

By: Representatives Reynolds, Comans, Gadd, To: Ways and Means
Gibbs, Hudson, Livingston, Maples, Moak

HOUSE BILL NO. 1653

1 AN ACT TO AMEND SECTIONS 31-25-20 AND 31-25-21, MISSISSIPPI
2 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT BANK TO
3 ISSUE REVENUE BONDS TO FUND LOANS TO COUNTIES FOR THE ACQUISITION
4 OF FIRE EQUIPMENT INCLUDING FIRE TRUCKS; TO AMEND SECTIONS
5 31-25-28 AND 27-33-77, MISSISSIPPI CODE OF 1972, IN CONFORMITY
6 THERETO; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 31-25-20, Mississippi Code of 1972, is
9 amended as follows:

10 31-25-20. In addition to the other powers granted to the
11 bank under this section, the bank shall have the powers:

12 (a) To make, enter into and enforce all contracts or
13 agreements necessary, convenient or pertaining to any loan to a
14 local governmental unit under this section;

15 (b) To loan money to local governmental units for any
16 of the purposes set forth in this section;

17 (c) To charge for its costs and services in reviewing
18 or considering any proposed loan to a local governmental unit and
19 such costs may be established in such manner as the bank shall
20 determine;

21 (d) To fix and prescribe any form of application or
22 procedure to be required of a local governmental unit for the
23 purpose of any loan to be made to such governmental unit and to
24 fix the terms and conditions of any such loan;

25 (e) To issue revenue bonds to fund loans to local
26 governmental units for the acquisition, construction and
27 installation of energy related improvements, and other related or
28 similar infrastructure improvements consistent with the

intentions, purposes and objects of this section. Before any bonds may be issued for this purpose, the requirements of Section 31-25-28(6) must be satisfied; * * *

(f) To issue revenue bonds to fund or assist in funding retirement systems established pursuant to Sections 21-29-201 through 21-29-261. Before any revenue bonds may be issued for this purpose, the municipality whose retirement system is being funded by such bonds shall have an actuary perform a study through the Public Employees Retirement System to determine the effect of such revenue bonds on such retirement system;

(g) To issue bonds in the amount of Five Million Dollars (\$5,000,000.00) to provide additional funding for the grant program authorized under Section 18 of Chapter 530, Laws of 1995, which provided funds to counties and municipalities for the construction, renovation and expansion of livestock facilities; and

(h) To issue revenue bonds in the amount of Ten Million Dollars (\$10,000,000.00) to fund loans to counties for the acquisition of fire equipment, including, but not limited to, fire trucks.

SECTION 2. Section 31-25-21, Mississippi Code of 1972, is amended as follows:

31-25-21. The bank is hereby granted, has and may exercise the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the state provided for under this act, including:

(a) The making of loans to local governmental units by the purchase of municipal securities thereof;

(b) The payment, funding, refunding of the principal of, or interest or redemption premiums on, any bonds issued by it whether the bonds have or have not become due or subject to redemption in accordance with their terms;

(c) The establishment or increase of such debt service reserves and capitalized interest accounts to pay bonds or interest thereon as the bank shall consider necessary or advisable in the marketing of such bonds;

66 (d) The payment of consultant and legal fees and such
67 other costs of issuance and expenses necessary or incidental to
68 such bond issue;

69 (e) The deposit of funds into reserve funds established
70 by the bank;

71 (f) The establishment or increase of reserves to pay
72 all other costs and expenses of the bank incident to and necessary
73 or convenient to carrying out its corporate purposes and powers;

74 (g) The deposit of funds into the Water Pollution
75 Control Revolving Fund and the Water Pollution Control Emergency
76 Loan Fund created pursuant to Sections 49-17-81 through 49-17-89;

77 (h) The issuance of up to Fifty Million Dollars
78 (\$50,000,000.00) in revenue bonds for regional solid waste
79 authorities and county cooperative service districts;

80 (i) The advance purchase of energy for any municipality
81 that operates a gas producing, generating, transmission or
82 distribution system, or an electric generating, transmission or
83 distribution system under Sections 21-27-11 through 21-27-71;

84 (j) The issuance of revenue bonds to fund or assist in
85 funding retirement systems established pursuant to Sections
86 21-29-1 through 21-29-55 and Sections 21-29-101 through 21-29-151.
87 Before any revenue bonds may be issued for this purpose the
88 municipality whose retirement system is being funded by such bonds
89 shall have an actuary perform a study through the Public
90 Employees' Retirement System to determine the amount of revenue
91 bonds that should be issued to make such retirement system
92 actuarially sound;

93 (k) To issue general obligation bonds of the State of
94 Mississippi for the purposes provided in Section 31-25-20(g), as
95 such section existed on April 3, 1996. The authority to issue
96 such general obligation bonds of the State of Mississippi shall be
97 repealed from and after the date that the bonds have been issued
98 in their entirety;

(1) To issue revenue bonds for the purposes provided in Section 31-25-20(h); and

(m) Any other lawful, corporate purpose.

SECTION 3. Section 31-25-28, Mississippi Code of 1972, is amended as follow:

31-25-28. (1) Local governmental units may borrow money or receive grants from the bank for any of the purposes set forth in this section or Section 31-25-20(g) or Section 31-25-20(h) and pay to the bank such fees and charges for services as the bank may prescribe. Whenever any such loan is made to a local governmental unit, such local governmental unit may use available revenues for the repayment of the principal of, premium, if any, and interest on such loan, and pledge such available revenues or moneys for the repayment of the principal of, premium, if any, and interest on such loan. It is the intention of the Legislature that any such pledge of revenues or other moneys shall be valid and binding from the date the pledge is made; that such revenues or other moneys so pledged and thereafter received by the local governmental unit shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the local governmental unit irrespective of whether such parties have notice thereof; and neither the resolutions, contracts or any other instrument by which a pledge is created need be recorded.

(2) Local governmental units may contract with the bank with respect to any such loan and such contract shall contain such terms and conditions as may be prescribed by the bank.

(3) Local governmental units may in connection with any such loan enter into any covenants and agreements with respect to such local governmental unit's operations, revenues, assets, moneys, funds or property, or such loan, as may be prescribed by the bank.

(4) Upon the making of any such loan by the bank to any

132 local governmental unit, such local governmental unit shall be
133 held and be deemed to have agreed that if such governmental unit
134 fails to pay the principal of, premium, if any, and interest on
135 any such loan as when due and payable, such governmental unit
136 shall have waived any and all defenses to such nonpayment, and the
137 bank, upon such nonpayment, shall thereupon avail itself of all
138 remedies, rights and provisions of law applicable in such
139 circumstance, including without limitation, any remedies or rights
140 theretofore agreed to by the local governmental unit, and that
141 such loan shall for all of the purposes of this section, be held
142 and be deemed to have become due and payable and to be unpaid.
143 The bank may carry out the provisions of this section and exercise
144 all of the rights and remedies and provisions of law provided or
145 referred to in this section and of all other applicable laws of
146 the state.

147 (5) Any local governmental unit that borrows from the bank
148 under this section may agree in writing with the bank that, as
149 provided in this subsection, the State Tax Commission or any state
150 agency, department or commission created pursuant to state law
151 shall (a) withhold all or any part (as agreed by the local
152 governmental unit) of any moneys that such local governmental unit
153 is entitled to receive from time to time pursuant to any law and
154 that is in the possession of the State Tax Commission or any state
155 agency, department or commission created pursuant to state law and
156 (b) pay the same over to the bank to satisfy any delinquent
157 payments on any such loan made to such local governmental unit
158 under the provisions of this section and any other delinquent
159 payments due and owing the bank by such local governmental unit,
160 all as the same shall occur. If the bank files a copy of such
161 written agreement, together with a statement of delinquency, with
162 the State Tax Commission or any state agency, department or
163 commission created pursuant to state law, then the State Tax
164 Commission or any state agency, department or commission created

pursuant to state law shall immediately make the withholdings provided in such agreement from the amounts due the local governmental unit and shall continue to pay the same over to the bank until all such delinquencies are satisfied.

(6) Before authorizing any loan for any of the purposes enumerated in Section 31-25-20(e), the governing authority of the local governmental unit shall adopt a resolution declaring its intention so to do, stating the amount of the loan proposed to be authorized and the purpose for which the loan is to be authorized, and the date upon which the loan will be authorized. Such resolution shall be published once a week for at least three (3) consecutive weeks in at least one (1) newspaper published in such local governmental unit. The first publication of such resolution shall be made not less than twenty-one (21) days before the date fixed in such resolution for the authorization of the loan and the last publication shall be made not more than seven (7) days before such date. If no newspaper is published in such local governmental unit, then such notice shall be given by publishing the resolution for the required time in some newspaper having a general circulation in such local governmental unit and, in addition, by posting a copy of such resolution for at least twenty-one (21) days next preceding the date fixed therein at three (3) public places in such local governmental unit. If fifteen percent (15%) of the qualified electors of the local governmental unit or fifteen hundred (1500), whichever is the lesser, file a written protest against the authorization of such loan on or before the date specified in such resolution, then an election on the question of the authorization of such loan shall be called and held as otherwise provided for in connection with the issuance of general obligation indebtedness of such local governmental unit. Notice of such election shall be given as otherwise required in connection with the issuance of general obligation indebtedness of such local governmental unit. If

three-fifths (3/5) of the qualified electors voting in the election vote in favor of authorizing the loan, then the governing authority of the local governmental unit shall proceed with the loan; however, if less than three-fifths (3/5) of the qualified electors voting in the election vote in favor of authorizing the loan, then the loan shall not be incurred. If no protest be filed, then such loan may be entered into by the local governmental unit without an election on the question of the authorization of such loan, at any time within a period of two (2) years after the date specified in the resolution. However, the governing authority of any local governmental unit in its discretion may nevertheless call an election on such question, in which event it shall not be necessary to publish the resolution declaring its intention to authorize such loan as provided in this subsection.

(7) This section shall be deemed to provide an additional, alternative and complete method for the doing of the things authorized by this section and shall be deemed and construed to be supplemental to any power conferred by other laws on local governmental units and not in derogation of any such powers. Any loan made pursuant to the provisions of this section shall not constitute an indebtedness of the local governmental unit within the meaning of any constitutional or statutory limitation or restriction. In connection with a loan under this act, a local governmental unit shall not be required to comply with the provisions of any other law except as provided in this section.

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

27-33-77. Beginning with the 1985 supplemental roll, and for each succeeding year's roll thereafter, the amount of tax loss to be reimbursed because of exemptions provided for in this article shall be Fifty Dollars (\$50.00) each for county taxes exempted and school taxes exempted for a total of One Hundred Dollars (\$100.00)

231 per applicant qualifying for homestead exemption under this
232 article.

233 The reimbursement received by the county shall be distributed
234 by the county treasurer to the general fund. Such reimbursement
235 may be pledged as security for any loan received by the county for
236 the purpose of capital improvements as authorized under Section
237 57-1-303, or for the purpose of loans as authorized under Section
238 17-24-7, or for the purpose of water systems improvements as
239 authorized under Section 41-3-16 or for the purpose of loans as
240 authorized under Section 31-25-20.

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

246 SECTION 5. This act shall take effect and be in force from
247 and after July 1, 1999.