

# **Bond Case Briefs**

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## **TAX ANTICIPATION NOTE VALIDATION - MISSISSIPPI**

### **In re Validation of Tax Anticipation Note, Series 2014**

**Supreme Court of Mississippi - March 31, 2016 - 187 So.3d 1025**

County board of supervisors submitted issuance of tax anticipation note for validation in the amount of 25% of the total anticipated ad valorem tax revenues of the county.

The Chancery Court validated the note.

Objector appealed, arguing that the statutory borrowing limit was 25% of a specifically identified fund, not 25% of the total anticipated ad valorem tax revenues of the county. Objector also appealed the Chancery Court's refusal to accept his proffered evidence regarding the validity of the signatures on his petition to submit the note to the public for election after certain signatures were removed from the initial petition.

The Supreme Court of Mississippi held that:

- Consideration of appeal was warranted under exceptions to mootness doctrine, as the note had been repaid before the case could be heard;
- Board had authority to issue note that borrowed against total anticipated ad valorem tax revenues; and
- Objector was entitled to present evidence regarding validity of signatures on petition to submit matter to public for election.

Under exceptions to mootness doctrine for public policy questions and for decisions capable of repetition but evading review, Supreme Court would consider appeal challenging issuance of tax anticipation note by county board of supervisors, even though note had been paid at time of appeal. Question of whether board complied with statutory requirements in obtaining notes in correct statutory amount was a matter of public interest.

County board of supervisors had authority to issue tax anticipation note that borrowed against total anticipated ad valorem tax revenues from preceding annual tax levy.

At tax anticipation note validation hearing that occurred after county board of supervisors had ruled that petition did not contain sufficient number of signatures of qualified electors to require submission of matter to public for election, objector was entitled to present evidence regarding sufficiency of signatures.

"While the statutory language does limit boards of supervisors to borrowing twenty-five percent "of the estimated amount of taxes collected and to be collected under the last preceding annual tax levies for the particular fund for which said money is borrowed," the statute permits boards of supervisors to borrow money "from any available fund in the county treasury, or from any other source." Miss.Code Ann. § 19-9-27 (Rev.2012). This is sufficiently broad to allow counties to borrow against total anticipated ad valorem tax revenues from the preceding annual tax levy."

