

By: Representative Busby

To: Ways and Means

HOUSE BILL NO. 51

1 AN ACT TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972,
 2 TO AUTHORIZE A DIVERSION TO COUNTIES OF A PORTION OF THE SALES TAX
 3 REVENUE COLLECTED ON BUSINESS ACTIVITIES WITHIN A REDEVELOPMENT
 4 PROJECT DEVELOPED UNDER THE TAX INCREMENT FINANCING ACT IF THE
 5 COUNTY HAS ISSUED BONDS UNDER THE TAX INCREMENT FINANCING ACT TO
 6 FINANCE ALL OR A PORTION OF SUCH REDEVELOPMENT PROJECT, ANY DEBT
 7 SERVICE FOR SUCH INDEBTEDNESS IS OUTSTANDING, AND A DEVELOPMENT
 8 WITH A VALUE OF \$10,000,000.00 OR MORE IS, OR WILL BE, LOCATED IN
 9 THE REDEVELOPMENT AREA; TO REQUIRE THE REVENUE FROM SUCH DIVERSION
 10 TO BE UTILIZED TO SATISFY SUCH INDEBTEDNESS; TO PROVIDE THAT THE
 11 DIVERSION SHALL END THE MONTH THE INDEBTEDNESS IS SATISFIED; TO
 12 AMEND SECTION 21-45-9, MISSISSIPPI CODE OF 1972, IN CONFORMITY
 13 THERETO; AND FOR RELATED PURPOSES.

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

15 **SECTION 1.** Section 27-65-75, Mississippi Code of 1972, is
 16 amended as follows:

17 27-65-75. On or before the fifteenth day of each month, the
 18 revenue collected under the provisions of this chapter during the
 19 preceding month shall be paid and distributed as follows:

20 (1) (a) On or before August 15, 1992, and each succeeding
 21 month thereafter through July 15, 1993, eighteen percent (18%) of
 22 the total sales tax revenue collected during the preceding month
 23 under the provisions of this chapter, except that collected under



24 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
25 business activities within a municipal corporation shall be
26 allocated for distribution to the municipality and paid to the
27 municipal corporation. Except as otherwise provided in this
28 paragraph (a), on or before August 15, 1993, and each succeeding
29 month thereafter, eighteen and one-half percent (18-1/2%) of the
30 total sales tax revenue collected during the preceding month under
31 the provisions of this chapter, except that collected under the
32 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
33 27-65-24, on business activities within a municipal corporation
34 shall be allocated for distribution to the municipality and paid
35 to the municipal corporation. However, in the event the State
36 Auditor issues a certificate of noncompliance pursuant to Section
37 21-35-31, the Department of Revenue shall withhold ten percent
38 (10%) of the allocations and payments to the municipality that
39 would otherwise be payable to the municipality under this
40 paragraph (a) until such time that the department receives written
41 notice of the cancellation of a certificate of noncompliance from
42 the State Auditor.

43 A municipal corporation, for the purpose of distributing the
44 tax under this subsection, shall mean and include all incorporated
45 cities, towns and villages.

46 Monies allocated for distribution and credited to a municipal
47 corporation under this paragraph may be pledged as security for a
48 loan if the distribution received by the municipal corporation is



49 otherwise authorized or required by law to be pledged as security
50 for such a loan.

51 In any county having a county seat that is not an
52 incorporated municipality, the distribution provided under this
53 subsection shall be made as though the county seat was an
54 incorporated municipality; however, the distribution to the
55 municipality shall be paid to the county treasury in which the
56 municipality is located, and those funds shall be used for road,
57 bridge and street construction or maintenance in the county.

58 (b) On or before August 15, 2006, and each succeeding
59 month thereafter, eighteen and one-half percent (18-1/2%) of the
60 total sales tax revenue collected during the preceding month under
61 the provisions of this chapter, except that collected under the
62 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
63 business activities on the campus of a state institution of higher
64 learning or community or junior college whose campus is not
65 located within the corporate limits of a municipality, shall be
66 allocated for distribution to the state institution of higher
67 learning or community or junior college and paid to the state
68 institution of higher learning or community or junior college.

69 (c) On or before August 15, 2018, and each succeeding
70 month thereafter until August 14, 2019, two percent (2%) of the
71 total sales tax revenue collected during the preceding month under
72 the provisions of this chapter, except that collected under the
73 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



74 27-65-24, on business activities within the corporate limits of
75 the City of Jackson, Mississippi, shall be deposited into the
76 Capitol Complex Improvement District Project Fund created in
77 Section 29-5-215. On or before August 15, 2019, and each
78 succeeding month thereafter until August 14, 2020, four percent
79 (4%) of the total sales tax revenue collected during the preceding
80 month under the provisions of this chapter, except that collected
81 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
82 and 27-65-24, on business activities within the corporate limits
83 of the City of Jackson, Mississippi, shall be deposited into the
84 Capitol Complex Improvement District Project Fund created in
85 Section 29-5-215. On or before August 15, 2020, and each
86 succeeding month thereafter, six percent (6%) of the total sales
87 tax revenue collected during the preceding month under the
88 provisions of this chapter, except that collected under the
89 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
90 27-65-24, on business activities within the corporate limits of
91 the City of Jackson, Mississippi, shall be deposited into the
92 Capitol Complex Improvement District Project Fund created in
93 Section 29-5-215.

94 (d) (i) On or before the fifteenth day of the month
95 that the diversion authorized by this section begins, and each
96 succeeding month thereafter, eighteen and one-half percent
97 (18-1/2%) of the total sales tax revenue collected during the
98 preceding month under the provisions of this chapter, except that



99 collected under the provisions of Sections 27-65-15, 27-65-19(3)
100 and 27-65-21, on business activities within a redevelopment
101 project area developed under a redevelopment plan adopted under
102 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
103 allocated for distribution to the county in which the project area
104 is located if:

105 1. The county has issued bonds under Section
106 21-45-9 to finance all or a portion of a redevelopment project in
107 the redevelopment project area;

108 2. Any debt service for the indebtedness
109 incurred is outstanding; and

110 3. A development with a value of Ten Million
111 Dollars (\$10,000,000.00) or more is, or will be, located in the
112 redevelopment area.

113 (ii) Before any sales tax revenue may be allocated
114 for distribution to a county under this paragraph, the county
115 shall certify to the Department of Revenue that the requirements
116 of this paragraph have been met, the amount of bonded indebtedness
117 that has been incurred by the county for the redevelopment project
118 and the expected date the indebtedness incurred by the county will
119 be satisfied.

120 (iii) The diversion of sales tax revenue
121 authorized by this paragraph shall begin the month following the
122 month in which the Department of Revenue determines that the
123 requirements of this paragraph have been met. The diversion shall



124 end the month the indebtedness incurred by the county is
125 satisfied. All revenue received by the county under this
126 paragraph shall be deposited in the fund required to be created in
127 the tax increment financing plan under Section 21-45-11 and be
128 utilized solely to satisfy the indebtedness incurred by the
129 county.

130 (2) On or before September 15, 1987, and each succeeding
131 month thereafter, from the revenue collected under this chapter
132 during the preceding month, One Million One Hundred Twenty-five
133 Thousand Dollars (\$1,125,000.00) shall be allocated for
134 distribution to municipal corporations as defined under subsection
135 (1) of this section in the proportion that the number of gallons
136 of gasoline and diesel fuel sold by distributors to consumers and
137 retailers in each such municipality during the preceding fiscal
138 year bears to the total gallons of gasoline and diesel fuel sold
139 by distributors to consumers and retailers in municipalities
140 statewide during the preceding fiscal year. The Department of
141 Revenue shall require all distributors of gasoline and diesel fuel
142 to report to the department monthly the total number of gallons of
143 gasoline and diesel fuel sold by them to consumers and retailers
144 in each municipality during the preceding month. The Department
145 of Revenue shall have the authority to promulgate such rules and
146 regulations as is necessary to determine the number of gallons of
147 gasoline and diesel fuel sold by distributors to consumers and
148 retailers in each municipality. In determining the percentage



149 allocation of funds under this subsection for the fiscal year
150 beginning July 1, 1987, and ending June 30, 1988, the Department
151 of Revenue may consider gallons of gasoline and diesel fuel sold
152 for a period of less than one (1) fiscal year. For the purposes
153 of this subsection, the term "fiscal year" means the fiscal year
154 beginning July 1 of a year.

155 (3) On or before September 15, 1987, and on or before the
156 fifteenth day of each succeeding month, until the date specified
157 in Section 65-39-35, the proceeds derived from contractors' taxes
158 levied under Section 27-65-21 on contracts for the construction or
159 reconstruction of highways designated under the highway program
160 created under Section 65-3-97 shall, except as otherwise provided
161 in Section 31-17-127, be deposited into the State Treasury to the
162 credit of the State Highway Fund to be used to fund that highway
163 program. The Mississippi Department of Transportation shall
164 provide to the Department of Revenue such information as is
165 necessary to determine the amount of proceeds to be distributed
166 under this subsection.

167 (4) On or before August 15, 1994, and on or before the
168 fifteenth day of each succeeding month through July 15, 1999, from
169 the proceeds of gasoline, diesel fuel or kerosene taxes as
170 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
171 (\$4,000,000.00) shall be deposited in the State Treasury to the
172 credit of a special fund designated as the "State Aid Road Fund,"
173 created by Section 65-9-17. On or before August 15, 1999, and on



174 or before the fifteenth day of each succeeding month, from the
175 total amount of the proceeds of gasoline, diesel fuel or kerosene
176 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
177 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
178 one-fourth percent (23-1/4%) of those funds, whichever is the
179 greater amount, shall be deposited in the State Treasury to the
180 credit of the "State Aid Road Fund," created by Section 65-9-17.
181 Those funds shall be pledged to pay the principal of and interest
182 on state aid road bonds heretofore issued under Sections 19-9-51
183 through 19-9-77, in lieu of and in substitution for the funds
184 previously allocated to counties under this section. Those funds
185 may not be pledged for the payment of any state aid road bonds
186 issued after April 1, 1981; however, this prohibition against the
187 pledging of any such funds for the payment of bonds shall not
188 apply to any bonds for which intent to issue those bonds has been
189 published for the first time, as provided by law before March 29,
190 1981. From the amount of taxes paid into the special fund under
191 this subsection and subsection (9) of this section, there shall be
192 first deducted and paid the amount necessary to pay the expenses
193 of the Office of State Aid Road Construction, as authorized by the
194 Legislature for all other general and special fund agencies. The
195 remainder of the fund shall be allocated monthly to the several
196 counties in accordance with the following formula:

197 (a) One-third (1/3) shall be allocated to all counties
198 in equal shares;



199 (b) One-third (1/3) shall be allocated to counties
200 based on the proportion that the total number of rural road miles
201 in a county bears to the total number of rural road miles in all
202 counties of the state; and

203 (c) One-third (1/3) shall be allocated to counties
204 based on the proportion that the rural population of the county
205 bears to the total rural population in all counties of the state,
206 according to the latest federal decennial census.

207 For the purposes of this subsection, the term "gasoline,
208 diesel fuel or kerosene taxes" means such taxes as defined in
209 paragraph (f) of Section 27-5-101.

210 The amount of funds allocated to any county under this
211 subsection for any fiscal year after fiscal year 1994 shall not be
212 less than the amount allocated to the county for fiscal year 1994.

213 Any reference in the general laws of this state or the
214 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
215 construed to refer and apply to subsection (4) of Section
216 27-65-75.

217 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
218 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
219 the special fund known as the "State Public School Building Fund"
220 created and existing under the provisions of Sections 37-47-1
221 through 37-47-67. Those payments into that fund are to be made on
222 the last day of each succeeding month hereafter.



223 (6) An amount each month beginning August 15, 1983, through
224 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
225 1983, shall be paid into the special fund known as the
226 Correctional Facilities Construction Fund created in Section 6,
227 Chapter 542, Laws of 1983.

228 (7) On or before August 15, 1992, and each succeeding month
229 thereafter through July 15, 2000, two and two hundred sixty-six
230 one-thousandths percent (2.266%) of the total sales tax revenue
231 collected during the preceding month under the provisions of this
232 chapter, except that collected under the provisions of Section
233 27-65-17(2), shall be deposited by the department into the School
234 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
235 or before August 15, 2000, and each succeeding month thereafter,
236 two and two hundred sixty-six one-thousandths percent (2.266%) of
237 the total sales tax revenue collected during the preceding month
238 under the provisions of this chapter, except that collected under
239 the provisions of Section 27-65-17(2), shall be deposited into the
240 School Ad Valorem Tax Reduction Fund created under Section
241 37-61-35 until such time that the total amount deposited into the
242 fund during a fiscal year equals Forty-two Million Dollars
243 (\$42,000,000.00). Thereafter, the amounts diverted under this
244 subsection (7) during the fiscal year in excess of Forty-two
245 Million Dollars (\$42,000,000.00) shall be deposited into the
246 Education Enhancement Fund created under Section 37-61-33 for
247 appropriation by the Legislature as other education needs and



248 shall not be subject to the percentage appropriation requirements
249 set forth in Section 37-61-33.

250 (8) On or before August 15, 1992, and each succeeding month
251 thereafter, nine and seventy-three one-thousandths percent
252 (9.073%) of the total sales tax revenue collected during the
253 preceding month under the provisions of this chapter, except that
254 collected under the provisions of Section 27-65-17(2), shall be
255 deposited into the Education Enhancement Fund created under
256 Section 37-61-33.

257 (9) On or before August 15, 1994, and each succeeding month
258 thereafter, from the revenue collected under this chapter during
259 the preceding month, Two Hundred Fifty Thousand Dollars
260 (\$250,000.00) shall be paid into the State Aid Road Fund.

261 (10) On or before August 15, 1994, and each succeeding month
262 thereafter through August 15, 1995, from the revenue collected
263 under this chapter during the preceding month, Two Million Dollars
264 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
265 Valorem Tax Reduction Fund established in Section 27-51-105.

266 (11) Notwithstanding any other provision of this section to
267 the contrary, on or before February 15, 1995, and each succeeding
268 month thereafter, the sales tax revenue collected during the
269 preceding month under the provisions of Section 27-65-17(2) and
270 the corresponding levy in Section 27-65-23 on the rental or lease
271 of private carriers of passengers and light carriers of property
272 as defined in Section 27-51-101 shall be deposited, without



273 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
274 established in Section 27-51-105.

275 (12) Notwithstanding any other provision of this section to
276 the contrary, on or before August 15, 1995, and each succeeding
277 month thereafter, the sales tax revenue collected during the
278 preceding month under the provisions of Section 27-65-17(1) on
279 retail sales of private carriers of passengers and light carriers
280 of property, as defined in Section 27-51-101 and the corresponding
281 levy in Section 27-65-23 on the rental or lease of these vehicles,
282 shall be deposited, after diversion, into the Motor Vehicle Ad
283 Valorem Tax Reduction Fund established in Section 27-51-105.

284 (13) On or before July 15, 1994, and on or before the
285 fifteenth day of each succeeding month thereafter, that portion of
286 the avails of the tax imposed in Section 27-65-22 that is derived
287 from activities held on the Mississippi State Fairgrounds Complex
288 shall be paid into a special fund that is created in the State
289 Treasury and shall be expended upon legislative appropriation
290 solely to defray the costs of repairs and renovation at the Trade
291 Mart and Coliseum.

292 (14) On or before August 15, 1998, and each succeeding month
293 thereafter through July 15, 2005, that portion of the avails of
294 the tax imposed in Section 27-65-23 that is derived from sales by
295 cotton compresses or cotton warehouses and that would otherwise be
296 paid into the General Fund shall be deposited in an amount not to
297 exceed Two Million Dollars (\$2,000,000.00) into the special fund



298 created under Section 69-37-39. On or before August 15, 2007, and
299 each succeeding month thereafter through July 15, 2010, that
300 portion of the avails of the tax imposed in Section 27-65-23 that
301 is derived from sales by cotton compresses or cotton warehouses
302 and that would otherwise be paid into the General Fund shall be
303 deposited in an amount not to exceed Two Million Dollars
304 (\$2,000,000.00) into the special fund created under Section
305 69-37-39 until all debts or other obligations incurred by the
306 Certified Cotton Growers Organization under the Mississippi Boll
307 Weevil Management Act before January 1, 2007, are satisfied in
308 full. On or before August 15, 2010, and each succeeding month
309 thereafter through July 15, 2011, fifty percent (50%) of that
310 portion of the avails of the tax imposed in Section 27-65-23 that
311 is derived from sales by cotton compresses or cotton warehouses
312 and that would otherwise be paid into the General Fund shall be
313 deposited into the special fund created under Section 69-37-39
314 until such time that the total amount deposited into the fund
315 during a fiscal year equals One Million Dollars (\$1,000,000.00).
316 On or before August 15, 2011, and each succeeding month
317 thereafter, that portion of the avails of the tax imposed in
318 Section 27-65-23 that is derived from sales by cotton compresses
319 or cotton warehouses and that would otherwise be paid into the
320 General Fund shall be deposited into the special fund created
321 under Section 69-37-39 until such time that the total amount



322 deposited into the fund during a fiscal year equals One Million
323 Dollars (\$1,000,000.00).

324 (15) Notwithstanding any other provision of this section to
325 the contrary, on or before September 15, 2000, and each succeeding
326 month thereafter, the sales tax revenue collected during the
327 preceding month under the provisions of Section
328 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
329 without diversion, into the Telecommunications Ad Valorem Tax
330 Reduction Fund established in Section 27-38-7.

331 (16) (a) On or before August 15, 2000, and each succeeding
332 month thereafter, the sales tax revenue collected during the
333 preceding month under the provisions of this chapter on the gross
334 proceeds of sales of a project as defined in Section 57-30-1 shall
335 be deposited, after all diversions except the diversion provided
336 for in subsection (1) of this section, into the Sales Tax
337 Incentive Fund created in Section 57-30-3.

338 (b) On or before August 15, 2007, and each succeeding
339 month thereafter, eighty percent (80%) of the sales tax revenue
340 collected during the preceding month under the provisions of this
341 chapter from the operation of a tourism project under the
342 provisions of Sections 57-26-1 through 57-26-5, shall be
343 deposited, after the diversions required in subsections (7) and
344 (8) of this section, into the Tourism Project Sales Tax Incentive
345 Fund created in Section 57-26-3.



346 (17) Notwithstanding any other provision of this section to
347 the contrary, on or before April 15, 2002, and each succeeding
348 month thereafter, the sales tax revenue collected during the
349 preceding month under Section 27-65-23 on sales of parking
350 services of parking garages and lots at airports shall be
351 deposited, without diversion, into the special fund created under
352 Section 27-5-101(d).

353 (18) [Repealed]

354 (19) (a) On or before August 15, 2005, and each succeeding
355 month thereafter, the sales tax revenue collected during the
356 preceding month under the provisions of this chapter on the gross
357 proceeds of sales of a business enterprise located within a
358 redevelopment project area under the provisions of Sections
359 57-91-1 through 57-91-11, and the revenue collected on the gross
360 proceeds of sales from sales made to a business enterprise located
361 in a redevelopment project area under the provisions of Sections
362 57-91-1 through 57-91-11 (provided that such sales made to a
363 business enterprise are made on the premises of the business
364 enterprise), shall, except as otherwise provided in this
365 subsection (19), be deposited, after all diversions, into the
366 Redevelopment Project Incentive Fund as created in Section
367 57-91-9.

368 (b) For a municipality participating in the Economic
369 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
370 the diversion provided for in subsection (1) of this section



371 attributable to the gross proceeds of sales of a business
372 enterprise located within a redevelopment project area under the
373 provisions of Sections 57-91-1 through 57-91-11, and attributable
374 to the gross proceeds of sales from sales made to a business
375 enterprise located in a redevelopment project area under the
376 provisions of Sections 57-91-1 through 57-91-11 (provided that
377 such sales made to a business enterprise are made on the premises
378 of the business enterprise), shall be deposited into the
379 Redevelopment Project Incentive Fund as created in Section
380 57-91-9, as follows:

381 (i) For the first six (6) years in which payments
382 are made to a developer from the Redevelopment Project Incentive
383 Fund, one hundred percent (100%) of the diversion shall be
384 deposited into the fund;

385 (ii) For the seventh year in which such payments
386 are made to a developer from the Redevelopment Project Incentive
387 Fund, eighty percent (80%) of the diversion shall be deposited
388 into the fund;

389 (iii) For the eighth year in which such payments
390 are made to a developer from the Redevelopment Project Incentive
391 Fund, seventy percent (70%) of the diversion shall be deposited
392 into the fund;

393 (iv) For the ninth year in which such payments are
394 made to a developer from the Redevelopment Project Incentive Fund,



395 sixty percent (60%) of the diversion shall be deposited into the
396 fund; and

397 (v) For the tenth year in which such payments are
398 made to a developer from the Redevelopment Project Incentive Fund,
399 fifty percent (50%) of the funds shall be deposited into the fund.

400 (20) On or before January 15, 2007, and each succeeding
401 month thereafter, eighty percent (80%) of the sales tax revenue
402 collected during the preceding month under the provisions of this
403 chapter from the operation of a tourism project under the
404 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
405 after the diversions required in subsections (7) and (8) of this
406 section, into the Tourism Sales Tax Incentive Fund created in
407 Section 57-28-3.

408 (21) (a) On or before April 15, 2007, and each succeeding
409 month thereafter through June 15, 2013, One Hundred Fifty Thousand
410 Dollars (\$150,000.00) of the sales tax revenue collected during
411 the preceding month under the provisions of this chapter shall be
412 deposited into the MMEIA Tax Incentive Fund created in Section
413 57-101-3.

414 (b) On or before July 15, 2013, and each succeeding
415 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
416 of the sales tax revenue collected during the preceding month
417 under the provisions of this chapter shall be deposited into the
418 Mississippi Development Authority Job Training Grant Fund created
419 in Section 57-1-451.



420 (22) Notwithstanding any other provision of this section to
421 the contrary, on or before August 15, 2009, and each succeeding
422 month thereafter, the sales tax revenue collected during the
423 preceding month under the provisions of Section 27-65-201 shall be
424 deposited, without diversion, into the Motor Vehicle Ad Valorem
425 Tax Reduction Fund established in Section 27-51-105.

426 (23) The remainder of the amounts collected under the
427 provisions of this chapter shall be paid into the State Treasury
428 to the credit of the General Fund.

429 (24) (a) It shall be the duty of the municipal officials of
430 any municipality that expands its limits, or of any community that
431 incorporates as a municipality, to notify the commissioner of that
432 action thirty (30) days before the effective date. Failure to so
433 notify the commissioner shall cause the municipality to forfeit
434 the revenue that it would have been entitled to receive during
435 this period of time when the commissioner had no knowledge of the
436 action.

437 (b) (i) Except as otherwise provided in subparagraph
438 (ii) of this paragraph, if any funds have been erroneously
439 disbursed to any municipality or any overpayment of tax is
440 recovered by the taxpayer, the commissioner may make correction
441 and adjust the error or overpayment with the municipality by
442 withholding the necessary funds from any later payment to be made
443 to the municipality.



444 (ii) Subject to the provisions of Sections
445 27-65-51 and 27-65-53, if any funds have been erroneously
446 disbursed to a municipality under subsection (1) of this section
447 for a period of three (3) years or more, the maximum amount that
448 may be recovered or withheld from the municipality is the total
449 amount of funds erroneously disbursed for a period of three (3)
450 years beginning with the date of the first erroneous disbursement.
451 However, if during such period, a municipality provides written
452 notice to the Department of Revenue indicating the erroneous
453 disbursement of funds, then the maximum amount that may be
454 recovered or withheld from the municipality is the total amount of
455 funds erroneously disbursed for a period of one (1) year beginning
456 with the date of the first erroneous disbursement.

457 **SECTION 2.** Section 21-45-9, Mississippi Code of 1972, is
458 amended as follows:

459 21-45-9. Any governing body may issue tax increment bonds,
460 the final maturity of which shall not extend beyond thirty (30)
461 years, for the purpose of financing all or a portion of the cost
462 of a redevelopment project within the boundaries of the
463 municipality, funding any reserve which the governing body may
464 deem advisable in connection with the retirement of the proposed
465 indebtedness and funding any other incidental expenses involved in
466 incurring such indebtedness. The debt service of indebtedness
467 incurred pursuant to this section shall be provided from the added
468 increments of municipal and county ad valorem tax revenues or any



469 portion of the sales taxes, or both, to result from any such
470 redevelopment project, or sales tax revenue allocated for
471 distribution to a county under Section 27-65-75(1)(d), and shall
472 never constitute an indebtedness of the municipality within the
473 meaning of any state constitutional provision or statutory
474 limitation and shall never constitute nor give rise to a pecuniary
475 liability of the municipality or a charge against its general
476 credit or taxing powers.

477 Said bonds may be authorized by resolution or resolutions of
478 the governing body, and may be issued in one or more series, may
479 bear such date or dates, mature at such time or times, bear
480 interest at such rate or rates, payable at such times, be in such
481 denominations, be in such form, be registered, be executed in such
482 manner, be payable in such medium of payment, at such place or
483 places, be subject to such terms of redemption, with or without
484 premium, carry such conversion or registration privileges and be
485 declared or become due before the maturity date thereof, as such
486 resolution or resolutions may provide; however, such bonds shall
487 not bear a greater interest rate to maturity than that allowed
488 under Section 75-17-101. Said bonds shall be sold for not less
489 than par value plus accrued interest at public sale in the manner
490 provided by Section 31-19-25 or at private sale, in the discretion
491 of the governing body. The lowest interest rate specified for any
492 bonds issued shall not be less than seventy percent (70%) of the
493 highest interest rate specified for the same bond issue. Said



494 bonds may be repurchased by the municipality out of any available
495 funds at a price not to exceed the principal amount thereof and
496 accrued interest, and all bonds so repurchased shall be cancelled.
497 In connection with the issuance of said bonds, the municipality
498 shall have the power to enter into contracts for rating of the
499 bonds by national rating agencies; obtaining bond insurance or
500 guarantees for such bonds and complying with the terms and
501 conditions of such insurance or guarantees; make provision for
502 payment in advance of maturity at the option of the owner or
503 holder of the bonds; covenant for the security and better
504 marketability of the bonds, including, without limitation, the
505 establishment of a debt service reserve fund and sinking funds to
506 secure or pay such bonds; and make any other provisions deemed
507 desirable by the municipality in connection with the issuance of
508 said bonds.

509 If a governing body desires to issue tax increment financing
510 bonds under the Regional Economic Development Act, the governing
511 body also shall comply with any requirements provided therein.

512 In connection with the issuance of said bonds, the
513 municipality may arrange for lines of credit with any bank, firm
514 or person for the purpose of providing an additional source of
515 repayment for such bonds and amounts drawn on such lines of credit
516 may be evidenced by bonds, notes or other evidences of
517 indebtedness containing such terms and conditions as the
518 municipality may determine; provided, however, that such bonds,



519 notes or evidences of indebtedness shall be secured by and payable
520 from the same sources as are pledged to the payment of said bonds
521 which are additionally secured by such line of credit, and that
522 said bonds, notes or other evidences of indebtedness shall be
523 deemed to be bonds for all purposes of this chapter. Pending the
524 preparation or execution of definitive bonds, interim receipts or
525 certificates, or temporary bonds may be delivered to the purchaser
526 or purchasers of said bonds. Any provision of law to the contrary
527 notwithstanding, any bonds, if any, issued pursuant to this
528 chapter shall possess all of the qualities of negotiable
529 instruments.

530 The municipality may also issue refunding bonds for the
531 purpose of paying any of its bonds at or prior to maturity or upon
532 acceleration or redemption. Refunding bonds may be issued at such
533 time prior to the maturity or redemption of the refunded bonds as
534 the municipality may determine. The refunding bonds may be issued
535 in sufficient amounts to pay or provide the principal of the bonds
536 being refunded, together with any redemption premium thereon, any
537 interest accrued or to accrue to the date of payment of such
538 bonds, the expenses of issuing the refunding bonds, the expenses
539 of redeeming the bonds being refunded, and such reserves for debt
540 service or other capital or current expenses from the proceeds of
541 such refunding bonds as may be required by any of the
542 municipality's resolutions, trust indenture or other security
543 instruments. The issuance of refunding bonds, the maturities and



544 other details thereof, the security therefor, the rights of the
545 holders and the rights, duties and obligations of the municipality
546 in respect of the same shall be governed by the provisions of this
547 chapter relating to the issuance of bonds other than refunding
548 bonds, insofar as the same may be applicable.

549 Before incurring any debt pertaining to a redevelopment
550 project incorporating a tax increment financing plan the governing
551 body may, but shall not be required to, secure an agreement from
552 one or more developers obligating such developer or developers:

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

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

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

561 No breach of any such agreement shall impose any pecuniary
562 liability upon a municipality or any charge upon its general
563 credit or against its taxing powers.

564 Additionally, the municipality may enter into an agreement
565 with the developer under which the developer may construct all or
566 any part of the redevelopment project with private funds in
567 advance of issuance of the bonds and may be reimbursed by the
568 municipality for actual costs incurred by the developer upon



569 issuance and delivery of the bonds and receipt of the proceeds,
570 conditioned upon dedication of redevelopment project by the
571 developer to the municipality to assure public use and access.
572 This condition shall not apply to the privately owned portion of a
573 project for which the Mississippi Development Authority has issued
574 a certificate of convenience and necessity pursuant to the
575 Regional Economic Development Act. In addition, this condition
576 shall not apply to the privately owned portion of a redevelopment
577 project where the governing body of a municipality makes a finding
578 that it is in the best interest of such municipality that such
579 condition shall not apply.

580 **SECTION 3.** This act shall take effect and be in force from
581 and after July 1, 2018.

