

By: Senator(s) Sparks, Harkins

To: Finance

SENATE BILL NO. 2846

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; TO AUTHORIZE A COUNTY BOARD OF
5 SUPERVISORS OR A MUNICIPAL GOVERNING AUTHORITY TO ENTER INTO AN
6 AGREEMENT WITH A QUALIFIED BUSINESS ENTERPRISE TO, EITHER
7 INDIVIDUALLY OR COOPERATIVELY, FUND OR REIMBURSE THE QUALIFIED
8 BUSINESS ENTERPRISE FOR CERTAIN QUALIFIED PROJECT COSTS INCURRED
9 IN CONNECTION WITH A QUALIFIED DEVELOPMENT OR REDEVELOPMENT
10 PROJECT SOLELY USING REVENUES DERIVED FROM THE PROJECT; AND FOR
11 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 or facilities related to a project, such as site preparation and improvements (including clearing, grubbing and grading activities) and other startup 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,



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

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

(iv) "Facilities related to a project" means and 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. stormwater 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 or from the project or any portion thereof; 5. fire suppression or 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, or conservation of one or more buildings or other real property improvements within a local governmental unit for any commercial, industrial, entertainment or recreational



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

103 (ix) "Project revenues" means any and all taxes,
104 fees, rates, rentals, profits and receipts collected by, payable
105 to or otherwise derived by a local governmental unit, and all
106 other monies and income of whatever kind or character collected
107 by, payable to or otherwise derived by a local governmental unit
108 from a project or any facilities related to a project as provided
109 through this subsection (2).

110 (b) (i) A local governmental unit, or two (2) or more
111 local governmental units working cooperatively, may enter into an
112 agreement with a qualified business enterprise pursuant to which
113 1. one or more local governmental units, as applicable, may use
114 project revenues to pay any costs of a project, and/or 2. A. the
115 qualified business enterprise may agree to undertake or otherwise
116 fund all or any part of a project or any facilities related to a
117 project using private funds, and B. one or more local governmental
118 units, as applicable, may agree to reimburse the qualified
119 business enterprise for its costs of a project or facilities
120 related to a project actually incurred by the qualified business
121 enterprise solely using project revenues. Any payments or



reimbursements of costs of a project by any local governmental 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, however, that in no event shall more than Ten Million Dollars (\$10,000,000.00) in costs of a project be cumulatively paid or reimbursed by one or more local governmental units under the agreement or otherwise under 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 subparagraph (i) of this subsection (2) (b) shall be sufficient if all participating local governmental units are parties to such written agreement with the qualified business enterprise.

(iii) Appropriate action by order or resolution of each participating local governmental 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.

(3) The agreements authorized under this section may be for a period not to exceed twenty (20) years and shall be binding on



147 future boards of supervisors of a county and governing authorities
148 of a municipality.

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

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

