

By: Representatives Rushing, Stamps,  
Summers, Anthony

To: Municipalities

HOUSE BILL NO. 556

1 AN ACT TO CREATE THE "PROPERTY CLEANUP 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 OR  
5 COURT; TO AUTHORIZE THE CREATION OF A GRANT PROGRAM AND A  
6 REVOLVING LOAN PROGRAM ADMINISTERED BY THE MISSISSIPPI HOME  
7 CORPORATION FOR SUCH PROPERTY CLEANUP BY THE MUNICIPALITY; TO  
8 AUTHORIZE MUNICIPALITIES TO ENTER INTO AGREEMENTS AND TAKE SUCH  
9 ACTIONS NECESSARY TO PARTICIPATE IN THE GRANT PROGRAM AND LOAN  
10 PROGRAM; AND FOR RELATED PURPOSES.

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

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

15 (a) "Corporation" means the Mississippi Home  
16 Corporation.

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

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



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

25 (e) "Project" means property cleanup conducted by a  
26 municipality or its contractors pursuant to Section 21-19-11 or as  
27 authorized by a court of law.

28 (f) "Revolving fund" means the Property Cleanup  
29 Revolving Fund created under Section 2.

30 (g) "State" means the State of Mississippi.

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

45 (2) The corporation shall establish a grant program and loan  
46 program utilizing the funds in the revolving fund which shall



47 commence after July 1, 2023, to assist municipalities in projects  
48 to clean up property as authorized by Section 21-19-11 or a court.  
49 The corporation shall promulgate such guidelines, rules, forms,  
50 and regulations as may be necessary to carry out the provisions of  
51 this act. Grants and loans, or an aggregate thereof, from the  
52 revolving fund may be made to municipalities as set forth in an  
53 agreement in amounts not exceeding one hundred percent (100%) of  
54 estimated costs of a project allowed by Section 21-19-11 or a  
55 court and as otherwise allowed by this act. The corporation shall  
56 establish a maximum amount for any grant or loan in order to  
57 provide for broad and equitable participation in the program.

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

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

61 (i) The loans are made at or below market interest  
62 rates, and the interest rate may vary from time to time and from  
63 loan to loan at the discretion of the corporation;

64 (ii) Principal and interest payments may in the  
65 discretion of the corporation commence not later than one (1) year  
66 after the date of the loan; and

67 (iii) The recipient of a loan will establish a  
68 dedicated source of revenue for repayment of loans from any  
69 available funds of the municipality.

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



72 undertaken in compliance with applicable federal and state  
73 regulations;

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

77 (d) To provide loan guarantees for similar revolving  
78 funds established by municipalities;

79 (e) To earn interest on fund accounts;

80 (f) For the reasonable costs of administering the  
81 revolving fund and conducting activities under this act;

82 (g) To make grants upon receipt of an application from  
83 a municipality on the condition that:

84 (i) No more than twenty percent (20%) of the funds  
85 in the revolving fund at the beginning of each fiscal year, as  
86 determined by the corporation, may be used for the grant program  
87 each fiscal year;

88 (ii) A municipality may not have a population of  
89 more than 10,000 people based on the most recent United States  
90 decennial census;

91 (iii) A municipality may not receive more than one  
92 (1) grant in any single fiscal year; and

93 (iv) A municipality shall reimburse the  
94 corporation from any funds received from the sale of the project  
95 for which a grant was awarded, and such funds shall be deposited  
96 in the revolving fund.



97 (4) The corporation may provide a loan or grant from the  
98 revolving fund only with respect to a project if that project has  
99 been determined by the municipality to be a menace to the public  
100 health, safety, and welfare of the community in accordance with  
101 Section 21-19-11 or if a court has authorized a municipality to  
102 clean up the property. A grant or loan may be made for more than  
103 one project in a municipality.

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

108 (6) The corporation may establish and collect fees to defray  
109 the reasonable costs of administering the revolving fund. The  
110 administration fees may be paid from the revolving fund and  
111 included in grant and loan amounts to municipalities for the  
112 purpose of facilitating payment to the corporation. The fees may  
113 not exceed three percent (3%) of the grant or loan amount.

114 (7) Notwithstanding anything herein to the contrary, the  
115 corporation may, on a case-by-case basis, renegotiate the payment  
116 of principal and interest on loans made under this section to  
117 municipalities located in areas designated as a major disaster  
118 area by the President of the United States.

119 **SECTION 3. Loan repayment.** (1) A municipality which  
120 receives a loan from the revolving fund is required to and  
121 authorized to pledge for the repayment of such loan (a) any part



122 of the sales tax reimbursement to which it may be entitled under  
123 Section 27-65-75, (b) any part of the homestead exemption annual  
124 tax loss reimbursement to which it may be entitled under Section  
125 27-33-77, and (c) funds received from the sale, pursuant to  
126 Section 21-19-11, of the property that loan proceeds were used for  
127 the project up to the amount of the cost assessed by the  
128 municipality against the property to meet a repayment schedule set  
129 forth in a loan agreement. The loan agreement shall provide for  
130 (i) monthly payments, (ii) semiannual payments or (iii) other  
131 periodic payments, the annual total of which shall not exceed the  
132 annual total for any other year of the loan by more than fifteen  
133 percent (15%). The loan agreement shall provide for the repayment  
134 of all funds received from the revolving fund for a period not to  
135 exceed twenty (20) years. The Department of Revenue shall pay to  
136 the revolving fund monthly, or as often as is practicable, from  
137 the amount, which would otherwise be remitted to the municipality  
138 from its sales tax reimbursement or homestead exemption annual tax  
139 loss reimbursement, the amounts set forth in such loan agreement.

140 (2) Before any municipality shall receive any loan from the  
141 revolving fund, it shall have executed with the Department of  
142 Revenue and the corporation a loan agreement evidencing that loan.  
143 The loan agreement provided for in this section shall not be  
144 construed to prohibit any recipient from prepaying any part or all  
145 of the funds received; and



146 (3) Municipal securities incurred or issued either pursuant  
147 to this chapter, in relation to this chapter, or pursuant to any  
148 other law as evidence of any loan made or indebtedness incurred  
149 pursuant to this chapter, shall not be deemed indebtedness within  
150 the meaning specified in Section 21-33-303 or subject to any debt  
151 limitations thereof.

152 **SECTION 4. Municipal authority.** (1) Municipalities are  
153 hereby authorized to apply for a grant and borrow monies under the  
154 provisions of Sections 1 through 6, to issue municipal securities  
155 to evidence such loans, and to enter into such other agreements  
156 necessary for such grants, loans, and municipal securities on such  
157 terms and conditions as such municipalities shall deem necessary  
158 and advisable.

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

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

164 (b) The governing body of the municipality shall adopt  
165 such resolutions as may be necessary to borrow monies under this  
166 chapter, to issue and sell municipal securities to evidence such  
167 loans, and to approve and authorize the execution of any  
168 agreements related thereto;

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



171           (d) Such loans and municipal securities shall not be  
172 deemed general obligations;

173           (e) Such municipal securities shall be sold only to  
174 evidence the repayment of a loan under this chapter and may be  
175 sold at such price or prices, in such form, and subject to such  
176 terms and conditions of issue, redemption and maturity, rate of  
177 interest and time of payment of interest as otherwise provided for  
178 a loan under this chapter;

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

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

186           (h) This section shall be deemed to provide an  
187 additional, alternate and complete method for accomplishing the  
188 purposes authorized hereby and shall be deemed and construed to  
189 be supplemental to any provisions of any other laws and not in  
190 derogation of any such provisions. In connection with the  
191 issuance of municipal securities under this chapter, a  
192 municipality shall not be required to comply with the provisions  
193 of any other law except as provided herein.





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

197           (a) "Accreted value" of any bonds means, as of any date  
198 of computation, an amount equal to the sum of (i) the stated  
199 initial value of such bond, plus (ii) the interest accrued thereon  
200 from the issue date to the date of computation at the rate,  
201 compounded semiannually, that is necessary to produce the  
202 approximate yield to maturity shown for bonds of the same  
203 maturity.

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

205           (2) (a) The corporation, at one time, or from time to time,  
206 may declare by resolution the necessity for issuance of general  
207 obligation bonds of the state to provide funds for the program  
208 authorized in Section 2. Upon the adoption of a resolution by the  
209 corporation, declaring the necessity for the issuance of any part  
210 or all of the general obligation bonds authorized by this  
211 subsection, the corporation shall deliver a certified copy of its  
212 resolution or resolutions to the bond commission. Upon receipt of  
213 such resolution, the bond commission, in its discretion, may act  
214 as the issuing agent, prescribe the form of the bonds, determine  
215 the appropriate method for sale of the bonds, advertise for and  
216 accept bids or negotiate the sale of the bonds, issue and sell the  
217 bonds so authorized to be sold, and do any and all other things  
218 necessary and advisable in connection with the issuance and sale



219 of such bonds. The total amount of bonds outstanding under this  
220 section shall not exceed Five Million Dollars (\$5,000,000.00). No  
221 bonds authorized under this section shall be issued after July 1,  
222 2026.

223 (b) The proceeds of bonds issued pursuant to this  
224 section shall be deposited into the Property Cleanup Revolving  
225 Fund created pursuant to Section 2. Any investment earnings on  
226 bonds issued pursuant to this section shall be used to pay debt  
227 service on bonds issued under this section, in accordance with the  
228 proceedings authorizing issuance of such bonds.

229 (3) The principal of and interest on the bonds authorized  
230 under this section shall be payable in the manner provided in this  
231 subsection. Such bonds shall bear such date or dates, be in such  
232 denomination or denominations, bear interest at such rate or rates  
233 (not to exceed the limits set forth in Section 75-17-101), be  
234 payable at such place or places within or without the state, shall  
235 mature absolutely at such time or times not to exceed twenty-five  
236 (25) years from date of issue, be redeemable before maturity at  
237 such time or times and upon such terms, with or without premium,  
238 shall bear such registration privileges, and shall be  
239 substantially in such form, all as shall be determined by  
240 resolution of the bond commission.

241 (4) The bonds authorized by this section shall be signed by  
242 the chairman of the bond commission, or by his facsimile  
243 signature, and the official seal of the bond commission shall be



244 affixed thereto, attested by the Secretary of the commission. The  
245 interest coupons, if any, to be attached to such bonds may be  
246 executed by the facsimile signatures of such officers. Whenever  
247 any such bonds shall have been signed by the officials designated  
248 to sign the bonds who were in office at the time of such signing  
249 but who may have ceased to be such officers before the sale and  
250 delivery of such bonds, or who may not have been in office on the  
251 date such bonds may bear, the signatures of such officers upon  
252 such bonds and coupons shall nevertheless be valid and sufficient  
253 for all purposes and have the same effect as if the person so  
254 officially signing such bonds had remained in office until their  
255 delivery to the purchaser, or had been in office on the date such  
256 bonds may bear. However, notwithstanding anything herein to the  
257 contrary, such bonds may be issued as provided in the Registered  
258 Bond Act of the state. All bonds and interest coupons issued  
259 under the provisions of this section have all the qualities and  
260 incidents of negotiable instruments under the provisions of the  
261 Uniform Commercial Code, and in exercising the powers granted by  
262 this section, the bond commission shall not be required to and  
263 need not comply with the provisions of the Uniform Commercial  
264 Code.

265 (5) The bond commission shall act as issuing agent for the  
266 bonds authorized under this section, prescribe the form of the  
267 bonds, determine the appropriate method for sale of the bonds,  
268 advertise for and accept bids or negotiate the sale of the bonds,



269 issue and sell the bonds so authorized to be sold, pay all fees  
270 and costs incurred in such issuance and sale, and do any and all  
271 other things necessary and advisable in connection with the  
272 issuance and sale of such bonds. The commission is authorized and  
273 empowered to pay the costs that are incident to the sale, issuance  
274 and delivery of the bonds authorized under this section from the  
275 proceeds derived from the sale of such bonds. The bond commission  
276 may sell such bonds on sealed bids at public sale or may negotiate  
277 the sale of the bonds for such price as it may determine to be for  
278 the best interest of the state. All interest accruing on such  
279 bonds so issued shall be payable semiannually or annually.

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

286 The bond commission, when issuing any bonds under the  
287 authority of this section, may provide that bonds, at the option  
288 of the state, may be called in for payment and redemption at the  
289 call price named therein and accrued interest on such date or  
290 dates named therein.

291 (6) The bonds issued under the provisions of this section  
292 are general obligations of the state, and for the payment thereof  
293 the full faith and credit of the State of Mississippi is



294 irrevocably pledged. If the funds appropriated by the Legislature  
295 are insufficient to pay the principal of and the interest on such  
296 bonds as they become due, then the deficiency shall be paid by the  
297 State Treasurer from any funds in the State Treasury not otherwise  
298 appropriated. All such bonds shall contain recitals on their  
299 faces substantially covering the provisions of this subsection.

300 (7) Upon the issuance and sale of bonds under the provisions  
301 of this section, the bond commission shall transfer the proceeds  
302 of any such sale or sales to the Property Cleanup Revolving Fund  
303 created in Section 2. The proceeds of such bonds shall be  
304 disbursed solely upon the order of the commission under such  
305 restrictions, if any, as may be contained in the resolution  
306 providing for the issuance of the bonds.

307 (8) The bonds authorized under this section may be issued  
308 without any other proceedings or the happening of any other  
309 conditions or things other than those proceedings, conditions and  
310 things which are specified or required by this section. Any  
311 resolution providing for the issuance of bonds under the  
312 provisions of this section shall become effective immediately upon  
313 its adoption by the bond commission, and any such resolution may  
314 be adopted at any regular or special meeting of the bond  
315 commission by a majority of its members.

316 (9) The bonds authorized under the authority of this section  
317 may be validated in the Chancery Court of the First Judicial  
318 District of Hinds County, Mississippi, in the manner and with the



319 force and effect provided by Chapter 13, Title 31, Mississippi  
320 Code of 1972, for the validation of county, municipal, school  
321 district and other bonds. The notice to taxpayers required by  
322 such statutes shall be published in a newspaper published or  
323 having a general circulation in the City of Jackson, Mississippi.

324 (10) Any holder of bonds issued under the provisions of this  
325 section or of any of the interest coupons pertaining thereto may,  
326 either at law or in equity, by suit, action, mandamus or other  
327 proceeding, protect and enforce any and all rights granted under  
328 this section, or under such resolution, and may enforce and compel  
329 performance of all duties required by this section to be  
330 performed, in order to provide for the payment of bonds and  
331 interest thereon.

332 (11) All bonds issued under the provisions of this section  
333 shall be legal investments for trustees and other fiduciaries, and  
334 for savings banks, trust companies and insurance companies  
335 organized under the laws of the state, and such bonds shall be  
336 legal securities which may be deposited with and shall be received  
337 by all public officers and bodies of this state and all  
338 municipalities and political subdivisions for the purpose of  
339 securing the deposit of public funds.

340 (12) Bonds issued under the provisions of this section and  
341 income therefrom shall be exempt from all taxation in the state.



342 (13) The proceeds of the bonds issued under this section  
343 shall be used solely for the purposes therein provided, including  
344 the costs incident to the issuance and sale of such bonds.

345 (14) The State Treasurer is authorized, without further  
346 process of law, to certify to the Department of Finance and  
347 Administration the necessity for warrants, and the Department of  
348 Finance and Administration is authorized and directed to issue  
349 such warrants, in such amounts as may be necessary to pay when due  
350 the principal of, premium, if any, and interest on, or the  
351 accreted value of, all bonds issued under this section; and the  
352 State Treasurer shall forward the necessary amount to the  
353 designated place or places of payment of such bonds in ample time  
354 to discharge such bonds, or the interest thereon, on the due dates  
355 thereof.

356 (15) This section shall be deemed to be full and complete  
357 authority for the exercise of the powers therein granted, but this  
358 section shall not be deemed to repeal or to be in derogation of  
359 any existing law of this state.

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

