

By: Representative Zuber

To: Ways and Means

HOUSE BILL NO. 1166

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 borders the Mississippi Sound
106 and the State of Alabama and has issued bonds under Section
107 21-45-9 to finance all or a portion of a redevelopment project in
108 the redevelopment project area;

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

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

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

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



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

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



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

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

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



174 created by Section 65-9-17. On or before August 15, 1999, and on
175 or before the fifteenth day of each succeeding month, from the
176 total amount of the proceeds of gasoline, diesel fuel or kerosene
177 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
178 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
179 one-fourth percent (23-1/4%) of those funds, whichever is the
180 greater amount, shall be deposited in the State Treasury to the
181 credit of the "State Aid Road Fund," created by Section 65-9-17.
182 Those funds shall be pledged to pay the principal of and interest
183 on state aid road bonds heretofore issued under Sections 19-9-51
184 through 19-9-77, in lieu of and in substitution for the funds
185 previously allocated to counties under this section. Those funds
186 may not be pledged for the payment of any state aid road bonds
187 issued after April 1, 1981; however, this prohibition against the
188 pledging of any such funds for the payment of bonds shall not
189 apply to any bonds for which intent to issue those bonds has been
190 published for the first time, as provided by law before March 29,
191 1981. From the amount of taxes paid into the special fund under
192 this subsection and subsection (9) of this section, there shall be
193 first deducted and paid the amount necessary to pay the expenses
194 of the Office of State Aid Road Construction, as authorized by the
195 Legislature for all other general and special fund agencies. The
196 remainder of the fund shall be allocated monthly to the several
197 counties in accordance with the following formula:



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

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

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

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

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

214 Any reference in the general laws of this state or the
215 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
216 construed to refer and apply to subsection (4) of Section
217 27-65-75.

218 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
219 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
220 the special fund known as the "State Public School Building Fund"
221 created and existing under the provisions of Sections 37-47-1



222 through 37-47-67. Those payments into that fund are to be made on
223 the last day of each succeeding month hereafter.

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

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



247 Education Enhancement Fund created under Section 37-61-33 for
248 appropriation by the Legislature as other education needs and
249 shall not be subject to the percentage appropriation requirements
250 set forth in Section 37-61-33.

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

258 (9) On or before August 15, 1994, and each succeeding month
259 thereafter, from the revenue collected under this chapter during
260 the preceding month, Two Hundred Fifty Thousand Dollars
261 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

267 (11) Notwithstanding any other provision of this section to
268 the contrary, on or before February 15, 1995, and each succeeding
269 month thereafter, the sales tax revenue collected during the
270 preceding month under the provisions of Section 27-65-17(2) and
271 the corresponding levy in Section 27-65-23 on the rental or lease



272 of private carriers of passengers and light carriers of property
273 as defined in Section 27-51-101 shall be deposited, without
274 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
275 established in Section 27-51-105.

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

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

293 (14) On or before August 15, 1998, and each succeeding month
294 thereafter through July 15, 2005, that portion of the avails of
295 the tax imposed in Section 27-65-23 that is derived from sales by
296 cotton compresses or cotton warehouses and that would otherwise be



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



322 under Section 69-37-39 until such time that the total amount
323 deposited into the fund during a fiscal year equals One Million
324 Dollars (\$1,000,000.00).

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

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

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



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

354 (18) [Repealed]

355 (19) (a) On or before August 15, 2005, and each succeeding
356 month thereafter, the sales tax revenue collected during the
357 preceding month under the provisions of this chapter on the gross
358 proceeds of sales of a business enterprise located within a
359 redevelopment project area under the provisions of Sections
360 57-91-1 through 57-91-11, and the revenue collected on the gross
361 proceeds of sales from sales made to a business enterprise located
362 in a redevelopment project area under the provisions of Sections
363 57-91-1 through 57-91-11 (provided that such sales made to a
364 business enterprise are made on the premises of the business
365 enterprise), shall, except as otherwise provided in this
366 subsection (19), be deposited, after all diversions, into the
367 Redevelopment Project Incentive Fund as created in Section
368 57-91-9.

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



372 attributable to the gross proceeds of sales of a business
373 enterprise located within a redevelopment project area under the
374 provisions of Sections 57-91-1 through 57-91-11, and attributable
375 to the gross proceeds of sales from sales made to a business
376 enterprise located in a redevelopment project area under the
377 provisions of Sections 57-91-1 through 57-91-11 (provided that
378 such sales made to a business enterprise are made on the premises
379 of the business enterprise), shall be deposited into the
380 Redevelopment Project Incentive Fund as created in Section
381 57-91-9, as follows:

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

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

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

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



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

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

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

409 (21) (a) On or before April 15, 2007, and each succeeding
410 month thereafter through June 15, 2013, One Hundred Fifty Thousand
411 Dollars (\$150,000.00) of the sales tax revenue collected during
412 the preceding month under the provisions of this chapter shall be
413 deposited into the MMEIA Tax Incentive Fund created in Section
414 57-101-3.

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



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

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

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

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



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

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

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



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

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



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

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

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



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

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



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

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

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

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

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

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

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



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

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

