

By: Representatives Steverson, Jackson  
(11th)

To: Ways and Means

## HOUSE BILL NO. 1501

1 AN ACT TO AMEND SECTION 17-25-27, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE DEFINITION OF AN ECONOMIC DEVELOPMENT PROJECT TO  
3 ALSO INCLUDE QUALIFIED PROJECTS, AS DEFINED IN THE MISSISSIPPI  
4 FLEXIBLE TAX INCENTIVE ACT; AND TO AUTHORIZE A BOARD OF  
5 SUPERVISORS OF A COUNTY AND/OR THE GOVERNING AUTHORITY OF A  
6 MUNICIPALITY TO ENTER INTO AN AGREEMENT WITH A QUALIFIED BUSINESS  
7 ENTERPRISE TO, EITHER INDIVIDUALLY OR COOPERATIVELY, FUND OR  
8 REIMBURSE THE QUALIFIED BUSINESS ENTERPRISE FOR CERTAIN QUALIFIED  
9 PROJECT COSTS INCURRED IN CONNECTION WITH A QUALIFIED DEVELOPMENT  
10 OR REDEVELOPMENT PROJECT SOLELY USING REVENUES DERIVED FROM THE  
11 PROJECT; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 17-25-27, Mississippi Code of 1972, is  
14 amended as follows:

15 17-25-27. (1) (a) As used in this subsection (1),  
16 "economic development project" means (i) any project in which the  
17 State of Mississippi has committed state or federal program funds  
18 to incentivize a company to locate or expand a business in the  
19 state and create or maintain jobs within the state, or (ii) a  
20 qualified project as defined in Section 57-114-3 of the  
21 Mississippi Flexible Tax Incentive Act.



( \* \* \*b) The board of supervisors of a county or the governing authorities of a municipality may enter into agreements with an economic development project that are binding on future boards of supervisors of the county or governing authorities of the municipality:

( \* \* \*i) To provide water, sewer and other county or municipal services; and/or

( \* \* \*ii) Providing that the board of supervisors or governing authorities will agree in advance to approve any request for exemption from ad valorem taxes in the manner provided by law and that any such exemption shall be for a period of ten (10) years.

( \* \* \*2) (a) \* \* \* For the purposes of this subsection (2), the following words shall have the meanings ascribed herein, unless the context otherwise requires:

(i) "County" means any county of this state.

(ii) "Costs of a project" means all costs and expenses of a project and/or facilities related to a project, such as site preparation and improvements (including clearing, grubbing and grading activities) and other start-up costs; acquisition, construction, restoration, repair, renovation, improvement, relocation, demolition or removal costs; and costs of fixtures, equipment and other personal property; which, in all such cases, are required for the purposes of a project or facilities related to a project, whether publicly or privately owned, including



47 without limitation any costs associated with land and any rights  
48 or undivided interest therein, options, easements, franchises,  
49 fees, permits, approvals, licenses, and certificates; costs  
50 associated with the closure, post-closure maintenance or  
51 corrective action on environmental matters; professional services  
52 costs such as costs of engineering, surveying, environmental,  
53 geotechnical, architectural and legal services; and costs of plans  
54 and specifications and all expenses necessary or incident to  
55 determining the feasibility or practicability of a project or any  
56 facilities related to a project. Any obligation or expense  
57 incurred for any of the foregoing purposes shall be regarded as a  
58 part of the costs of a project and may be paid or reimbursed as  
59 such out of the proceeds of any revenues derived by any local  
60 governmental unit from a project or any facilities related to a  
61 project.

62 (iii) "Qualified business enterprise" means any  
63 corporation, limited liability company, partnership, person or  
64 sole proprietorship, business trust or other legal entity and  
65 subunit or affiliate thereof, that enters into an agreement  
66 pursuant to this subsection (2) with one or more local  
67 governmental units pursuant to which the qualified business  
68 enterprise agrees to undertake a project or any portion thereof  
69 pursuant to this subsection (2).

70 (iv) "Facilities related to a project" means and  
71 includes the acquisition, construction, restoration, repair,



renovation, improvement, relocation, demolition or removal of (1)  
potable and nonpotable water supply systems that will serve the  
project or any portion thereof; (2) sewage and waste disposal  
systems that will serve the project or any portion thereof; (3)  
storm water drainage and other drainage systems that will serve  
the project or any portion thereof; (4) highways, streets and  
other roadways that will provide any access to and from the  
project or any portion thereof; (5) fire suppression and  
prevention systems that will serve the project or any portion  
thereof; and (6) utility distribution systems, including, but not  
limited to, electricity, natural gas, telephone and other  
information and telecommunications facilities, whether by wire,  
fiber or wireless means, that will serve the project or any  
portion thereof.

(v) "Local authority" means the board of  
supervisors of a county or the governing authority of a  
municipality.

(vi) "Local governmental unit" means any county or  
municipality.

(vii) "Municipality" means any incorporated  
municipality in the state.

(viii) "Project" means the development,  
redevelopment, construction, reconstruction, rehabilitation,  
restoration, and/or conservation of one or more buildings or other  
real property improvements within a local governmental unit for



any commercial, industrial, entertainment or recreational purposes, or otherwise for any public use, and which project is determined by one or more local authorities, as applicable, to promote economic development, assist in the creation of jobs and/or promote the reconstruction, rehabilitation, restoration, and/or conservation of one or more buildings or other real property improvements within a local governmental unit.

(ix) "Project revenues" mean any and all taxes, fees, rates, rentals, profits and receipts collected by, payable to, or otherwise derived by, a local government unit, and all other monies and income of whatsoever kind or character collected by, payable to, or otherwise derived by, a local government unit from a project or any facilities related to a project as provided through this subsection (2).

(b) (i) A local governmental unit, or two (2) or more local governmental units working cooperatively, may enter into an agreement with a qualified business enterprise pursuant to which (1) one or more local governmental units, as applicable, may use project revenues to pay any costs of a project, and/or (2) (A) the qualified business enterprise may agree to undertake or otherwise fund all or any part of a project or any facilities related to a project using private funds and (B) one or more local governmental units, as applicable, may agree to reimburse the qualified business enterprise for its costs of a project or facilities related to a project actually incurred by the qualified business



enterprise solely using project revenues. Any payments or  
reimbursements of costs of a project by any local government unit  
may be conditioned upon such terms and conditions and containing  
such safeguards, including without limitation project deadlines  
and benchmarks, as the local authority of each local governmental  
unit that is party to the agreement determines will best promote  
and protect the public interest, convenience and necessity;  
provided that, in no event shall more than Ten Million Dollars  
(\$10,000,000) in costs of a project be cumulatively paid or  
reimbursed by one or more local government units pursuant to the  
agreement or otherwise pursuant to this subsection (2).

(ii) Any cooperative undertaking entered into  
under this subsection (2) by two (2) or more governmental units  
shall be evidenced by a written contractual agreement for such  
cooperative action. The written agreement with a qualified  
business enterprise authorized in subsection (2)(b)(i) above,  
shall be sufficient if all participating local government units  
are a party to such written agreement with qualified business  
enterprise.

(iii) Appropriate action by order or resolution of  
each participating local government unit shall be necessary before  
any agreement authorized under this subsection (2) shall be in  
force without the necessity of compliance with Section 17-13-1 et  
seq.



146       (3) The agreements authorized under this section may be for  
147 a period not to exceed twenty (20) years and shall be binding on  
148 future boards of supervisors of a county and governing authorities  
149 of a municipality.

150       (4) The powers and authority granted and set forth in this  
151 section shall be additional and supplemental to any other powers  
152 and authority granted by law and shall not amend, repeal or  
153 supersede any other powers and authority granted by law.

154       **SECTION 2.** This act shall take effect and be in force from  
155 and after its passage.

