth in a
57 loan agreement in amounts not to exceed one hundred percent (100%)
58 of eligible project costs as established by the department. The
59 department may require county participation or funding from other
60 sources, or otherwise limit the percentage of costs covered by
61 loans from the revolving fund. The maximum amount for any loan
62 from the revolving fund shall be Two Hundred Fifty Thousand
63 Dollars (\$250,000.00).

64 (3) A county that receives a loan from the revolving fund
65 shall pledge for repayment of the loan any part of the homestead
66 exemption annual tax loss reimbursement to which it may be
67 entitled under Section 27-33-77. All recipients of such loans
68 shall establish a dedicated source of revenue for repayment of the
69 loan. Each loan agreement shall provide for (i) monthly payments,
70 (ii) semiannual payments or (iii) other periodic payments, the

71 annual total of which shall not exceed the annual total for any
72 other year of the loan by more than fifteen percent (15%). The
73 loan agreement shall provide for the repayment of all funds
74 received from the revolving fund within not more than fifteen (15)
75 years from the date of the purchase of the fire protection
76 equipment or fire trucks, and any repayment shall commence not
77 later than one (1) year after the purchase of the fire protection
78 equipment or fire trucks.

79 (4) The State Auditor, upon request of the department, shall
80 audit the receipts and expenditures of a county whose loan
81 repayments appear to be in arrears, and if the Auditor finds that
82 the county is in arrears in such payments, the Auditor shall
83 immediately notify the department which may take such action as
84 may be necessary to enforce the terms of the loan agreement,
85 including liquidation and enforcement of the security given for
86 repayment of the loan, and the Executive Director of the
87 Department of Finance and Administration who shall withhold all
88 future payments to the county of homestead exemption
89 reimbursements under Section 27-33-77 until such time as the
90 county is again current in its loan repayments as certified by the
91 department.

92 (5) All monies deposited in the revolving fund including
93 loan repayments and interest earned on those repayments, shall be
94 used only for providing loans or other financial assistance to
95 counties as the department deems appropriate. However, any
96 amounts in the revolving fund may be used to defray the reasonable
97 costs of administering the revolving fund and conducting
98 activities under this act, subject to annual appropriation by the
99 Legislature.

100 SECTION 3. In administering the provisions of this act, the
101 department shall have the following powers and duties:

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

104 (b) To review and certify all purchases for which funds
105 are authorized to be made available under this act;

106 (c) To requisition monies in the revolving loan fund
107 and distribute those monies on a purchase-by-purchase basis in
108 accordance with the provisions of this act;

109 (d) To ensure that the funds made available under this
110 act to a county are distributed among the counties under a
111 priority system established by the department;

112 (e) To maintain in accordance with generally accepted
113 government accounting standards an accurate record of all monies
114 in the revolving fund made available to counties and the costs for
115 each purchase;

116 (f) To establish policies, procedures and requirements
117 concerning viability and financial capability to repay loans that
118 may be used in approving loans available under the provisions of
119 this act, including a requirement that all loan recipients have a
120 rate structure which will be sufficient to cover the costs of
121 repayment of any loans made under this act; and

122 (g) To file annually with the Legislature a report
123 detailing how monies in the revolving loan fund were spent during
124 the preceding fiscal year in each county, the number of purchases
125 and the cost of each purchase.

126 SECTION 4. Section 27-33-77, Mississippi Code of 1972, is
127 amended as follows:

128 27-33-77. Beginning with the 1985 supplemental roll, and for
129 each succeeding year's roll thereafter, the amount of tax loss to
130 be reimbursed because of exemptions provided for in this article
131 shall be Fifty Dollars (\$50.00) each for county taxes exempted and
132 school taxes exempted for a total of One Hundred Dollars (\$100.00)
133 per applicant qualifying for homestead exemption under this
134 article.

135 The reimbursement received by the county shall be distributed
136 by the county treasurer to the general fund. Such reimbursement

137 may be pledged as security for any loan received by the county for
138 the purpose of capital improvements as authorized under Section
139 57-1-303, or for the purpose of loans as authorized under Section
140 17-24-7, or for the purpose of water systems improvements as
141 authorized under Section 41-3-16, or for the purpose of loans as
142 authorized under House Bill No. _____, 1999 Regular Session.

143 Provided further, that tax losses sustained by municipalities
144 because of exemptions granted to homeowners described in
145 subsection (2) of Section 27-33-67 shall be reimbursed up to the
146 amount of the actual exemption allowed, not to exceed Two Hundred
147 Dollars (\$200.00) per qualified applicant.

148 SECTION 5. The Department of Economic and Community
149 Development at one time or from time to time, may declare by
150 resolution the necessity for issuance of general obligation bonds
151 of the State of Mississippi to provide funds for all costs
152 incurred or to be incurred by the department for purchases as
153 described in Section 1 of this act. Upon the adoption of a
154 resolution by the department, declaring the necessity for the
155 issuance of any part or all of the general obligation bonds
156 authorized by this section, the department shall deliver a
157 certified copy of its resolution or resolutions to the State Bond
158 Commission. Upon receipt of such resolution, the State Bond
159 Commission, in its discretion, may act as the issuing agent,
160 prescribe the form of the bonds, advertise for and accept bids,
161 issue and sell the tax exempt or taxable bonds so authorized to be
162 sold, and do any and all other things necessary and advisable in
163 connection with the issuance and sale of such bonds. The amount
164 of bonds issued under Sections 5 through 19 of this act shall not
165 exceed Ten Million Dollars (\$10,000,000.00), the proceeds of which
166 shall be deposited in the revolving fund.

167 SECTION 6. The principal of and interest on the bonds
168 authorized under Section 5 of this act shall be payable in the
169 manner provided in this section. Such bonds shall bear such date

170 or dates, be in such denomination or denominations, bear interest
171 at such rate or rates (not to exceed the limits set forth in
172 Section 75-17-101), be payable at such place or places within or
173 without the State of Mississippi, shall mature absolutely at such
174 time or times not to exceed twenty-five (25) years from date of
175 issue, be redeemable before maturity at such time or times and
176 upon such terms, with or without premium, shall bear such
177 registration privileges, and shall be substantially in such form,
178 all as shall be determined by resolution of the State Bond
179 Commission.

180 SECTION 7. The bonds authorized by Section 5 of this act
181 shall be signed by the Chairman of the State Bond Commission, or
182 by his facsimile signature, and the official seal of the State
183 Bond Commission shall be affixed thereto, attested by the
184 Secretary of the State Bond Commission. The interest coupons, if
185 any, to be attached to such bonds may be executed by the facsimile
186 signatures of such officers. Whenever any such bonds shall have
187 been signed by the officials designated to sign the bonds who were
188 in office at the time of such signing but who may have ceased to
189 be such officers before the sale and delivery of such bonds, or
190 who may not have been in office on the date such bonds may bear,
191 the signatures of such officers upon such bonds and coupons shall
192 nevertheless be valid and sufficient for all purposes and have the
193 same effect as if the person so officially signing such bonds had
194 remained in office until their delivery to the purchaser, or had
195 been in office on the date such bonds may bear. However,
196 notwithstanding anything herein to the contrary, such bonds may be
197 issued as provided in the Registered Bond Act of the State of
198 Mississippi.

199 SECTION 8. All bonds and interest coupons issued under the
200 provisions of Sections 5 through 19 of this act have all the
201 qualities and incidents of negotiable instruments under the
202 provisions of the Mississippi Uniform Commercial Code, and in

203 exercising the powers granted by Sections 5 through 19 of this
204 act, the State Bond Commission shall not be required to and need
205 not comply with the provisions of the Mississippi Uniform
206 Commercial Code.

207 SECTION 9. The State Bond Commission shall act as the
208 issuing agent for the bonds authorized under Sections 5 through 19
209 of this act, prescribe the form of the bonds, advertise for and
210 accept bids, issue and sell the bonds so authorized to be sold,
211 pay all fees and costs incurred in such issuance and sale, and do
212 all other things necessary and advisable in connection with the
213 issuance and sale of the bonds. The State Bond Commission may pay
214 the costs that are incident to the sale, issuance and delivery of
215 the bonds authorized under Sections 5 through 19 of this act from
216 the proceeds derived from the sale of the bonds. The State Bond
217 Commission shall sell such bonds on sealed bids at public sale,
218 and for such price as it may determine to be for the best interest
219 of the State of Mississippi, but no such sale may be made at a
220 price less than par plus accrued interest to the date of delivery
221 of the bonds to the purchaser. All interest accruing on such
222 bonds so issued shall be payable semiannually or annually;
223 however, the first interest payment may be for any period of not
224 more than one (1) year.

225 Notice of the sale of any such bond shall be published at
226 least one (1) time, not less than ten (10) days before the date of
227 sale, and shall be so published in one or more newspapers
228 published or having a general circulation in the City of Jackson,
229 Mississippi, and in one or more other newspapers or financial
230 journals with a national circulation, to be selected by the State
231 Bond Commission.

232 The State Bond Commission, when issuing any bonds under the
233 authority of Sections 5 through 19 of this act, may provide that
234 bonds, at the option of the State of Mississippi, may be called in
235 for payment and redemption at the call price named therein and

236 accrued interest on such date or dates named therein.

237 SECTION 10. The bonds issued under the provisions of
238 Sections 5 through 19 of this act are general obligations of the
239 State of Mississippi, and for the payment thereof the full faith
240 and credit of the State of Mississippi is irrevocably pledged. If
241 the funds appropriated by the Legislature are insufficient to pay
242 the principal of and interest on such bonds as they become due,
243 then the deficiency shall be paid by the State Treasurer from any
244 funds in the State Treasury not otherwise appropriated. All such
245 bonds shall contain recitals on their faces substantially covering
246 the provisions of this section.

247 SECTION 11. The State Treasurer is authorized, without
248 further process of law, to certify to the Department of Finance
249 and Administration the necessity for warrants, and the Department
250 of Finance and Administration is authorized and directed to issue
251 such warrants, in such amounts as may be necessary to pay when due
252 the principal of, premium, if any, and interest on, or the
253 accreted value of, all bonds issued under this act; and the State
254 Treasurer shall forward the necessary amount to the designated
255 place or places of payment of such bonds in ample time to
256 discharge such bonds, or the interest on the bonds, on their due
257 dates.

258 SECTION 12. Upon the issuance and sale of bonds under the
259 provisions of Sections 5 through 19 of this act, the State Bond
260 Commission shall transfer the proceeds of any sale or sales of
261 bonds to the revolving fund in the amounts specified in Section 5
262 of this act. The proceeds of such bonds shall be disbursed solely
263 upon the order of the Department of Economic and Community
264 Development under such restrictions, if any, as may be contained
265 in the resolution providing for the issuance of the bonds.

266 SECTION 13. The bonds authorized under Sections 5 through 19
267 of this act may be issued without any other proceedings or the
268 happening of any other conditions or things other than those

269 proceedings, conditions and things which are specified or required
270 by Sections 5 through 19 of this act. Any resolution providing
271 for the issuance of bonds under the provisions of Sections 5
272 through 19 of this act shall become effective immediately upon its
273 adoption by the State Bond Commission, and any such resolution may
274 be adopted at any regular or special meeting of the State Bond
275 Commission by a majority of its members.

276 SECTION 14. The bonds authorized under the authority of
277 Sections 5 through 19 of this act may be validated in the Chancery
278 Court of the First Judicial District of Hinds County, Mississippi,
279 in the manner and with the force and effect provided by Chapter
280 13, Title 31, Mississippi Code of 1972, for the validation of
281 county, municipal, school district and other bonds. The notice to
282 taxpayers required by such statutes shall be published in a
283 newspaper published or having a general circulation in the City of
284 Jackson, Mississippi.

285 SECTION 15. Any holder of bonds issued under the provisions
286 of Sections 5 through 19 of this act or of any of the interest
287 coupons pertaining thereto may, either at law or in equity, by
288 suit, action, mandamus or other proceeding, protect and enforce
289 all rights granted under Sections 5 through 19 of this act, or
290 under such resolution, and may enforce and compel performance of
291 all duties required by Sections 5 through 19 of this act to be
292 performed, in order to provide for the payment of bonds and
293 interest thereon.

294 SECTION 16. All bonds issued under the provisions of
295 Sections 5 through 19 of this act shall be legal investments for
296 trustees and other fiduciaries, and for savings banks, trust
297 companies and insurance companies organized under the laws of the
298 State of Mississippi, and such bonds shall be legal securities
299 which may be deposited with and shall be received by all public
300 officers and bodies of this state and all municipalities and
301 political subdivisions for the purpose of securing the deposit of

302 public funds.

303 SECTION 17. Bonds issued under the provisions of Sections 5
304 through 19 of this act and income therefrom shall be exempt from
305 all taxation in the State of Mississippi.

306 SECTION 18. The proceeds of the bonds issued under the
307 provisions of Sections 5 through 19 of this act shall be used
308 solely for the purposes herein provided, including the costs
309 incident to the issuance and sale of such bonds.

310 SECTION 19. Sections 5 through 19 of this act shall be
311 deemed to be full and complete authority for the exercise of the
312 powers granted, but Sections 5 through 19 of this act shall not be
313 deemed to repeal or to be in derogation of any existing law of
314 this state.

315 SECTION 20. Section 57-1-55, Mississippi Code of 1972, is
316 amended as follows:

317 57-1-55. (1) The Department of Economic and Community
318 Development shall have the following general powers and duties: To
319 develop and manage programs which enhance the climate for economic
320 growth through assistance to private sector businesses, local
321 communities and individuals, and through an extensive national and
322 international marketing effort.

323 (2) The Department of Economic and Community Development
324 shall have the following general powers and duties with respect to
325 economic development:

326 (a) To plan, supervise and direct an active program of
327 solicitation of industries to locate within the state;

328 (b) To prepare, maintain and disseminate information
329 which is needed by companies in evaluating site locations;

330 (c) To consult with, advise and assist prospective
331 industries wishing to locate within the state;

332 (d) To encourage new or expanding industries, which
333 will add to the economy, to locate within the state;

334 (e) To maintain a coordinated liaison function with

335 other development groups, including state and federal agencies,
336 and planning and development districts, utility companies,
337 chambers of commerce and railroads;

338 (f) To assist communities and counties within the state
339 in preparation for economic growth;

340 (g) To assist new and existing business and industry
341 and encourage their development and expansion;

342 (h) To plan and conduct a nationwide advertising
343 program promoting the state to prospective industry;

344 (i) To work with economic development agencies of the
345 federal government in areas of industrial development and provide
346 information to industrial prospects regarding the availability of
347 federal funds and assistance;

348 (j) To work with the Department of Corrections,
349 pursuant to the provisions of Section 47-5-501 et seq., in
350 identifying and evaluating acceptable industries and businesses
351 and in acting as an agent of the Department of Corrections by
352 communicating with such concerns and aggressively soliciting their
353 participation in the Correctional Industries Work Program;

354 (k) To perform related work as required;

355 (l) To disseminate information about financial and
356 other programs of the Department of Economic and Community
357 Development that will assist in the creation or expansion of
358 industries processing wood products in this state;

359 (m) To market processed and raw agricultural products
360 domestically and abroad; and

361 (n) To aid in the establishment of business incubation
362 centers by private business interests, not for profit
363 corporations, and/or governmental entities. The department may
364 provide funds by contract for the establishment of business
365 incubation centers and may contract for space in which business
366 incubation centers will be located. Business incubation centers
367 are defined as facilities and support services that encourage the

368 establishment of successful small businesses by providing a
369 short-term sheltered environment. The department may solicit and
370 accept grants and other financial aid or support from private or
371 public sources to aid in the development of business incubation
372 centers. In addition, advice and assistance to established
373 business incubation centers may be provided by the department.

374 (o) To administer the county fire protection equipment
375 revolving loan program in accordance with the provisions of House
376 Bill No. _____, 1999 Regular Session.

377 SECTION 21. This act shall take effect and be in force from
378 and after July 1, 1999.