To: Municipalities

MISSISSIPPI LEGISLATURE                        REGULAR SESSION 2001
By: Representative Denny
To: Municipalities

HOUSE BILL NO. 1345

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

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

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

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

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

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

(b) "Development impact fee" or "impact fee" means a
charge or assessment, for the payment of money, imposed by a
municipality or town, as a condition of development approval to
fund or pay for the proportionate share of the costs of capital
improvements for new or expanded public facilities necessitated by
and attributable to the new development. This term does not include:

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

   (ii) Connection or hookup charges;

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

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

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

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