



Lynn Fitch
ATTORNEY GENERAL
OPINIONS AND POLICY

November 12, 2025

Timothy L. Rutland, Esq.
Attorney, City of Hazlehurst
Post Office Box 899
Hazlehurst, Mississippi 39083

Re: Municipal Donation to Nonprofit Organization

Dear Mr. Rutland:

The Office of the Attorney General has received your request for an official opinion.

Background

Calling Panther Heritage, LLC (“Heritage”), a nonprofit organization, owns the Millsaps Hotel building. Through grants, Heritage has secured funding to renovate the building, which houses the local Boys and Girls Club. In the process of adding a fire suppression system to the building, it was determined that the building will require a larger tap to the city’s water supply system, the cost of which is estimated to be \$27,000.00.

Heritage has approached the City of Hazlehurst (“City”) to pay the cost of the water tap.

Question Presented

May the City lawfully pay the cost of the water tap for the nonprofit organization?

Brief Response

If the City makes the requisite factual determinations under certain statutes authorizing municipal contributions to nonprofit organizations, then the City may lawfully pay the cost of the water tap.

Applicable Law and Discussion

Section 66 of the Mississippi Constitution provides: “No law granting a donation or gratuity in favor of any person or object shall be enacted except by the concurrence of two-thirds of the members elect of each branch of the Legislature, nor by any vote for a sectarian purpose or use.” Therefore, municipalities generally are prohibited from donating public funds. *McAdams v.*

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Perkins, 204 So. 3d 1257, 1265 (Miss. 2016); MS AG Op., *Ladner* at *2 (Feb. 20, 2024). However, Mississippi Code Annotated Section 21-17-5, the “home rule” statute, provides that municipalities may grant a donation if “such actions are specifically authorized by another statute or law of the State of Mississippi. . . .” Miss. Code Ann. § 21-17-5(2).

In this case, there are two potentially applicable statutes providing such specific authorization: Sections 21-19-65 and 21-17-1(8).

Section 21-19-65 grants municipalities the specific “power to expend monies from the municipal general fund to match any other funds for the purpose of supporting *social and community service programs*” administered by the state or federal government or by a tax-exempt nonprofit organization. Miss. Code Ann. § 21-19-65 (emphasis added). Accordingly, if the City 1) makes the factual determination that Heritage is a “social and community service program . . . of the same type and nature as those outlined in Section 21-19-65[.]” and 2) there are matching funds for the municipal contribution, then the City may make the contribution under Section 21-19-65. MS AG Op., *Hopson* (May 1, 2025) at *2 (citing MS AG Op., *Cook* at *1 (Sept. 17, 2010)).

Section 21-17-1(8) provides:

In addition to the authority to expend matching funds under Section 21-19-65, the governing authority of any municipality, in its discretion, may expend municipal funds to match any state, federal or private funding for any program administered by the State of Mississippi, the United States government or any nonprofit organization that is exempt under 26 USCS Section 501(c)(3) from paying federal income tax.

“The authorization in Section 21-17-1(8) overrides the general prohibition against municipal donations. . . .” MS AG Op., *Kirk* at *1 (Nov. 29, 2023). Therefore, if the City determines 1) that Heritage is a federally tax-exempt nonprofit organization, and 2) that the amount of the \$27,000.00 contribution matches existing state, federal, or private funding, then the City may make the contribution under Section 21-17-1(8).

It is mandatory that “any donation made pursuant to either of these two statutes must comply with the requirement for *matching* funds.” *Hopson* at *3 (citing MS AG Op., *Bruni* at *2 (Nov. 19, 2024)).

If this office may be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

LYNN FITCH, ATTORNEY GENERAL

By: /s/ Caleb A. Pracht

Caleb A. Pracht
Special Assistant Attorney General