

By: Representative Denny

To: Municipalities

HOUSE BILL NO. 1345

1 AN ACT TO CREATE A NEW CODE SECTION THAT PROHIBITS GOVERNING  
2 AUTHORITIES OF MUNICIPALITIES FROM LEVYING DEVELOPMENT IMPACT FEES  
3 FOR DEVELOPMENT OR EXPANSION OF PUBLIC FACILITIES WITHOUT THE  
4 APPROVAL OF THE LEGISLATURE; AND FOR RELATED PURPOSES.

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

6 SECTION 1. (1) The governing authorities of a municipality  
7 may not impose a development impact fee to fund capital  
8 improvements or new developments on the residents of the  
9 municipality without prior approval of the Legislature.

10 (2) If the Legislature finds that an equitable program for  
11 planning and financing public facilities is needed to serve new  
12 growth and development, is necessary in order to promote and  
13 accommodate orderly growth and development and to protect the  
14 public health, safety and general welfare of the citizens of the  
15 State of Mississippi, then the authority to impose a development  
16 impact fee may be granted.

17 (3) As used in this section, the following terms shall have  
18 the meaning described in this subsection:

19 (a) "Capital improvements" means improvements with a  
20 useful life of ten (10) years or more, by new construction or  
21 other action, which increase the service capacity of a public  
22 facility.

23 (b) "Development impact fee" or "impact fee" means a  
24 charge or assessment, for the payment of money, imposed by a  
25 municipality or town, as a condition of development approval to  
26 fund or pay for the proportionate share of the costs of capital  
27 improvements for new or expanded public facilities necessitated by

28 and attributable to the new development. This term does not  
29 include:

30 (i) A charge or fee to pay the administrative,  
31 plan review, or inspection costs associated with permits required  
32 for development;

33 (ii) Connection or hookup charges;

34 (iii) Availability charges for drainage, sewer,  
35 water, or transportation charges for services provided directly to  
36 the development; or

37 (iv) Amounts collected from a developer in a  
38 transaction in which the governmental entity has incurred expenses  
39 in constructing capital improvements for the development if the  
40 owner or developer has agreed to be financially responsible for  
41 the construction or installation of the capital improvements,  
42 unless a written agreement is made under Section 10 of this act  
43 for credit or reimbursement.

44 SECTION 2. Section 1 of this act shall be codified in Title  
45 21, Chapter 33, Mississippi Code of 1972.

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