

By: Senator(s) Clarke, Gollott, Jackson  
(11th), Jackson (32nd), Jordan, Thames,  
Thomas

To: Finance

SENATE BILL NO. 2737

1 AN ACT TO AMEND SECTION 21-45-9, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT THE CONDITION THAT A PORTION OF A REDEVELOPMENT  
3 PROJECT CONSTRUCTED UNDER THE TAX INCREMENT FINANCING WITH PRIVATE  
4 FUNDS IN ADVANCE OF THE ISSUANCE OF BONDS MAY BE REIMBURSED ONLY  
5 IF THE DEVELOPER DEDICATES THE PROJECT TO THE MUNICIPALITY, SHALL  
6 NOT APPLY TO THE PRIVATELY OWNED PORTION OF A REDEVELOPMENT  
7 PROJECT WHERE THE GOVERNING BODY OF A MUNICIPALITY MAKES A FINDING  
8 THAT IT IS IN THE BEST INTEREST OF THE MUNICIPALITY THAT THE  
9 CONDITION NOT APPLY; AND FOR RELATED PURPOSES.

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

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

13 21-45-9. (1) Any governing body may issue tax increment  
14 bonds, the final maturity of which shall not extend beyond thirty  
15 (30) years, for the purpose of financing all or a portion of the  
16 cost of a redevelopment project within the boundaries of the  
17 municipality, funding any reserve which the governing body may  
18 deem advisable in connection with the retirement of the proposed  
19 indebtedness and funding any other incidental expenses involved in  
20 incurring such indebtedness. The debt service of indebtedness  
21 incurred pursuant to this section shall be provided from the added  
22 increments of municipal and county ad valorem tax revenues or any  
23 portion of the sales taxes, or both, to result from any such  
24 redevelopment project and shall never constitute an indebtedness  
25 of the municipality within the meaning of any state constitutional  
26 provision or statutory limitation and shall never constitute nor  
27 give rise to a pecuniary liability of the municipality or a charge  
28 against its general credit or taxing powers.

29 (2) The bonds may be authorized by resolution or  
30 resolutions of the governing body, and may be issued in one or

31 more series, may bear such date or dates, mature at such time or  
32 times, bear interest at such rate or rates, payable at such times,  
33 be in such denominations, be in such form, be registered, be  
34 executed in such manner, be payable in such medium of payment, at  
35 such place or places, be subject to such terms of redemption, with  
36 or without premium, carry such conversion or registration  
37 privileges and be declared or become due before the maturity date  
38 thereof, as such resolution or resolutions may provide; however,  
39 the bonds shall not bear a greater interest rate to maturity than  
40 that allowed under Section 75-17-101. The bonds shall be sold for  
41 not less than par value plus accrued interest at public sale in  
42 the manner provided by Section 31-19-25 or at private sale, in the  
43 discretion of the governing body. The lowest interest rate  
44 specified for any bonds issued shall not be less than seventy  
45 percent (70%) of the highest interest rate specified for the same  
46 bond issue. The bonds may be repurchased by the municipality out  
47 of any available funds at a price not to exceed the principal  
48 amount thereof and accrued interest, and all bonds so repurchased  
49 shall be cancelled. In connection with the issuance of the bonds,  
50 the municipality shall have the power to enter into contracts for  
51 rating of the bonds by national rating agencies; obtaining bond  
52 insurance or guarantees for the bonds and complying with the terms  
53 and conditions of such insurance or guarantees; make provision for  
54 payment in advance of maturity at the option of the owner or  
55 holder of the bonds; covenant for the security and better  
56 marketability of the bonds, including, without limitation, the  
57 establishment of a debt service reserve fund and sinking funds to  
58 secure or pay the bonds; and make any other provisions deemed  
59 desirable by the municipality in connection with the issuance of  
60 the bonds.

61 (3) If a governing body desires to issue tax increment  
62 financing bonds under the Regional Economic Development Act, the

63 governing body also shall comply with any requirements provided  
64 therein.

65       (4) In connection with the issuance of the bonds, the  
66 municipality may arrange for lines of credit with any bank, firm  
67 or person for the purpose of providing an additional source of  
68 repayment for the bonds and amounts drawn on such lines of credit  
69 may be evidenced by bonds, notes or other evidences of  
70 indebtedness containing such terms and conditions as the  
71 municipality may determine; \* \* \* however, \* \* \* such bonds, notes  
72 or evidences of indebtedness shall be secured by and payable from  
73 the same sources as are pledged to the payment of the bonds which  
74 are additionally secured by such line of credit, and that the  
75 bonds, notes or other evidences of indebtedness shall be deemed to  
76 be bonds for all purposes of this chapter. Pending the  
77 preparation or execution of definitive bonds, interim receipts or  
78 certificates, or temporary bonds may be delivered to the purchaser  
79 or purchasers of the bonds. Any provision of law to the contrary  
80 notwithstanding, any bonds, if any, issued pursuant to this  
81 chapter shall possess all of the qualities of negotiable  
82 instruments.

83       (4) The municipality may also issue refunding bonds for the  
84 purpose of paying any of its bonds at or prior to maturity or upon  
85 acceleration or redemption. Refunding bonds may be issued at such  
86 time prior to the maturity or redemption of the refunded bonds as  
87 the municipality may determine. The refunding bonds may be issued  
88 in sufficient amounts to pay or provide the principal of the bonds  
89 being refunded, together with any redemption premium thereon, any  
90 interest accrued or to accrue to the date of payment of such  
91 bonds, the expenses of issuing the refunding bonds, the expenses  
92 of redeeming the bonds being refunded, and such reserves for debt  
93 service or other capital or current expenses from the proceeds of  
94 such refunding bonds as may be required by any of the  
95 municipality's resolutions, trust indenture or other security

96 instruments. The issuance of refunding bonds, the maturities and  
97 other details thereof, the security therefor, the rights of the  
98 holders and the rights, duties and obligations of the municipality  
99 in respect of the same shall be governed by the provisions of this  
100 chapter relating to the issuance of bonds other than refunding  
101 bonds, insofar as the same may be applicable.

102       (5) Before incurring any debt pertaining to a redevelopment  
103 project incorporating a tax increment financing plan the governing  
104 body may, but shall not be required to, secure an agreement from  
105 one or more developers obligating such developer or developers:

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

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

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

114       No breach of any such agreement shall impose any pecuniary  
115 liability upon a municipality or any charge upon its general  
116 credit or against its taxing powers.

117       (6) Additionally, the municipality may enter into an  
118 agreement with the developer under which the developer may  
119 construct all or any part of the redevelopment project with  
120 private funds in advance of issuance of the bonds and may be  
121 reimbursed by the municipality for actual costs incurred by the  
122 developer upon issuance and delivery of the bonds and receipt of  
123 the proceeds, conditioned upon dedication of redevelopment project  
124 by the developer to the municipality to assure public use and  
125 access. This condition shall not apply to:

126           (a) The privately owned portion of a project for which  
127 the Mississippi Development Authority has issued a certificate of

128 convenience and necessity pursuant to the Regional Economic  
129 Development Act; or

130 (b) The privately owned portion of a redevelopment  
131 project where the governing body of a municipality makes a finding  
132 that it is in the best interest of the municipality that the  
133 condition shall not apply.

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