

By: Senator(s) Tollison, Frazier,  
Williamson, Butler, Jackson (11th)

To: Municipalities

SENATE BILL NO. 2641

1 AN ACT TO AMEND SECTION 21-17-1, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE MUNICIPALITIES TO ESTABLISH AN EMPLOYER-ASSISTED HOUSING  
3 PROGRAM TO ASSIST EMPLOYEES WHEN PURCHASING A HOME; AND FOR  
4 RELATED PURPOSES.

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

6 **SECTION 1.** Section 21-17-1, Mississippi Code of 1972, is  
7 amended as follows:

8 21-17-1. (1) Every municipality of this state shall be a  
9 municipal corporation and shall have power to sue and be sued; to  
10 purchase and hold real estate, either within or without the  
11 corporate limits, for all proper municipal purposes, including  
12 parks, cemeteries, hospitals, schoolhouses, houses of correction,  
13 waterworks, electric lights, sewers and other proper municipal  
14 purposes; to purchase and hold personal property for all proper  
15 municipal purposes; to acquire equipment and machinery by  
16 lease-purchase agreement and to pay interest thereon, if  
17 contracted, when needed for proper municipal purposes; to sell and  
18 convey any real and personal property owned by it, and make such  
19 order respecting the same as may be deemed conducive to the best  
20 interest of the municipality, and exercise jurisdiction over the  
21 same.

22 (2) In case any of the real property belonging to a  
23 municipality shall cease to be used for municipal purposes, the  
24 governing authority of the municipality may sell, convey or lease  
25 the same on such terms as the municipal authority may elect. In  
26 case of a sale on a credit, the municipality shall charge  
27 appropriate interest as contracted and shall have a lien on the  
28 same for the purchase money, as against all persons, until paid

29 and may enforce the lien as in such cases provided by law. The  
30 deed of conveyance in such cases shall be executed in the name of  
31 the municipality by the governing authority of the municipality  
32 pursuant to \* \* \* order entered on the minutes \* \* \*. In any sale  
33 or conveyance of real property, the municipality shall retain all  
34 mineral rights that it owns, together with the right of ingress  
35 and egress to remove same. Before any such lease, deed or  
36 conveyance is executed, the governing authority of the  
37 municipality shall publish at least once each week for three (3)  
38 consecutive weeks, in a public newspaper of the municipality in  
39 which the real property is located, or if no newspaper be  
40 published as such, then in a newspaper having general circulation  
41 therein, the intention to lease or sell, as the case may be, the  
42 municipally owned real property and to accept sealed competitive  
43 bids for the leasing or sale. The governing authority of the  
44 municipality shall thereafter accept bids for the lease or sale  
45 and shall award the lease or sale to the highest bidder in the  
46 manner provided by law. However, whenever the governing authority  
47 of the municipality shall find and determine, by resolution duly  
48 and lawfully adopted and spread upon its minutes (a) that any  
49 municipally owned real property is no longer needed for municipal  
50 or related purposes and is not to be used in the operation of the  
51 municipality, (b) that the sale of such property in the manner  
52 otherwise provided by law is not necessary or desirable for the  
53 financial welfare of the municipality, and (c) that the use of  
54 such property for the purpose for which it is to be sold, conveyed  
55 or leased will promote and foster the development and improvement  
56 of the community in which it is located and the civic, social,  
57 educational, cultural, moral, economic or industrial welfare  
58 thereof, the governing authority of the municipality shall be  
59 authorized and empowered, in its discretion, to sell, convey or  
60 lease same for any of the purposes set forth herein without having  
61 to advertise for and accept competitive bids. In any case in

62 which a municipality proposes to sell, convey or lease real  
63 property under the provisions of this section without advertising  
64 for and accepting competitive bids, consideration for the  
65 purchase, conveyance or lease of the property shall be not less  
66 than the average of the fair-market price for such property as  
67 determined by three (3) professional property appraisers selected  
68 by the municipality and approved by the purchaser or lessee.  
69 Appraisal fees shall be shared equally by the municipality and the  
70 purchaser or lessee.

71 (3) Whenever the governing authority of the municipality  
72 shall find and determine by resolution duly and lawfully adopted  
73 and spread upon the minutes that municipally owned real property  
74 is not used for municipal purposes and therefore surplus as set  
75 forth hereinabove:

76 (a) The governing authority may donate such lands to a  
77 bona fide not-for-profit civic or eleemosynary corporation  
78 organized and existing under the laws of the State of Mississippi  
79 and granted tax exempt status by the Internal Revenue Service and  
80 may donate such lands and necessary funds related thereto to the  
81 public school district in which the land is situated for the  
82 purposes set forth herein. Any deed or conveyance executed  
83 pursuant hereto shall contain a clause of reverter providing that  
84 the bona fide not-for-profit corporation or public school district  
85 may hold title to such lands only so long as they are continued to  
86 be used for the civic, social, educational, cultural, moral,  
87 economic or industrial welfare of the community, and that title  
88 shall revert to the municipality in the event of the cessation of  
89 such use for a period of two (2) years. In any such deed or  
90 conveyance, the municipality shall retain all mineral rights that  
91 it owns, together with the right of ingress and egress to remove  
92 same;

93 (b) The governing authority may donate such lands to a  
94 bona fide not-for-profit corporation (such as Habitat for

95 Humanity) which is primarily engaged in the construction of  
96 housing for persons who otherwise can afford to live only in  
97 substandard housing. In any such deed or conveyance, the  
98 municipality shall retain all mineral rights that it owns,  
99 together with the right of ingress and egress to remove same;

100 (c) In the event the governing authority does not wish  
101 to donate title to such lands to the bona fide not-for-profit  
102 civic or eleemosynary corporation, but wishes to retain title to  
103 the lands, the governing authority may lease the lands to a bona  
104 fide not-for-profit corporation described in paragraph (a) or (b)  
105 for less than fair-market value;

106 (d) Nothing contained in this subsection (3) shall be  
107 construed to prohibit, restrict or to prescribe conditions with  
108 regard to the authority granted under Section 17-25-3.

109 (4) Every municipality shall also be authorized and  
110 empowered to loan to private persons or entities, whether  
111 organized for profit or nonprofit, funds received from the United  
112 States Department of Housing and Urban Development (HUD) under an  
113 urban development action grant or a community development block  
114 grant under the Housing and Community Development Act of 1974  
115 (Public Law 93-383), as amended, and to charge interest thereon if  
116 contracted, provided that no such loan shall include any funds  
117 from any revenues other than the funds from the United States  
118 Department of Housing and Urban Development; to make all contracts  
119 and do all other acts in relation to the property and affairs of  
120 the municipality necessary to the exercise of its governmental,  
121 corporate and administrative powers; and to exercise such other or  
122 further powers as are otherwise conferred by law.

123 (5) (a) The governing authority of any municipality may  
124 establish an employer-assisted housing program, to provide funds  
125 to eligible employees to be used toward the purchase of a home.  
126 This assistance may be applied toward the down payment, closing  
127 costs or any other fees or costs associated with the purchase of a

128 home. The housing assistance may be in the form of a grant,  
129 forgivable loan or repayable loan. The program shall be  
130 administered by the municipality in conjunction with the Federal  
131 National Mortgage Association (Fannie Mae). The governing  
132 authority of a municipality may contract with one or more public  
133 or private entities to provide assistance in implementing and  
134 administering the program, and shall adopt rules and regulations  
135 regarding the eligibility of a municipality for the program, and  
136 for the implementation and administration of the program.

137 (b) Participation in the program established under this  
138 subsection (5) shall be available to any eligible municipal  
139 employee as determined by the governing authority of the  
140 municipality. Any person who receives financial assistance under  
141 the program must purchase a house and reside within certain  
142 geographic boundaries as determined by the governing authority of  
143 the municipality.

144 (c) If the assistance authorized under this subsection  
145 is structured as a forgivable loan, the participating employee  
146 must remain as an employee of the municipality for an agreed upon  
147 period of time, as determined by the rules and regulations adopted  
148 by the governing authority of the municipality, in order to have  
149 the loan forgiven. The forgiveness structure, amount of  
150 assistance and repayment terms shall be determined by the  
151 governing authority of the municipality.

152 (6) The governing authority of any municipality may contract  
153 with a private attorney or private collection agent or agency to  
154 collect any type of delinquent payment owed to the municipality,  
155 including, but not limited to, past due fees and fines. Any such  
156 contract debt may provide for payment contingent upon successful  
157 collection efforts or payment based upon a percentage of the  
158 delinquent amount collected; however, the entire amount of all  
159 delinquent payments collected shall be remitted to the  
160 municipality and shall not be reduced by any collection costs or

161 fees. Any private attorney or private collection agent or agency  
162 contracting with the municipality under the provisions of this  
163 subsection shall give bond or other surety payable to the  
164 municipality in such amount as the governing authority of the  
165 municipality deem sufficient. Any private attorney with whom the  
166 municipality contracts under the provisions of this subsection  
167 must be a member in good standing of The Mississippi Bar. Any  
168 private collection agent or agency with whom the municipality  
169 contracts under the provisions of this subsection must meet all  
170 licensing requirements for doing business in the State of  
171 Mississippi. Neither the municipality nor any officer or employee  
172 of the municipality shall be liable, civilly or criminally, for  
173 any wrongful or unlawful act or omission of any person or business  
174 with whom the municipality has contracted under the provisions of  
175 this subsection. The Mississippi Department of Audit shall  
176 establish rules and regulations for use by municipalities in  
177 contracting with persons or businesses under the provisions of  
178 this subsection. If a municipality uses its own employees to  
179 collect any type of delinquent payment owed to the municipality,  
180 then from and after July 1, 2000, the municipality may charge an  
181 additional fee for collection of the delinquent payment provided  
182 the payment has been delinquent for ninety (90) days. The  
183 collection fee may not exceed fifteen percent (15%) of the  
184 delinquent payment if the collection is made within this state and  
185 may not exceed twenty-five percent (25%) of the delinquent payment  
186 if the collection is made outside this state. In conducting  
187 collection of delinquent payments, the municipality may utilize  
188 credit cards or electronic fund transfers. The municipality may  
189 pay any service fees for the use of such methods of collection  
190 from the collection fee, but not from the delinquent payment.  
191 There shall be due to the municipality from any person whose  
192 delinquent payment is collected under a contract executed as  
193 provided in this subsection an amount, in addition to the

194 delinquent payment, of not to exceed twenty-five percent (25%) of  
195 the delinquent payment for collections made within this state, and  
196 not to exceed fifty percent (50%) of the delinquent payment for  
197 collections made outside of this state.

198       (7) In addition to such authority as is otherwise granted  
199 under this section, the governing authority of any municipality  
200 may expend funds necessary to maintain and repair, and to purchase  
201 liability insurance, tags and decals for, any personal property  
202 acquired under the Federal Excess Personal Property Program that  
203 is used by the local volunteer fire department.

204       (8) The governing authority of any municipality may, in its  
205 discretion, donate personal property or funds to the public school  
206 district or districts located in the municipality for the  
207 promotion of educational programs of the district or districts  
208 within the municipality.

209       (9) In addition to the authority to expend matching funds  
210 under Section 21-19-65, the governing authority of any  
211 municipality, in its discretion, may expend municipal funds to  
212 match any state, federal or private funding for any program  
213 administered by the State of Mississippi, the United States  
214 government or any nonprofit organization that is exempt under 26  
215 USCS Section 501(c)(3) from paying federal income tax.

216       (10) The powers conferred by this section shall be in  
217 addition and supplemental to the powers conferred by any other  
218 law, and nothing contained in this section shall be construed to  
219 prohibit, or to prescribe conditions concerning, any practice or  
220 practices authorized under any other law.

221       **SECTION 2.** This act shall take effect and be in force from  
222 and after July 1, 2004.