

By: Representatives Reynolds, Comans, Gadd, To: Ways and Means  
Gibbs, Hudson, Livingston, Maples, Moak,  
Franks

HOUSE BILL NO. 1653  
(As Passed the House)

1 AN ACT TO AMEND SECTIONS 31-25-20 AND 31-25-21, MISSISSIPPI  
2 CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT BANK TO  
3 ISSUE REVENUE BONDS TO FUND LOANS TO COUNTIES FOR THE ACQUISITION  
4 OF FIRE EQUIPMENT INCLUDING FIRE TRUCKS; TO AMEND SECTIONS  
5 31-25-28 AND 27-33-77, MISSISSIPPI CODE OF 1972, IN CONFORMITY  
6 THERETO; AND FOR RELATED PURPOSES.

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

8 SECTION 1. Section 31-25-20, Mississippi Code of 1972, is  
9 amended as follows:

10 31-25-20. In addition to the other powers granted to the  
11 bank under this section, the bank shall have the powers:

12 (a) To make, enter into and enforce all contracts or  
13 agreements necessary, convenient or pertaining to any loan to a  
14 local governmental unit under this section;

15 (b) To loan money to local governmental units for any  
16 of the purposes set forth in this section;

17 (c) To charge for its costs and services in reviewing  
18 or considering any proposed loan to a local governmental unit and  
19 such costs may be established in such manner as the bank shall  
20 determine;

21 (d) To fix and prescribe any form of application or  
22 procedure to be required of a local governmental unit for the  
23 purpose of any loan to be made to such governmental unit and to  
24 fix the terms and conditions of any such loan;

25 (e) To issue revenue bonds to fund loans to local  
26 governmental units for the acquisition, construction and  
27 installation of energy related improvements, and other related or  
28 similar infrastructure improvements consistent with the

29 intentions, purposes and objects of this section. Before any  
30 bonds may be issued for this purpose, the requirements of Section  
31 31-25-28(6) must be satisfied; \* \* \*

32 (f) To issue revenue bonds to fund or assist in funding  
33 retirement systems established pursuant to Sections 21-29-201  
34 through 21-29-261. Before any revenue bonds may be issued for  
35 this purpose, the municipality whose retirement system is being  
36 funded by such bonds shall have an actuary perform a study through  
37 the Public Employees Retirement System to determine the effect of  
38 such revenue bonds on such retirement system;

39 (g) To issue bonds in the amount of Five Million  
40 Dollars (\$5,000,000.00) to provide additional funding for the  
41 grant program authorized under Section 18 of Chapter 530, Laws of  
42 1995, which provided funds to counties and municipalities for the  
43 construction, renovation and expansion of livestock facilities;  
44 and

45 (h) To issue revenue bonds in the amount of Ten Million  
46 Dollars (\$10,000,000.00) per year to fund loans to counties for  
47 the acquisition of fire equipment, including, but not limited to,  
48 fire trucks.

49 SECTION 2. Section 31-25-21, Mississippi Code of 1972, is  
50 amended as follows:

51 31-25-21. The bank is hereby granted, has and may exercise  
52 the power to borrow money and issue its bonds in such principal  
53 amounts as it shall deem necessary to provide funds to accomplish  
54 a public purpose or purposes of the state provided for under this  
55 act, including:

56 (a) The making of loans to local governmental units by  
57 the purchase of municipal securities thereof;

58 (b) The payment, funding, refunding of the principal  
59 of, or interest or redemption premiums on, any bonds issued by it  
60 whether the bonds have or have not become due or subject to  
61 redemption in accordance with their terms;

62 (c) The establishment or increase of such debt service  
63 reserves and capitalized interest accounts to pay bonds or  
64 interest thereon as the bank shall consider necessary or advisable  
65 in the marketing of such bonds;

66 (d) The payment of consultant and legal fees and such  
67 other costs of issuance and expenses necessary or incidental to  
68 such bond issue;

69 (e) The deposit of funds into reserve funds established  
70 by the bank;

71 (f) The establishment or increase of reserves to pay  
72 all other costs and expenses of the bank incident to and necessary  
73 or convenient to carrying out its corporate purposes and powers;

74 (g) The deposit of funds into the Water Pollution  
75 Control Revolving Fund and the Water Pollution Control Emergency  
76 Loan Fund created pursuant to Sections 49-17-81 through 49-17-89;

77 (h) The issuance of up to Fifty Million Dollars  
78 (\$50,000,000.00) in revenue bonds for regional solid waste  
79 authorities and county cooperative service districts;

80 (i) The advance purchase of energy for any municipality  
81 that operates a gas producing, generating, transmission or  
82 distribution system, or an electric generating, transmission or  
83 distribution system under Sections 21-27-11 through 21-27-71;

84 (j) The issuance of revenue bonds to fund or assist in  
85 funding retirement systems established pursuant to Sections  
86 21-29-1 through 21-29-55 and Sections 21-29-101 through 21-29-151.

87 Before any revenue bonds may be issued for this purpose the  
88 municipality whose retirement system is being funded by such bonds  
89 shall have an actuary perform a study through the Public  
90 Employees' Retirement System to determine the amount of revenue  
91 bonds that should be issued to make such retirement system  
92 actuarially sound;

93 (k) To issue general obligation bonds of the State of  
94 Mississippi for the purposes provided in Section 31-25-20(g), as  
95 such section existed on April 3, 1996. The authority to issue  
96 such general obligation bonds of the State of Mississippi shall be  
97 repealed from and after the date that the bonds have been issued  
98 in their entirety;

99           (1) To issue revenue bonds for the purposes provided in  
100 Section 31-25-20(h); and

101           (m) Any other lawful, corporate purpose.

102           SECTION 3. Section 31-25-28, Mississippi Code of 1972, is  
103 amended as follow:

104           31-25-28. (1) Local governmental units may borrow money or  
105 receive grants from the bank for any of the purposes set forth in  
106 this section or Section 31-25-20(g) or Section 31-25-20(h) and pay  
107 to the bank such fees and charges for services as the bank may  
108 prescribe. Whenever any such loan is made to a local governmental  
109 unit, such local governmental unit may use available revenues for  
110 the repayment of the principal of, premium, if any, and interest  
111 on such loan, and pledge such available revenues or moneys for the  
112 repayment of the principal of, premium, if any, and interest on  
113 such loan. It is the intention of the Legislature that any such  
114 pledge of revenues or other moneys shall be valid and binding from  
115 the date the pledge is made; that such revenues or other moneys so  
116 pledged and thereafter received by the local governmental unit  
117 shall immediately be subject to the lien of such pledge without  
118 any physical delivery thereof or further act, and that the lien of  
119 any such pledge shall be valid and binding as against all parties  
120 having claims of any kind in tort, contract or otherwise against  
121 the local governmental unit irrespective of whether such parties  
122 have notice thereof; and neither the resolutions, contracts or any  
123 other instrument by which a pledge is created need be recorded.

124           (2) Local governmental units may contract with the bank with  
125 respect to any such loan and such contract shall contain such  
126 terms and conditions as may be prescribed by the bank.

127           (3) Local governmental units may in connection with any such  
128 loan enter into any covenants and agreements with respect to such  
129 local governmental unit's operations, revenues, assets, moneys,  
130 funds or property, or such loan, as may be prescribed by the bank.

131           (4) Upon the making of any such loan by the bank to any

132 local governmental unit, such local governmental unit shall be  
133 held and be deemed to have agreed that if such governmental unit  
134 fails to pay the principal of, premium, if any, and interest on  
135 any such loan as when due and payable, such governmental unit  
136 shall have waived any and all defenses to such nonpayment, and the  
137 bank, upon such nonpayment, shall thereupon avail itself of all  
138 remedies, rights and provisions of law applicable in such  
139 circumstance, including without limitation, any remedies or rights  
140 theretofore agreed to by the local governmental unit, and that  
141 such loan shall for all of the purposes of this section, be held  
142 and be deemed to have become due and payable and to be unpaid.  
143 The bank may carry out the provisions of this section and exercise  
144 all of the rights and remedies and provisions of law provided or  
145 referred to in this section and of all other applicable laws of  
146 the state.

147 (5) Any local governmental unit that borrows from the bank  
148 under this section may agree in writing with the bank that, as  
149 provided in this subsection, the State Tax Commission or any state  
150 agency, department or commission created pursuant to state law  
151 shall (a) withhold all or any part (as agreed by the local  
152 governmental unit) of any moneys that such local governmental unit  
153 is entitled to receive from time to time pursuant to any law and  
154 that is in the possession of the State Tax Commission or any state  
155 agency, department or commission created pursuant to state law and  
156 (b) pay the same over to the bank to satisfy any delinquent  
157 payments on any such loan made to such local governmental unit  
158 under the provisions of this section and any other delinquent  
159 payments due and owing the bank by such local governmental unit,  
160 all as the same shall occur. If the bank files a copy of such  
161 written agreement, together with a statement of delinquency, with  
162 the State Tax Commission or any state agency, department or  
163 commission created pursuant to state law, then the State Tax  
164 Commission or any state agency, department or commission created

165 pursuant to state law shall immediately make the withholdings  
166 provided in such agreement from the amounts due the local  
167 governmental unit and shall continue to pay the same over to the  
168 bank until all such delinquencies are satisfied.

169 (6) Before authorizing any loan for any of the purposes  
170 enumerated in Section 31-25-20(e), the governing authority of the  
171 local governmental unit shall adopt a resolution declaring its  
172 intention so to do, stating the amount of the loan proposed to be  
173 authorized and the purpose for which the loan is to be authorized,  
174 and the date upon which the loan will be authorized. Such  
175 resolution shall be published once a week for at least three (3)  
176 consecutive weeks in at least one (1) newspaper published in such  
177 local governmental unit. The first publication of such resolution  
178 shall be made not less than twenty-one (21) days before the date  
179 fixed in such resolution for the authorization of the loan and the  
180 last publication shall be made not more than seven (7) days before  
181 such date. If no newspaper is published in such local  
182 governmental unit, then such notice shall be given by publishing  
183 the resolution for the required time in some newspaper having a  
184 general circulation in such local governmental unit and, in  
185 addition, by posting a copy of such resolution for at least  
186 twenty-one (21) days next preceding the date fixed therein at  
187 three (3) public places in such local governmental unit. If  
188 fifteen percent (15%) of the qualified electors of the local  
189 governmental unit or fifteen hundred (1500), whichever is the  
190 lesser, file a written protest against the authorization of such  
191 loan on or before the date specified in such resolution, then an  
192 election on the question of the authorization of such loan shall  
193 be called and held as otherwise provided for in connection with  
194 the issuance of general obligation indebtedness of such local  
195 governmental unit. Notice of such election shall be given as  
196 otherwise required in connection with the issuance of general  
197 obligation indebtedness of such local governmental unit. If

198 three-fifths (3/5) of the qualified electors voting in the  
199 election vote in favor of authorizing the loan, then the governing  
200 authority of the local governmental unit shall proceed with the  
201 loan; however, if less than three-fifths (3/5) of the qualified  
202 electors voting in the election vote in favor of authorizing the  
203 loan, then the loan shall not be incurred. If no protest be  
204 filed, then such loan may be entered into by the local  
205 governmental unit without an election on the question of the  
206 authorization of such loan, at any time within a period of two (2)  
207 years after the date specified in the resolution. However, the  
208 governing authority of any local governmental unit in its  
209 discretion may nevertheless call an election on such question, in  
210 which event it shall not be necessary to publish the resolution  
211 declaring its intention to authorize such loan as provided in this  
212 subsection.

213 (7) This section shall be deemed to provide an additional,  
214 alternative and complete method for the doing of the things  
215 authorized by this section and shall be deemed and construed to be  
216 supplemental to any power conferred by other laws on local  
217 governmental units and not in derogation of any such powers. Any  
218 loan made pursuant to the provisions of this section shall not  
219 constitute an indebtedness of the local governmental unit within  
220 the meaning of any constitutional or statutory limitation or  
221 restriction. In connection with a loan under this act, a local  
222 governmental unit shall not be required to comply with the  
223 provisions of any other law except as provided in this section.

224 SECTION 4. Section 27-33-77, Mississippi Code of 1972, is  
225 amended as follows:

226 27-33-77. Beginning with the 1985 supplemental roll, and for  
227 each succeeding year's roll thereafter, the amount of tax loss to  
228 be reimbursed because of exemptions provided for in this article  
229 shall be Fifty Dollars (\$50.00) each for county taxes exempted and  
230 school taxes exempted for a total of One Hundred Dollars (\$100.00)

231 per applicant qualifying for homestead exemption under this  
232 article.

233 The reimbursement received by the county shall be distributed  
234 by the county treasurer to the general fund. Such reimbursement  
235 may be pledged as security for any loan received by the county for  
236 the purpose of capital improvements as authorized under Section  
237 57-1-303, or for the purpose of loans as authorized under Section  
238 17-24-7, or for the purpose of water systems improvements as  
239 authorized under Section 41-3-16 or for the purpose of loans as  
240 authorized under Section 31-25-20.

241 Provided further, that tax losses sustained by municipalities  
242 because of exemptions granted to homeowners described in  
243 subsection (2) of Section 27-33-67 shall be reimbursed up to the  
244 amount of the actual exemption allowed, not to exceed Two Hundred  
245 Dollars (\$200.00) per qualified applicant.

246 SECTION 5. This act shall take effect and be in force from  
247 and after July 1, 1999.