

LOCAL INDUSTRIAL DEVELOPMENT REVENUE BONDS

Local political entities in Mississippi, including counties, supervisors' districts, incorporated cities and towns, have the authority to issue tax-exempt and taxable industrial development revenue bonds to finance new or expanding industrial enterprises. There is no election approval required unless 20% or more of the entity's electors object to the bond issuance in writing. Ownership of a bond-financed facility is retained by the issuing political entity, which leases it to a company for rental sufficient to pay the annual principal and interest on bonds.

Industrial development revenue bonds can finance up to 100% of total project costs, including land, buildings, fixtures, new equipment, new machinery and professional fees.

Facilities financed by such bonds are allowed up to a ten-year property tax exemption, in addition to being exempt from most sales and use taxes on project related purchases during construction.

GENERAL OBLIGATION BONDS

Local political entities have the authority to issue general obligation bonds for the purpose of acquiring sites and constructing facilities for lease to new or expanding industries with rentals sufficient to amortize the debt service on the bonds.

General obligation bonds carry the full faith and credit of the issuing political entity. As title to the property remains with the political entity issuing the bonds, no taxes, except school taxes, are assessed on the improvements made with the proceeds of such bonds. An agreement is negotiated between the industry and the political entity covering the details of the issuance of the bonds and the lease.