HOUSE BILL NO. 290

AN ACT TO AMEND SECTION 21-1-61, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE PROPERTY OF A NEWLY ANNEXED AREA IS EXEMPT FROM MUNICIPAL AD VALOREM TAXES UNTIL THE MUNICIPALITY HAS PROVIDED THE SERVICES WHICH ARE LISTED IN THE ORDINANCE THAT THE MUNICIPALITY IS REQUIRED TO PASS; TO AMEND SECTION 21-33-1, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 21-1-61, Mississippi Code of 1972, is amended as follows:

21-1-61. (1) Except as otherwise provided in subsection (2) of this section, in all cases where a municipality is created or the limits of an existing municipality are enlarged under the provisions of this chapter, the property included within the municipal boundaries by such creation or enlargement shall become liable for and subject to municipal ad valorem taxation on the tax lien date next succeeding the effective date of the decree creating or enlarging such municipality.

(2) Beginning July 1, 2001, whenever the corporate boundaries of any municipality are enlarged under the provisions of this chapter, the property of the territory proposed to be annexed shall be exempt from all municipal ad valorem taxes until those services that the municipality proposed to render in the ordinance adopted under Section 21-1-27 are provided. However, such property shall be liable for and subject to all other taxes levied by the county in which the municipality is located.

SECTION 2. Section 21-33-1, Mississippi Code of 1972, is amended as follows:
21-33-1. Except as otherwise provided under Section 21-1-61(2), all lands and other taxable property subject to assessment, held by any person within the municipality, or in added territory, on the first day of January, shall be assessed, and ad valorem taxes thereon levied and collected for the ensuing year, excepting motor vehicles as defined by the "Motor Vehicle Ad Valorem Tax Law of 1958," Sections 27-51-1 through 27-51-107.

SECTION 3. This act shall take effect and be in force from and after July 1, 2001.