

By: Representative Ellington

To: Ways and Means

## HOUSE BILL NO. 688

1 AN ACT TO AMEND SECTION 21-1-61, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT THE PROPERTY OF A NEWLY ANNEXED AREA SHALL BE EXEMPT  
3 FROM MUNICIPAL AD VALOREM TAXES AND SHALL RECEIVE A REFUND FOR THE  
4 AVERAGE ANNUAL AMOUNT OF TAXES PAID IF WITHIN FIVE YEARS AFTER  
5 ANNEXATION THE MUNICIPALITY HAS NOT PROVIDED THE SERVICES LISTED  
6 IN THE ORDINANCE THAT THE MUNICIPALITY IS REQUIRED TO PASS; TO  
7 AMEND SECTIONS 21-33-1 AND 21-33-79, MISSISSIPPI CODE OF 1972, IN  
8 CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED  
9 PURPOSES.

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

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

13 21-1-61. (1) Except as otherwise provided in subsection (2)  
14 of this section, in all cases where a municipality is created or  
15 the limits of an existing municipality are enlarged under the  
16 provisions of this chapter, the property included within the  
17 municipal boundaries by such creation or enlargement shall become  
18 liable for and subject to municipal ad valorem taxation on the tax  
19 lien date next succeeding the effective date of the decree  
20 creating or enlarging such municipality.

21 (2) Beginning July 1, 2002, if those services that the  
22 municipality proposed to render in the ordinance adopted under  
23 Section 21-1-27 are not provided by the anniversary date of the  
24 fifth year after annexation, the property annexed shall be exempt  
25 from all municipal ad valorem taxes, and the municipal ad valorem  
26 taxes paid on the property for the five (5) years shall be  
27 refunded as provided in this subsection (2). The amount of such  
28 refund shall be determined by calculating the average amount of  
29 municipal ad valorem taxes paid each year during the five-year  
30 period and that amount shall be refunded annually until the total



31 amount of taxes for the five-year period are refunded. The refund  
32 shall cease if the services are provided before the five-years  
33 worth of taxes are refunded. However, such property shall be  
34 liable for and subject to all other taxes levied by the county in  
35 which the municipality is located.

36 **SECTION 2.** Section 21-33-1, Mississippi Code of 1972, is  
37 amended as follows:

38 21-33-1. Except as otherwise provided under Section  
39 21-1-61(2), all lands and other taxable property subject to  
40 assessment, held by any person within the municipality, or in  
41 added territory, on the first day of January, shall be assessed,  
42 and ad valorem taxes thereon levied and collected for the ensuing  
43 year, excepting motor vehicles as defined by the "Motor Vehicle Ad  
44 Valorem Tax Law of 1958," Sections 27-51-1 through 27-51-107.

45 **SECTION 3.** Section 21-33-79, Mississippi Code of 1972, is  
46 amended as follows:

47 21-33-79. The tax collectors of all municipalities are  
48 hereby authorized to refund erroneously-paid privilege or ad  
49 valorem taxes paid such municipalities. An applicant for such  
50 refunds shall submit application to the tax collector of any such  
51 municipality, and if such claim be found by the tax collector to  
52 be due, and is allowed, then the tax collector of said  
53 municipality shall issue a warrant to the claimant and deduct the  
54 proper amounts from his next settlement.

55 The tax collectors of all municipalities are authorized to  
56 refund ad valorem taxes as provided in Section 21-1-6(2).

57 **SECTION 4.** This act shall take effect and be in force from  
58 and after July 1, 2002.

