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Chapter No. 321

11/HR40/R849

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HOUSE BILL NO. 706

Originated in House Don Richardson Clerk

HOUSE BILL NO. 706

AN ACT TO AMEND SECTION 21-33-325.1, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE GOVERNING AUTHORITIES OF A MUNICIPALITY, WHICH WAS FORMERLY A CENSUS-DESIGNATED PLACE BEFORE INCORPORATION, TO BORROW MONEY FOR THE CURRENT EXPENSES OF THE MUNICIPALITY FROM THE DATE OF INCORPORATION OF THE MUNICIPALITY IN ANTICIPATION OF THE AD VALOREM TAXES TO BE COLLECTED FOR THE THEN CURRENT FISCAL YEAR AND THE NEXT SUCCEEDING FISCAL YEAR; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 21-33-325.1, Mississippi Code of 1972, is amended as follows:

21-33-325.1. (1) The governing authorities of a municipality that was formerly a census-designated place, as identified by the United States Census Bureau, and is incorporated during calendar year * * * 2011, 2012 or 2013, shall have the power and authority to borrow money for the current expenses of the municipality from the date of incorporation in anticipation of the ad valorem taxes to be collected for the then current fiscal year and the next succeeding fiscal year. The governing authorities of the municipality may borrow such money from any available fund in the municipal treasury, or from any other source, and such loan shall be repaid in the manner provided in subsection (2) of this section.

(2) The money borrowed shall bear interest at a rate not greater than that allowed in Section 75-17-105 and shall be repaid not later than the following March 15, out of the first monies collected by reason of the tax levy in anticipation of which such money is borrowed, and such money shall be used for no other purpose than the payment of the current expenses of such

municipality. The amount borrowed under the provisions of this section shall in no event exceed fifty percent (50%) of the anticipated, but then uncollected, revenue to be produced by the then current tax levy, or levies, against which such money is borrowed.

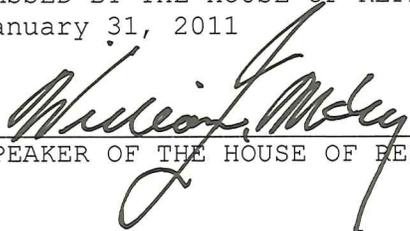
(3) In borrowing money under the provisions of this section, it shall not be necessary to publish notice of intention so to do or to secure the consent of the qualified electors, either by election or otherwise. Such borrowing may be authorized by resolution of the governing authorities and may be evidenced by a negotiable note, or notes, signed and executed in such form as may be prescribed in such resolution. Money may be borrowed in anticipation of ad valorem taxes under the provisions of this section, regardless of whether or not such borrowing shall create an indebtedness in excess of statutory limitations.

(4) Money may likewise be borrowed by the governing authorities of any municipality, as herein provided, for the purpose of paying current interest maturities on any bonded indebtedness of such municipality in anticipation of the collection of taxes for the retirement of such bonded indebtedness and the payment of any interest thereon.

(5) No governing authorities of a municipality shall borrow money or incur indebtedness as prescribed in this section after March 1, 2014.

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

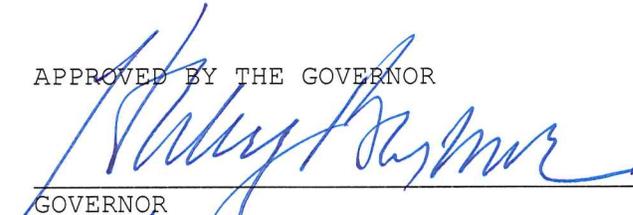
PASSED BY THE HOUSE OF REPRESENTATIVES
January 31, 2011


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
February 24, 2011


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

3/3/11 1:57 pm