

By: Reynolds

To: Ways and Means

HOUSE BILL NO. 1688

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

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

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

39 (g) To issue bonds in the amount of Five Million
40 Dollars (\$5,000,000.00) to provide additional funding for the
41 grant program authorized under Section 18 of Chapter 530, Laws of
42 1995, which provided funds to counties and municipalities for the
43 construction, renovation and expansion of livestock facilities;
44 and

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

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

51 31-25-21. The bank is hereby granted, has and may exercise
52 the power to borrow money and issue its bonds in such principal
53 amounts as it shall deem necessary to provide funds to accomplish
54 a public purpose or purposes of the state provided for under this
55 act, including:

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

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

62 (c) The establishment or increase of such debt service
63 reserves and capitalized interest accounts to pay bonds or
64 interest thereon as the bank shall consider necessary or advisable
65 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;

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

101 (m) Any other lawful, corporate purpose.

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

104 31-25-28. (1) Local governmental units may borrow money or
105 receive grants from the bank for any of the purposes set forth in
106 this section or Section 31-25-20(g) or Section 31-25-20(h) and pay
107 to the bank such fees and charges for services as the bank may
108 prescribe. Whenever any such loan is made to a local governmental
109 unit, such local governmental unit may use available revenues for
110 the repayment of the principal of, premium, if any, and interest
111 on such loan, and pledge such available revenues or moneys for the
112 repayment of the principal of, premium, if any, and interest on
113 such loan. It is the intention of the Legislature that any such
114 pledge of revenues or other moneys shall be valid and binding from
115 the date the pledge is made; that such revenues or other moneys so
116 pledged and thereafter received by the local governmental unit
117 shall immediately be subject to the lien of such pledge without
118 any physical delivery thereof or further act, and that the lien of
119 any such pledge shall be valid and binding as against all parties
120 having claims of any kind in tort, contract or otherwise against
121 the local governmental unit irrespective of whether such parties
122 have notice thereof; and neither the resolutions, contracts or any
123 other instrument by which a pledge is created need be recorded.

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

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

131 (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

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

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

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

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

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

226 27-33-77. Beginning with the 1985 supplemental roll, and for
227 each succeeding year's roll thereafter, the amount of tax loss to
228 be reimbursed because of exemptions provided for in this article
229 shall be Fifty Dollars (\$50.00) each for county taxes exempted and
230 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 31-25-1 et seq.

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, 2000.