AN ACT TO AMEND SECTION 27-31-50, MISSISSIPPI CODE OF 1972, TO CLARIFY THAT STRUCTURES OR OTHER IMPROVEMENTS THAT HAVE UNDERGONE REHABILITATION, RENOVATION OR REPLACEMENT FOR RESIDENTIAL USE MUST BE NOT LESS THAN 25 YEARS OF AGE IN ORDER FOR A MUNICIPALITY TO PROVIDE A PARTIAL AD VALOREM TAX EXEMPTION FOR THE REAL PROPERTY ON WHICH SUCH A STRUCTURE OR OTHER IMPROVEMENT IS LOCATED; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-31-50, Mississippi Code of 1972, is amended as follows:

27-31-50. (1) The governing authority of any incorporated municipality may adopt an ordinance providing for the partial exemption from municipal ad valorem taxation of real property on which any structure or other improvement that is not less than twenty-five (25) years of age has undergone substantial rehabilitation, renovation or replacement for residential use, subject to such conditions and other restrictions authorized in this section. The ordinance may restrict such exemption to real property located within certain areas as may be determined by the governing authority and prescribed by the ordinance. The governing authority of a municipality shall establish criteria for determining whether real property qualifies for the partial exemption provided for in this section, shall require the structures or improvements to be not less than twenty-five (25) years of age and may place such other restrictions and conditions on such property as may be prescribed by ordinance. The ordinance may also provide for the partial exemption from municipal ad valorem taxation of multifamily residential units which have been
substantially rehabilitated by replacement for multifamily use. Any replacement structure shall not exceed the total square footage of the replaced structures by more than thirty percent (30%).

(2) The partial exemption provided by an ordinance adopted pursuant to this section may be (a) in an amount equal to the increase in the assessed value of the property resulting from the rehabilitation, renovation or replacement of the structure as determined by the tax assessor, or (b) an amount of not more than fifty percent (50%) of the cost of the rehabilitation, renovation or replacement. The exemption may commence upon completion of the rehabilitation, renovation or replacement or on January 1 of the year following completion of the rehabilitation, renovation or replacement and shall last for a period of time not to exceed ten (10) years. The ordinance may prescribe a shorter time period for the length of the exemption, or reduce the amount of the exemption in annual steps over the length of the exemption or a portion thereof.

(3) The governing authority of a municipality may assess a fee not to exceed Fifty Dollars ($50.00) for processing an application requesting the exemption provided for in this section. No property shall be eligible for the exemption unless the appropriate building permits have been acquired and the tax assessor has verified that the rehabilitation, renovation or replacement indicated on the application has been completed.

(4) If the governing authority of a municipality desires to grant a partial exemption after July 1, 2000, the governing authority must adopt an ordinance declaring its intention to grant the exemption and finding that such exemption will promote the economic, cultural or educational advancement of the municipality. The governing authority of the municipality shall publish notice of its intention to grant the exemption at least ten (10) days before the actual granting of the exemption.
SECTION 2. This act shall take effect and be in force from
and after July 1, 2001.