

By: Representatives Rushing, Stamps,
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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.

