

By: Representatives Rushing, Stamps, Gibbs  
(72nd)

To: Municipalities

HOUSE BILL NO. 1015

1 AN ACT TO CREATE THE "PROPERTY CLEAN-UP REVOLVING FUND" TO  
2 ASSIST MUNICIPALITIES WITH THE CLEAN UP OF PROPERTIES THAT HAVE  
3 BEEN DETERMINED TO BE A MENACE TO THE PUBLIC HEALTH, SAFETY AND  
4 WELFARE OF THE COMMUNITY IN ACCORDANCE WITH SECTION 21-19-11; TO  
5 AUTHORIZE THE CREATION OF A REVOLVING LOAN PROGRAM ADMINISTERED BY  
6 THE MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY FOR SUCH  
7 PROPERTY CLEAN UP; TO AUTHORIZE MUNICIPALITIES TO ENTER INTO LOAN  
8 AGREEMENTS AND TAKE SUCH ACTIONS NECESSARY TO PARTICIPATE IN THE  
9 REVOLVING LOAN PROGRAM; AND FOR RELATED PURPOSES.

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

11 **SECTION 1. Definitions.** For the purposes of this act, the  
12 following words and phrases shall have the meanings ascribed  
13 herein unless the context clearly requires otherwise:

14 (a) "Commission" means the Mississippi Commission on  
15 Environmental Quality.

16 (b) "Department" means the Mississippi Department of  
17 Environmental Quality.

18 (c) "Loan agreement" means an agreement by and among  
19 the commission, a municipality and the Department of Revenue to  
20 evidence the terms and provisions of a loan under this act.



21 (d) "Municipality" means any incorporated city, town or  
22 village under state law.

23 (e) "Municipal security" means a bond, note, line of  
24 credit, or other evidence of indebtedness issued by a  
25 municipality to evidence a loan pursuant to the provisions of  
26 this act.

27 (f) "Project" means property clean up conducted by a  
28 municipality pursuant to Section 21-19-11.

29 (g) "Revolving fund" means the Property Clean-up  
30 Revolving Fund created under Section 2.

31 (h) "State" means the State of Mississippi.

32 **SECTION 2. Establishment of revolving fund.** (1) There is  
33 established in the State Treasury a fund to be known as the  
34 "Property Clean-up Revolving Fund," which shall be administered by  
35 the commission acting through the department. The revolving fund  
36 shall be funded from any funds appropriated or otherwise made  
37 available by the Legislature in any manner, and funds from any  
38 other source whether designated for deposit into such fund.  
39 Unexpended amounts remaining in the revolving fund at the end of a  
40 fiscal year shall not lapse into the State General Fund, and any  
41 investment earnings or interest earned on amounts in the revolving  
42 fund shall be deposited to the credit of the revolving fund. The  
43 revolving fund shall be maintained in perpetuity for the purposes  
44 established in this section.



45           (2) The commission shall promulgate regulations and  
46 establish a loan program utilizing the funds in the revolving fund  
47 which shall commence after July 1, 2022, to assist municipalities  
48 in projects to clean up property as authorized by Section  
49 21-19-11. Loans from the revolving fund may be made to  
50 municipalities as set forth in a loan agreement in amounts not  
51 exceeding one hundred percent (100%) of estimated costs of a  
52 project allowed by Section 21-19-11. The commission may establish  
53 a maximum amount for any loan in order to provide for broad and  
54 equitable participation in the program.

55           (3) Except as otherwise provided in this section, the  
56 revolving fund may be used only:

57                   (a) To make loans on the condition that:

58                           (i) The loans are made at or below market interest  
59 rates, and the interest rate may vary from time to time and  
60 from loan to loan at the discretion of the commission;

61                           (ii) Principal and interest payments may in the  
62 discretion of the commission commence not later than one (1)  
63 year after the date of the loan; and

64                           (iii) The recipient of a loan will establish a  
65 dedicated source of revenue for repayment of loans from any  
66 available funds of the municipality.

67                   (b) To buy or refinance the debt obligations of  
68 municipalities at or below market rates where the projects were



69 constructed in compliance with applicable federal and state  
70 regulations;

71 (c) To guarantee, or purchase insurance for,  
72 obligations of municipalities where the action would improve  
73 credit market access or reduce interest rates;

74 (d) To provide loan guarantees for similar revolving  
75 funds established by municipalities;

76 (e) To earn interest on fund accounts; and

77 (f) For the reasonable costs of administering the  
78 revolving fund and conducting activities under this act.

79 (4) The commission may provide a loan from the revolving  
80 fund only with respect to a project if that project has been  
81 determined to be a menace to the public health safety and welfare  
82 of the community in accordance with Section 21-19-11. A loan may  
83 be made for more than one project in a municipality.

84 (5) The revolving fund shall be credited with all payments  
85 of principal and interest derived from the fund uses described in  
86 subsection (3) of this section and such payments shall not lapse  
87 into the state general fund.

88 (6) The commission may establish and collect fees to defray  
89 the reasonable costs of administering the revolving fund. The  
90 administration fees may be paid from the revolving fund and  
91 included in loan amounts to municipalities for the purpose of  
92 facilitating payment to the commission. The fees may not exceed  
93 three percent (3%) of the loan amount.



94 (7) Notwithstanding anything herein to the contrary, the  
95 commission may, on a case-by-case basis, renegotiate the payment  
96 of principal and interest on loans made under this section to  
97 municipalities located in areas designated as a Major Disaster  
98 Area by the President of the United States.

99 **SECTION 3. Loan repayment.** (1) A municipality which  
100 receives a loan from the revolving fund is required to and  
101 authorized to pledge for the repayment of such loan (a) any part  
102 of the sales tax reimbursement to which it may be entitled under  
103 Section 27-65-75, (b) any part of the homestead exemption annual  
104 tax loss reimbursement to which it may be entitled under Section  
105 27-33-77, and (c) funds received from the sale, pursuant to  
106 Section 21-19-11, of the property that loan proceeds were used for  
107 the project up to the amount of the cost assessed by the  
108 municipality against the property to meet a repayment schedule set  
109 forth in a loan agreement. The loan agreement shall provide for  
110 (i) monthly payments, (ii) semiannual payments or (iii) other  
111 periodic payments, the annual total of which shall not exceed the  
112 annual total for any other year of the loan by more than fifteen  
113 percent (15%). The loan agreement shall provide for the repayment  
114 of all funds received from the revolving fund within ten (10)  
115 years. The Department of Revenue shall pay to the revolving fund  
116 monthly, or as often as is practicable, from the amount, which  
117 would otherwise be remitted to the municipality from its sales tax



118 reimbursement or homestead exemption annual tax loss  
119 reimbursement, the amounts set forth in such loan agreement.

120 (2) Before any municipality shall receive any loan from the  
121 revolving fund, it shall have executed with the Department of  
122 Revenue and the commission a loan agreement evidencing that loan.  
123 The loan agreement provided for in this section shall not be  
124 construed to prohibit any recipient from prepaying any part or all  
125 of the funds received.

126 (3) Municipal securities incurred or issued either pursuant  
127 to this chapter, in relation to this chapter, or pursuant to any  
128 other law as evidence of any loan made or indebtedness incurred  
129 pursuant to this chapter, shall not be deemed indebtedness within  
130 the meaning specified in Section 21-33-303 or subject to any debt  
131 limitations thereof.

132 **SECTION 4. Issuance of securities.** (1) Municipalities are  
133 hereby authorized to borrow monies under the provisions of  
134 Sections 1 through 6, to issue municipal securities to evidence  
135 such loans, and to enter into such other agreements necessary for  
136 such loans and municipal securities on such terms and conditions  
137 as such municipalities shall deem necessary and advisable.

138 (2) In connection with the issuance of municipal securities  
139 by municipalities to evidence loans under the provisions of this  
140 chapter, the following provisions shall specifically apply:

141 (a) No notice of intent to issue municipal securities  
142 as may otherwise be required by state law shall be required;



143           (b) The governing body of the municipality shall adopt  
144 such resolutions as may be necessary to borrow monies under this  
145 chapter, to issue and sell municipal securities to evidence such  
146 loans, and to approve and authorize the execution of any  
147 agreements related thereto;

148           (c) Such loan and municipal securities shall be secured  
149 as provided for in Section 3;

150           (d) Such loans and municipal securities shall not be  
151 deemed general obligations;

152           (e) Such municipal securities shall be sold only to  
153 evidence the repayment of a loan under this chapter and may be  
154 sold at such price or prices, in such form, and subject to such  
155 terms and conditions of issue, redemption and maturity, rate of  
156 interest and time of payment of interest as otherwise provided  
157 for a loan under this chapter;

158           (f) A municipality may pay all expenses, premiums, fees  
159 and commissions which it may deem necessary and advantageous in  
160 connection with any loan and the issuance and sale of municipal  
161 securities under this chapter;

162           (g) Municipal securities issued under this chapter may  
163 or may not be validated as provided in Section 31-13-1 et. seq. ;  
164 and

165           (h) This section shall be deemed to provide an  
166 additional, alternate and complete method for accomplishing the  
167 purposes authorized hereby and shall be deemed and construed to



168 be supplemental to any provisions of any other laws and not in  
169 derogation of any such provisions. In connection with the  
170 issuance of municipal securities under this chapter, a  
171 municipality shall not be required to comply with the provisions  
172 of any other law except as provided herein.

173 **SECTION 5. Program funding.** (1) As used in this section,  
174 the following words shall have the meanings ascribed herein  
175 unless the context clearly requires otherwise:

176 (a) "Accreted value" of any bonds means, as of any date  
177 of computation, an amount equal to the sum of (i) the stated  
178 initial value of such bond, plus (ii) the interest accrued  
179 thereon from the issue date to the date of computation at the  
180 rate, compounded semiannually, that is necessary to produce the  
181 approximate yield to maturity shown for bonds of the same  
182 maturity.

183 (b) "Bond Commission" means the State Bond Commission.

184 (2) (a) The commission, at one time, or from time to time,  
185 may declare by resolution the necessity for issuance of general  
186 obligation bonds of the state to provide funds for the program  
187 authorized in Section 2. Upon the adoption of a resolution by  
188 the commission, declaring the necessity for the issuance of any  
189 part or all of the general obligation bonds authorized by this  
190 subsection, the commission shall deliver a certified copy of its  
191 resolution or resolutions to the bond commission. Upon receipt  
192 of such resolution, the bond commission, in its discretion, may





193 act as the issuing agent, prescribe the form of the bonds,  
194 determine the appropriate method for sale of the bonds,  
195 advertise for and accept bids or negotiate the sale of the  
196 bonds, issue and sell the bonds so authorized to be sold, and do  
197 any and all other things necessary and advisable in connection  
198 with the issuance and sale of such bonds. The total amount of  
199 bonds issued under this section shall not exceed Two Million  
200 Dollars (\$2,000,000.00). No bonds authorized under this section  
201 shall be issued after July 1, 2025.

202 (b) The proceeds of bonds issued pursuant to this  
203 section shall be deposited into the Property Clean-up Revolving  
204 Fund created pursuant to Section 2. Any investment earnings on  
205 bonds issued pursuant to this section shall be used to pay debt  
206 service on bonds issued under this section, in accordance with  
207 the proceedings authorizing issuance of such bonds.

208 (3) The principal of and interest on the bonds authorized  
209 under this section shall be payable in the manner provided in  
210 this subsection. Such bonds shall bear such date or dates, be  
211 in such denomination or denominations, bear interest at such  
212 rate or rates (not to exceed the limits set forth in Section 75-  
213 17-101, Mississippi Code of 1972), be payable at such place or  
214 places within or without the state, shall mature absolutely at  
215 such time or times not to exceed twenty-five (25) years from  
216 date of issue, be redeemable before maturity at such time or  
217 times and upon such terms, with or without premium, shall bear



218 such registration privileges, and shall be substantially in such  
219 form, all as shall be determined by resolution of the bond  
220 commission.

221 (4) The bonds authorized by this section shall be signed by  
222 the chairman of the bond commission, or by his facsimile  
223 signature, and the official seal of the bond commission shall be  
224 affixed thereto, attested by the Secretary of the Commission.  
225 The interest coupons, if any, to be attached to such bonds may  
226 be executed by the facsimile signatures of such officers.  
227 Whenever any such bonds shall have been signed by the officials  
228 designated to sign the bonds who were in office at the time of  
229 such signing but who may have ceased to be such officers before  
230 the sale and delivery of such bonds, or who may not have been in  
231 office on the date such bonds may bear, the signatures of such  
232 officers upon such bonds and coupons shall nevertheless be valid  
233 and sufficient for all purposes and have the same effect as if  
234 the person so officially signing such bonds had remained in  
235 office until their delivery to the purchaser, or had been in  
236 office on the date such bonds may bear. However,  
237 notwithstanding anything herein to the contrary, such bonds may  
238 be issued as provided in the Registered Bond Act of the state.

239 (5) All bonds and interest coupons issued under the  
240 provisions of this section have all the qualities and incidents  
241 of negotiable instruments under the provisions of the Uniform  
242 Commercial Code, and in exercising the powers granted by this



243 section, the bond commission shall not be required to and need  
244 not comply with the provisions of the Uniform Commercial Code.

245 (6) The bond commission shall act as issuing agent for the  
246 bonds authorized under this section, prescribe the form of the  
247 bonds, determine the appropriate method for sale of the bonds,  
248 advertise for and accept bids or negotiate the sale of the  
249 bonds, issue and sell the bonds so authorized to be sold, pay  
250 all fees and costs incurred in such issuance and sale, and do  
251 any and all other things necessary and advisable in connection  
252 with the issuance and sale of such bonds. The commission is  
253 authorized and empowered to pay the costs that are incident to  
254 the sale, issuance and delivery of the bonds authorized under  
255 this section from the proceeds derived from the sale of such  
256 bonds. The bond commission may sell such bonds on sealed bids  
257 at public sale or may negotiate the sale of the bonds for such  
258 price as it may determine to be for the best interest of the  
259 state. All interest accruing on such bonds so issued shall be  
260 payable semiannually or annually.

261 If such bonds are sold by sealed bids at public sale, notice  
262 of the sale shall be published at least one (1) time, not less  
263 than ten (10) days before the date of sale, and shall be so  
264 published in one or more newspapers published or having a  
265 general circulation in the City of Jackson, Mississippi,  
266 selected by the bond commission.



267           The bond commission, when issuing any bonds under the  
268 authority of this section, may provide that bonds, at the option  
269 of the state, may be called in for payment and redemption at the  
270 call price named therein and accrued interest on such date or  
271 dates named therein.

272           (7) The bonds issued under the provisions of this section  
273 are general obligations of the state, and for the payment  
274 thereof the full faith and credit of the State of Mississippi is  
275 irrevocably pledged. If the funds appropriated by the  
276 Legislature are insufficient to pay the principal of and the  
277 interest on such bonds as they become due, then the deficiency  
278 shall be paid by the State Treasurer from any funds in the State  
279 Treasury not otherwise appropriated. All such bonds shall  
280 contain recitals on their faces substantially covering the  
281 provisions of this subsection.

282           (8) Upon the issuance and sale of bonds under the provisions  
283 of this section, the bond commission shall transfer the proceeds  
284 of any such sale or sales to the Property Clean-up Revolving  
285 Fund created in Section 2. The proceeds of such bonds shall be  
286 disbursed solely upon the order of the commission under such  
287 restrictions, if any, as may be contained in the resolution  
288 providing for the issuance of the bonds.

289           (9) The bonds authorized under this section may be issued  
290 without any other proceedings or the happening of any other  
291 conditions or things other than those proceedings, conditions



292 and things which are specified or required by this section. Any  
293 resolution providing for the issuance of bonds under the  
294 provisions of this section shall become effective immediately  
295 upon its adoption by the commission, and any such resolution may  
296 be adopted at any regular or special meeting of the commission  
297 by a majority of its members.

298 (10) The bonds authorized under the authority of this  
299 section may be validated in the Chancery Court of the First  
300 Judicial District of Hinds County, Mississippi, in the manner  
301 and with the force and effect provided by Chapter 13, Title 31,  
302 Mississippi Code of 1972, for the validation of county,  
303 municipal, school district and other bonds. The notice to  
304 taxpayers required by such statutes shall be published in a  
305 newspaper published or having a general circulation in the City  
306 of Jackson, Mississippi.

307 (11) Any holder of bonds issued under the provisions of this  
308 section or of any of the interest coupons pertaining thereto  
309 may, either at law or in equity, by suit, action, mandamus or  
310 other proceeding, protect and enforce any and all rights granted  
311 under this section, or under such resolution, and may enforce  
312 and compel performance of all duties required by this section to  
313 be performed, in order to provide for the payment of bonds and  
314 interest thereon.

315 (12) All bonds issued under the provisions of this section  
316 shall be legal investments for trustees and other fiduciaries,



317 and for savings banks, trust companies and insurance companies  
318 organized under the laws of the state, and such bonds shall be  
319 legal securities which may be deposited with and shall be  
320 received by all public officers and bodies of this state and all  
321 municipalities and political subdivisions for the purpose of  
322 securing the deposit of public funds.

323 (13) Bonds issued under the provisions of this section and  
324 income therefrom shall be exempt from all taxation in the state.

325 (14) The proceeds of the bonds issued under this section  
326 shall be used solely for the purposes therein provided,  
327 including the costs incident to the issuance and sale of such  
328 bonds.

329 (15) The State Treasurer is authorized, without further  
330 process of law, to certify to the Department of Finance and  
331 Administration the necessity for warrants, and the Department of  
332 Finance and Administration is authorized and directed to issue  
333 such warrants, in such amounts as may be necessary to pay when  
334 due the principal of, premium, if any, and interest on, or the  
335 accreted value of, all bonds issued under this section; and the  
336 State Treasurer shall forward the necessary amount to the  
337 designated place or places of payment of such bonds in ample  
338 time to discharge such bonds, or the interest thereon, on the  
339 due dates thereof.

340 (16) This section shall be deemed to be full and complete  
341 authority for the exercise of the powers therein granted, but



342 this section shall not be deemed to repeal or to be in  
343 derogation of any existing law of this state.

344 **SECTION 6.** This act shall take effect and be in force from  
345 and after its passage.

