

By: Representative Busby

To: Ways and Means

## HOUSE BILL NO. 727

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



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

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

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

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



27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2019, and each succeeding month thereafter until August 14, 2020, four percent (4%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2020, and each succeeding month thereafter, six percent (6%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215.

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



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

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





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

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

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

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

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

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



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

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

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

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

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



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

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

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

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited in an amount not to 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.



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

(18) [Repealed]

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

(b) For a municipality participating in the Economic Redevelopment Act created in Sections 57-91-1 through 57-91-11, 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.



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

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

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



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

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

In connection with the issuance of said bonds, the municipality may arrange for lines of credit with any bank, firm or person for the purpose of providing an additional source of repayment for such bonds and amounts drawn on such lines of credit may be evidenced by bonds, notes or other evidences of indebtedness containing such terms and conditions as the 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, 2019.

