

By: Representative DeLano

To: Municipalities; Ways and Means

HOUSE BILL NO. 230

1 AN ACT TO AMEND SECTION 21-45-19, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE COST OF A REDEVELOPMENT PROJECT UNDER THE TAX
3 INCREMENT FINANCING ACT INCLUDES THE COST ASSOCIATED WITH THE
4 OPERATION AND MAINTENANCE OF CERTAIN PROPERTY RIGHTS TO REAL
5 PROPERTY THAT MAY HAVE BEEN PURCHASED BY A MUNICIPALITY FOR THE
6 PROJECT, AS MAY BE AUTHORIZED IN THE APPLICABLE REDEVELOPMENT
7 PLAN; TO AMEND SECTIONS 21-45-11 AND 21-45-21, MISSISSIPPI CODE OF
8 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 21-45-19, Mississippi Code of 1972, is
11 amended as follows:

12 21-45-19. The cost of a redevelopment project shall be
13 deemed to include the actual cost of the construction or
14 rehabilitation of any part of a project which may be constructed
15 or rehabilitated by a municipality, including:

16 (a) Architects' and engineers' fees * * *;

17 (b) The purchase price of any real property that may be
18 acquired by a municipality by purchase * * *;

19 (c) All expenses in connection with the authorization,
20 sale and issuance of bonds or other indebtedness to finance such
21 acquisition, and the interest on bonds for a reasonable time prior



22 to construction or rehabilitation, during construction or
23 rehabilitation and for not exceeding one (1) year after completion
24 of the construction or rehabilitation * * *; and

25 (d) Those activities and expenses, other than debt
26 service, that are authorized in the redevelopment plan adopted
27 under the provisions of this chapter for costs associated with the
28 operation and maintenance of a right-of-way, easement or other
29 property right pertaining to real property that may have been
30 purchased by a municipality pursuant to the plan.

31 **SECTION 2.** Section 21-45-11, Mississippi Code of 1972, is
32 amended as follows:

33 21-45-11. Any tax increment financing plan, at a minimum,
34 shall contain:

35 (a) A statement of the objectives of a municipality
36 with regard to the plan;

37 (b) A statement indicating the need and proposed use of
38 the tax increment financing plan in relationship to the
39 redevelopment plan;

40 (c) A statement containing the cost estimates of the
41 redevelopment project as described in Section 21-45-19 and the
42 projected sources of revenue (ad valorem taxes, sales taxes, and
43 the proceeds of any other financial assistance) to be used to meet
44 the costs including estimates of tax increments and the total
45 amount of indebtedness to be incurred;



46 (d) A list of all real property to be included in the
47 tax increment financing plan;

48 (e) The duration of the tax increment financing plan's
49 existence;

50 (f) A statement of the estimated impact of the tax
51 increment financing plan upon the revenues of all taxing
52 jurisdictions in which a redevelopment project is located; and

53 (g) A statement requiring that a separate fund be
54 established to receive ad valorem taxes and the proceeds of any
55 other financial assistance.

56 Before approving any tax increment financing plan, the
57 governing body shall hold a public hearing thereon after published
58 notice in a newspaper in which the municipality is authorized to
59 publish legal notices at least once and not less than ten (10)
60 days and not more than twenty (20) days prior to the hearing.

61 **SECTION 3.** Section 21-45-21, Mississippi Code of 1972, is
62 amended as follows:

63 21-45-21. (1) After adoption of a redevelopment plan
64 containing a tax increment financing plan the clerk shall certify
65 the assessed value of the real property, including personal
66 property located thereon, described in the tax increment financing
67 plan. Property taxable at the time of the certification shall be
68 included in the assessed value at its most recently determined
69 valuation.



70 Property exempt from taxation at the time of the request
71 shall be included at zero unless it was taxable when the tax
72 increment financing plan was approved, in which case its most
73 recently determined assessed valuation before it became exempt
74 shall be included. These assessed values shall be, and will be
75 referred to as, the "original assessed value."

76 (2) Each year thereafter, the clerk and the * * * Department
77 of Revenue, if applicable, shall certify the amount by which the
78 assessed value of real property, including personal property
79 located thereon, described in the tax increment financing plan has
80 increased or decreased from the original assessed value. These
81 assessed values shall be, and will be referred to as, the "current
82 assessed value."

83 (3) Any amount by which the current assessed value of the
84 real property, including personal property located thereon,
85 described in the redevelopment plan exceeds the original assessed
86 value shall be referred to as the "captured assessed value." The
87 clerk shall certify the amount of the captured assessed value to
88 the municipality each year for the duration of the tax increment
89 financing plan. A municipality may choose to retain all or a
90 portion of the captured assessed value for purposes of tax
91 increment financing if the plan provides that all or a portion of
92 the captured assessed value is necessary to finance the
93 redevelopment project, including the costs described in Section



94 21-45-19 and the cost of establishing necessary reserves to insure
95 payment of revenue bonds.

96 If the tax increment financing plan provides that only a
97 portion of the captured assessed value is necessary to finance the
98 redevelopment program, only that portion shall be set aside and
99 the remainder shall be apportioned to the various municipal tax
100 levy funds and the various county tax levy funds.

101 The amount of captured assessed value that a municipality
102 intends to use for purposes of tax increment financing must be
103 clearly stated in the tax increment financing plan.

104 (4) After adoption of a redevelopment plan containing a tax
105 increment financing plan which includes a portion of the
106 municipality sales tax diversion, the * * * Department of Revenue
107 shall certify the amount of sales tax collected by the state
108 within the boundaries of the redevelopment area and diverted to
109 the municipality in the twelve-month period ending on the last day
110 of the month before the effective date of approval of the plan.
111 Any increase in the amount collected within the boundaries shall
112 be set aside by the municipality in the fund created by the tax
113 increment financing plan.

114 Each redevelopment plan shall be approved in the same manner
115 and at the same times provided in Section 43-35-13 for the
116 approval of urban renewal plans. Any tax increment financing plan
117 shall become effective on the same date as the redevelopment plan
118 is approved.



119 **SECTION 4.** This act shall take effect and be in force from
120 and after July 1, 2018.

