

By: Representative Smith (39th)

To: Ways and Means

HOUSE BILL NO. 1459

1 AN ACT TO AMEND SECTION 21-45-9, MISSISSIPPI CODE OF 1972, TO
2 ALLOW CERTAIN PROJECTS TO BE FINANCED UNDER THE TAX INCREMENT
3 FINANCING ACT IF THEY FIT WITHIN THE DEFINITION OF A REDEVELOPMENT
4 PROJECT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 21-45-9, Mississippi Code of 1972, is
7 amended as follows:

8 21-45-9. Any governing body may issue tax increment bonds,
9 the final maturity of which shall not extend beyond thirty (30)
10 years, for the purpose of financing all or a portion of the cost
11 of a redevelopment project within the boundaries of the
12 municipality, funding any reserve which the governing body may
13 deem advisable in connection with the retirement of the proposed
14 indebtedness and funding any other incidental expenses involved in
15 incurring such indebtedness. The debt service of indebtedness
16 incurred pursuant to this section shall be provided from the added
17 increments of municipal and county ad valorem tax revenues or any
18 portion of the sales taxes, or both, to result from any such
19 redevelopment project and shall never constitute an indebtedness
20 of the municipality within the meaning of any state constitutional
21 provision or statutory limitation and shall never constitute nor
22 give rise to a pecuniary liability of the municipality or a charge
23 against its general credit or taxing powers.

24 Said bonds may be authorized by resolution or resolutions of
25 the governing body, and may be issued in one or more series, may
26 bear such date or dates, mature at such time or times, bear
27 interest at such rate or rates, payable at such times, be in such
28 denominations, be in such form, be registered, be executed in such

29 manner, be payable in such medium of payment, at such place or
30 places, be subject to such terms of redemption, with or without
31 premium, carry such conversion or registration privileges and be
32 declared or become due before the maturity date thereof, as such
33 resolution or resolutions may provide; however, such bonds shall
34 not bear a greater interest rate to maturity than that allowed
35 under Section 75-17-101. Said bonds shall be sold for not less
36 than par value plus accrued interest at public sale in the manner
37 provided by Section 31-19-25 or at private sale, in the discretion
38 of the governing body. The lowest interest rate specified for any
39 bonds issued shall not be less than seventy percent (70%) of the
40 highest interest rate specified for the same bond issue. Said
41 bonds may be repurchased by the municipality out of any available
42 funds at a price not to exceed the principal amount thereof and
43 accrued interest, and all bonds so repurchased shall be cancelled.
44 In connection with the issuance of said bonds, the municipality
45 shall have the power to enter into contracts for rating of the
46 bonds by national rating agencies; obtaining bond insurance or
47 guarantees for such bonds and complying with the terms and
48 conditions of such insurance or guarantees; make provision for
49 payment in advance of maturity at the option of the owner or
50 holder of the bonds; covenant for the security and better
51 marketability of the bonds, including, without limitation, the
52 establishment of a debt service reserve fund and sinking funds to
53 secure or pay such bonds; and make any other provisions deemed
54 desirable by the municipality in connection with the issuance of
55 said bonds.

56 If a governing body desires to issue tax increment financing
57 bonds under the Regional Economic Development Act, the governing
58 body also shall comply with any requirements provided therein.

59 In connection with the issuance of said bonds, the
60 municipality may arrange for lines of credit with any bank, firm
61 or person for the purpose of providing an additional source of

62 repayment for such bonds and amounts drawn on such lines of credit
63 may be evidenced by bonds, notes or other evidences of
64 indebtedness containing such terms and conditions as the
65 municipality may determine; provided, however, that such bonds,
66 notes or evidences of indebtedness shall be secured by and payable
67 from the same sources as are pledged to the payment of said bonds
68 which are additionally secured by such line of credit, and that
69 said bonds, notes or other evidences of indebtedness shall be
70 deemed to be bonds for all purposes of this chapter. Pending the
71 preparation or execution of definitive bonds, interim receipts or
72 certificates, or temporary bonds may be delivered to the purchaser
73 or purchasers of said bonds. Any provision of law to the contrary
74 notwithstanding, any bonds, if any, issued pursuant to this
75 chapter shall possess all of the qualities of negotiable
76 instruments.

77 The municipality may also issue refunding bonds for the
78 purpose of paying any of its bonds at or prior to maturity or upon
79 acceleration or redemption. Refunding bonds may be issued at such
80 time prior to the maturity or redemption of the refunded bonds as
81 the municipality may determine. The refunding bonds may be issued
82 in sufficient amounts to pay or provide the principal of the bonds
83 being refunded, together with any redemption premium thereon, any
84 interest accrued or to accrue to the date of payment of such
85 bonds, the expenses of issuing the refunding bonds, the expenses
86 of redeeming the bonds being refunded, and such reserves for debt
87 service or other capital or current expenses from the proceeds of
88 such refunding bonds as may be required by any of the
89 municipality's resolutions, trust indenture or other security
90 instruments. The issuance of refunding bonds, the maturities and
91 other details thereof, the security therefor, the rights of the
92 holders and the rights, duties and obligations of the municipality
93 in respect of the same shall be governed by the provisions of this

94 chapter relating to the issuance of bonds other than refunding
95 bonds, insofar as the same may be applicable.

96 Before incurring any debt pertaining to a redevelopment
97 project incorporating a tax increment financing plan the governing
98 body may, but shall not be required to, secure an agreement from
99 one or more developers obligating such developer or developers:

100 (a) To effect the completion of all or any portion of
101 the buildings or other facilities or improvements, as described in
102 the redevelopment project, at no cost to the municipality;

103 (b) To pay all or any portion of the real property
104 taxes due on the project in a timely manner; and

105 (c) To maintain and operate all or any portion of the
106 buildings or other facilities or improvements of the project in
107 such a manner as to preserve property values.

108 No breach of any such agreement shall impose any pecuniary
109 liability upon a municipality or any charge upon its general
110 credit or against its taxing powers.

111 Additionally, the municipality may enter into an agreement
112 with the developer under which the developer may construct all or
113 any part of the redevelopment project with private funds in
114 advance of issuance of the bonds and may be reimbursed by the
115 municipality for actual costs incurred by the developer upon
116 issuance and delivery of the bonds and receipt of the proceeds,
117 conditioned upon dedication of redevelopment project by the
118 developer to the municipality to assure public use and access.
119 This condition shall not apply to the privately owned portion of a
120 project for which the Mississippi Development Authority has issued
121 a certificate of convenience and necessity pursuant to the
122 Regional Economic Development Act. In addition, this condition
123 shall not apply to the privately owned portion of a redevelopment
124 project where the governing body of a municipality makes a finding
125 that it is in the best interest of such municipality that such
126 condition shall not apply.

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