



DELBERT HOSEMAN
Secretary of State

**Mississippi Secretary of State
2011 Public Finance Laws Study Group
Minutes of the Third Meeting of the Public Finance Laws Study Group
September 15, 2011**

The third meeting of the Public Finance Study Group was held on Thursday, September 15, 2011 at the Office of the Secretary of State, 700 North Street, Jackson, Mississippi. A list of those in attendance is attached as "EXHIBIT A".

Mr. Ryan Pratt, Assistant Secretary of State for the Division of Policy and Research, called the meeting to order at 11:05 a.m. He welcomed the group and introduced all members in attendance. He thanked everyone for their attendance and their work on the existing act and previous drafts.

Before moving to reports from the chairpersons, Ryan directed the group to the minutes from the last meeting. After a brief review of the minutes, a motion, followed by a second, was made for their approval. The minutes were unanimously adopted as read.

After adopting the minutes, Ryan asked Steve Edds if there was anything he would like to address. Mr. Edds, Mr. Thad Varner, and Mr. Chris Gouras met before the meeting and provided Ryan with another redline..

First, Mr. Edds addressed section 19-31-5, the definition section. He began with (f), contribution agreement. He suggested replacing "governing body" with "public entity." Ryan said the Interlocal Cooperation Act references Public Improvement Districts ("PIDS"). He suggested adding a cross reference, "shall be approved by (reference Interlocal Act, section 17-13-1) and the Secretary of State so that applicants do not neglect to obtain approval from the Attorney General.

Next, the group addressed the definition of market value. Mr. Gerald Barber asked to add "and shall conform to Uniform Standards of Professional Appraisal Practice ("USPAP")." He said it is not possible to be a certified appraiser and not follow USPAP, but adding this phrase would provide an additional security net. The appraiser has to follow the standards for regular appraisal work.

Mr. Edds addressed the definition of project and how it interacts with section 19-31-19. He suggested adding those items described in section 19-31-19 to the definition of project. He also said to add “project” as (j) under section 19-31-19 for consistency.

Mr. Edds suggested changing the age language of qualified voter to read “at least 18 years old.” He also suggested using “limited liability company” rather than LLC. Ryan said the age language mirrors the election code. Mr. Justin Fitch inserted “of the parcel” and “of that parcel” after “landowner” and “landowners,” respectively.

Ryan turned the group’s attention to section 19-31-9, the district board and elections provisions. He said some of the changes originated from a small group meeting several weeks ago, but there were several new changes. Some new changes included the Statement of Intent and the Proxy. Mr. Edds suggested changing the term from (4) to (6) years and (6) years thereafter. He said lengthening the term would provide stability. Ryan stated that the term was (6) years in the 2001 version. Mr. Edds suggested changing the term “landowner” to “qualified voter” in section 19-31-9(1). Mr. Edds addressed the election date in section 19-31-9(2). Ryan asked if the language should allow 20 days prior to or following the anniversary date of the ordinance. Mr. Rick Wise suggested revising the first sentence of section 19-31-9(c) to read, “[e]ach qualified voter shall be allowed to only cast one ballot to elect ‘each’ of the board members.” Next, Mr. Wise questioned whether the voter registration would create problems. He asked if one vote was conferred upon the member by their status as a landowner. The group discussed the voter registration and poll book at length and deleted, “Each qualified voter shall register with the district manager no less than thirty (30) days prior to the election.” Ryan said that, while the deletion creates a race to the polls mentality, it is appropriate to let the district solve any problems with multiple voters if it arises.

Next, the group addressed the Proxy. A member may vote by proxy at or prior to the election. If the member appears at the meeting he/she may revoke his/her proxy. Mr. Edds suggested changing the age requirement language to make it consistent. The group addressed subsection (4). Mr. Edds suggested that any board member who fails to attend (3) consecutive meetings would be considered to have resigned. The PID Board will appoint the replacement. The governing body would step in and appoint board members if there was not a quorum.

The group addressed section 19-31-17(R) and (S), which are foreclosure provisions. The group decided to compare the provisions of Alabama, Arkansas, and Florida and draft similar language.

Mr. Edds moved to section 19-31-18(n). He suggested inserting “and to finance projects which fees and charges which may be pledged to the payment of any bond or other indebtedness of the district” after “services.”

Next, the group moved to section 19-31-23(2), the notice provision. After much discussion, Sen. Hob Bryan and Secretary Delbert Hosemann decided that notice by newspaper publication and first class mail to the address on the tax rolls is sufficient. Secretary Hosemann would like to address notice electronically. Ryan said that he will look into electronic provisions.

Mr. Edds turned the group's attention to section 19-31-23(3)(d). He suggested deleting the 4:1 value requirement. Mr. Barber emphasized the importance of the value of the entire PID. Mr. Barber suggested adding, "[t]he appraisal shall be compliant with USPAP, with special consideration given to the income approach to value using a Discount Cash Flow Analysis (DCF) of the entire commercial, residential, or industrial subdivision." Secretary Hosemann agreed with deleting the 4:1 value language and adding Mr. Barber's, so long as the Secretary of State's Office has the opportunity to review the proposal.

Mr. Edds addressed section 19-31-43 and suggested revising the language so that once debt is established, the district cannot be dissolved. He said that no substantive defect in the petition should change the effect of the petition. Mr. Edds suggested adding, "provided that the failure to provide the above language does not and will not be deemed to invalidate any assessment levied by the district or any such contract and instrument of conveyance of such real property" to section 19-31-45.

Ryan addressed section 19-31-47 by saying that the sectional and subdivision index requirements were added at the last meeting.

Ryan said that he would distribute the foreclosure provisions and set a date to submit comments. Ryan thanked everyone for their time and effort. Secretary Hosemann followed Ryan's remarks, saying that he appreciated the group's efforts as well.

The meeting was adjourned at 12:45 p.m.

EXHIBIT A

Minutes of the Public Finance Laws Study Group, Meeting # 3

September 15, 2011

Members in Attendance:

1. Gerald Barber
2. C. Sessions Brown
3. Sen. Hob Bryan
4. Stephen Edds
5. Chris Gouras, Jr.
6. Arthur Johnston
7. James McCarthy
8. Randall Wall
9. Rick Wise

Members in Attendance by Telephone:

1. Rep. Toby Barker
2. Andrew Dulaney
3. Delbert Hosemann, Secretary of State
4. Richard Manning
5. Leslie Scott
6. Chris Waddell

Secretary of State's Staff:

1. Brian Bledsoe, Special Counsel to the Secretary
2. Justin Fitch, Senior Attorney, Division of Policy and Research
3. Diane Hawks, Chief of Staff
4. Ryan Pratt, Assistant Secretary of State, Division of Policy and Research
5. Landon Phillips, Legal Extern, Division of Policy and Research