

By: Senator(s) Chaney

To: Finance

SENATE BILL NO. 2351

1 AN ACT TO AMEND SECTION 21-45-9, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE A MUNICIPALITY TO IMPOSE A SPECIAL ASSESSMENT ON A
3 REDEVELOPMENT PROJECT FOR WHICH TAX INCREMENT FINANCING BONDS HAVE
4 BEEN ISSUED IF THE ADDED INCREMENTS OF AD VALOREM TAX REVENUES OR
5 ANY PORTION OF THE SALES TAXES TO RESULT FROM ANY REDEVELOPMENT
6 PROJECT BECOME INSUFFICIENT TO PAY THE DEBT SERVICE ON THE BONDS;
7 AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 21-45-9, Mississippi Code of 1972, is
10 amended as follows:

11 21-45-9. (1) Any governing body may issue tax increment
12 bonds, the final maturity of which shall not extend beyond thirty
13 (30) years, for the purpose of financing all or a portion of the
14 cost of a redevelopment project within the boundaries of the
15 municipality, funding any reserve which the governing body may
16 deem advisable in connection with the retirement of the proposed
17 indebtedness and funding any other incidental expenses involved in
18 incurring such indebtedness.

19 (2) (a) The debt service of indebtedness incurred pursuant
20 to this section shall be provided from the added increments of
21 municipal and county ad valorem tax revenues or any portion of the
22 sales taxes, or both, to result from any such redevelopment
23 project and shall never constitute an indebtedness of the
24 municipality within the meaning of any state constitutional
25 provision or statutory limitation and shall never constitute nor
26 give rise to a pecuniary liability of the municipality or a charge
27 against its general credit or taxing powers.

28 (b) In the event that the added increments of ad
29 valorem tax revenues or any portion of the sales taxes, or both,

30 to result from any redevelopment project become insufficient to
31 pay the debt service of indebtedness incurred pursuant to this
32 section, the municipal governing authorities are vested with full
33 power to raise the levy on the redevelopment project, both
34 personal and real, by special assessment to pay the insufficiency.
35 The governing authorities shall have all power to enforce and
36 collect the taxes as provided by statutes empowering
37 municipalities to collect special assessments, and it shall be
38 done in the same general way and may be assessed at any time and
39 cover such length of time as the governing authorities may deem
40 proper.

41 (3) The bonds may be authorized by resolution or resolutions
42 of the governing body, and may be issued in one or more series,
43 may bear such date or dates, mature at such time or times, bear
44 interest at such rate or rates, payable at such times, be in such
45 denominations, be in such form, be registered, be executed in such
46 manner, be payable in such medium of payment, at such place or
47 places, be subject to such terms of redemption, with or without
48 premium, carry such conversion or registration privileges and be
49 declared or become due before the maturity date thereof, as such
50 resolution or resolutions may provide; however, the bonds shall
51 not bear a greater interest rate to maturity than that allowed
52 under Section 75-17-101. The bonds shall be sold for not less
53 than par value plus accrued interest at public sale in the manner
54 provided by Section 31-19-25 or at private sale, in the discretion
55 of the governing body. The lowest interest rate specified for any
56 bonds issued shall not be less than seventy percent (70%) of the
57 highest interest rate specified for the same bond issue. The
58 bonds may be repurchased by the municipality out of any available
59 funds at a price not to exceed the principal amount thereof and
60 accrued interest, and all bonds so repurchased shall be cancelled.
61 In connection with the issuance of the bonds, the municipality
62 shall have the power to enter into contracts for rating of the

63 bonds by national rating agencies; obtaining bond insurance or
64 guarantees for the bonds and complying with the terms and
65 conditions of such insurance or guarantees; make provision for
66 payment in advance of maturity at the option of the owner or
67 holder of the bonds; covenant for the security and better
68 marketability of the bonds, including, without limitation, the
69 establishment of a debt service reserve fund and sinking funds to
70 secure or pay the bonds; and make any other provisions deemed
71 desirable by the municipality in connection with the issuance of
72 said bonds.

73 (4) If a governing body desires to issue tax increment
74 financing bonds under the Regional Economic Development Act, the
75 governing body also shall comply with any requirements provided
76 therein.

77 (5) In connection with the issuance of the bonds, the
78 municipality may arrange for lines of credit with any bank, firm
79 or person for the purpose of providing an additional source of
80 repayment for such bonds and amounts drawn on such lines of credit
81 may be evidenced by bonds, notes or other evidences of
82 indebtedness containing such terms and conditions as the
83 municipality may determine; * * * however, the bonds, notes or
84 evidences of indebtedness shall be secured by and payable from the
85 same sources as are pledged to the payment of the bonds which are
86 additionally secured by the line of credit, and the bonds, notes
87 or other evidences of indebtedness shall be deemed to be bonds for
88 all purposes of this chapter. Pending the preparation or
89 execution of definitive bonds, interim receipts or certificates,
90 or temporary bonds may be delivered to the purchaser or purchasers
91 of the bonds. Any provision of law to the contrary
92 notwithstanding, any bonds, if any, issued pursuant to this
93 chapter shall possess all of the qualities of negotiable
94 instruments.

95 (6) The municipality may also issue refunding bonds for the
96 purpose of paying any of its bonds at or prior to maturity or upon
97 acceleration or redemption. Refunding bonds may be issued at such
98 time prior to the maturity or redemption of the refunded bonds as
99 the municipality may determine. The refunding bonds may be issued
100 in sufficient amounts to pay or provide the principal of the bonds
101 being refunded, together with any redemption premium thereon, any
102 interest accrued or to accrue to the date of payment of the bonds,
103 the expenses of issuing the refunding bonds, the expenses of
104 redeeming the bonds being refunded, and such reserves for debt
105 service or other capital or current expenses from the proceeds of
106 the refunding bonds as may be required by any of the
107 municipality's resolutions, trust indenture or other security
108 instruments. The issuance of refunding bonds, the maturities and
109 other details thereof, the security therefor, the rights of the
110 holders and the rights, duties and obligations of the municipality
111 in respect to them shall be governed by the provisions of this
112 chapter relating to the issuance of bonds other than refunding
113 bonds, insofar as the they may be applicable.

114 (7) Before incurring any debt pertaining to a redevelopment
115 project incorporating a tax increment financing plan the governing
116 body may, but shall not be required to, secure an agreement from
117 one or more developers obligating such developer or developers:

118 (a) To effect the completion of all or any portion of
119 the buildings or other facilities or improvements, as described in
120 the redevelopment project, at no cost to the municipality;

121 (b) To pay all or any portion of the real property
122 taxes due on the project in a timely manner; and

123 (c) To maintain and operate all or any portion of the
124 buildings or other facilities or improvements of the project in
125 such a manner as to preserve property values.

126 No breach of any such agreement shall impose any pecuniary
127 liability upon a municipality or any charge upon its general
128 credit or against its taxing powers.

129 Additionally, the municipality may enter into an agreement
130 with the developer under which the developer may construct all or
131 any part of the redevelopment project with private funds in
132 advance of issuance of the bonds and may be reimbursed by the
133 municipality for actual costs incurred by the developer upon
134 issuance and delivery of the bonds and receipt of the proceeds,
135 conditioned upon dedication of redevelopment project by the
136 developer to the municipality to assure public use and access.
137 This condition shall not apply to the privately-owned portion of a
138 project for which the Mississippi Development Authority has issued
139 a certificate of convenience and necessity pursuant to the
140 Regional Economic Development Act.

141 **SECTION 2.** This act shall take effect and be in force from
142 and after July 1, 2007.