

By: Senator(s) Bryan

To: Judiciary, Division A

SENATE BILL NO. 2398

1 AN ACT TO AMEND SECTION 75-17-7, MISSISSIPPI CODE OF 1972, TO  
 2 PROHIBIT JUDGMENTS FROM BEARING INTEREST RATES THAT ARE GREATER  
 3 THAN TEN PERCENT; TO AMEND SECTION 79-10-41, MISSISSIPPI CODE OF  
 4 1972, TO CONFORM WITH THE TEN PERCENT INTEREST RATE CAP SET BY THE  
 5 PROPOSED AMENDMENT TO SECTION 75-17-7; TO AMEND SECTION 79-29-913,  
 6 MISSISSIPPI CODE OF 1972, TO CONFORM WITH THE TEN PERCENT INTEREST  
 7 RATE CAP SET BY THE PROPOSED AMENDMENT TO SECTION 75-17-7; AND FOR  
 8 RELATED PURPOSES.

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

10 **SECTION 1.** Section 75-17-7, Mississippi Code of 1972, is  
 11 amended as follows:

12 75-17-7. All judgments or decrees founded on any sale or  
 13 contract shall bear interest at the same rate as the contract  
 14 evidencing the debt on which the judgment or decree was rendered,  
 15 but the ascribed interest rate shall not exceed ten percent (10%).  
 16 All other judgments or decrees shall bear interest at a per annum  
 17 rate set by the judge hearing the complaint, which shall not  
 18 exceed ten percent (10%), from a date determined by such judge to  
 19 be fair but in no event prior to the filing of the complaint.

20 **SECTION 2.** Section 79-10-41, Mississippi Code of 1972, is  
 21 amended as follows:



22           79-10-41. (1) If the disqualified shareholder does not  
23 accept the professional corporation's offer under Section  
24 79-10-39(2) within the thirty-day period, the shareholder during  
25 the following thirty-day period may deliver a written notice to  
26 the corporation demanding that it commence a proceeding to  
27 determine the fair value of the shares. The corporation may  
28 commence a proceeding at any time during the sixty (60) days  
29 following the effective date of its offer notice. If it does not  
30 do so, the shareholder may commence a proceeding against the  
31 corporation to determine the fair value of his shares.

32           (2) The corporation or disqualified shareholder shall  
33 commence the proceeding in the chancery court of the county where  
34 the corporation's principal office (or, if none in this state, its  
35 registered office) is located. The corporation shall make the  
36 disqualified person a party to the proceeding as in an action  
37 against his shares. The jurisdiction of the court in which the  
38 proceeding is commenced is plenary and exclusive.

39           (3) The court may appoint one or more persons as appraisers  
40 to receive evidence and recommend decision on the question of fair  
41 value. The appraisers have the power described in the order  
42 appointing them, or in any amendment to it.

43           (4) The disqualified shareholder is entitled to judgment for  
44 the fair value of his shares determined by the court as of the  
45 date of death, disqualification or transfer together with interest  
46 from that date at a rate found by the court to be fair and



47 equitable, but the interest rate shall not exceed ten percent  
48 (10%).

49 (5) The court may order the judgment paid in installments  
50 determined by the court.

51 **SECTION 3.** Section 79-29-913, Mississippi Code of 1972, is  
52 amended as follows:

53 79-29-913. (1) If the disqualified member does not accept  
54 the professional limited liability company's offer under Section  
55 79-29-912(2) within the thirty-day period, the member during the  
56 following thirty-day period may deliver a written notice to the  
57 professional limited liability company demanding that it commence  
58 a proceeding to determine the fair value of the membership  
59 interest. The professional limited liability company may commence  
60 a proceeding at any time during the sixty (60) days following the  
61 effective date of its offer notice. If it does not do so, the  
62 member may commence a proceeding against the professional limited  
63 liability company to determine the fair value of the disqualified  
64 person's membership interest.

65 (2) The professional limited liability company or  
66 disqualified member shall commence the proceeding in the chancery  
67 court of the county where the professional limited liability  
68 company's principal office is located, or the Chancery Court of  
69 the First Judicial District of Hinds County, Mississippi, if the  
70 professional limited liability company does not have a principal  
71 office in this state. The professional limited liability company



72 shall make the disqualified person a party to the proceeding as in  
73 an action against the disqualified person's membership interest.  
74 The jurisdiction of the court in which the proceeding is commenced  
75 is plenary and exclusive.

76 (3) The court may appoint one or more persons as appraisers  
77 to receive evidence and recommend decision on the question of fair  
78 value. The appraisers have the power described in the order  
79 appointing them, or in any amendment to it.

80 (4) The disqualified member is entitled to judgment for the  
81 fair value of the disqualified person's membership interest  
82 determined by the court as of the date of death, disqualification  
83 or transfer, together with interest from that date at a rate found  
84 by the court to be fair and equitable, but the interest rate shall  
85 not exceed ten percent (10%).

86 (5) The court may order the judgment paid in installments  
87 determined by the court.

88 (6) "Fair value" means the value of the membership interest  
89 of the professional limited liability company determined:

90 (a) Using customary and current valuation concepts and  
91 techniques generally employed for similar businesses in the  
92 context of the transaction requiring appraisal; and

93 (b) Without discounting for lack of marketability or  
94 minority status.

95 **Section 4.** This act shall take effect and be in force from  
96 and after June 30, 2023.

