House Bill No. 688

An Act to Amend Section 21-1-61, Mississippi Code of 1972, to provide that the property of a newly annexed area shall be exempt from municipal ad valorem taxes and shall receive a refund for the average annual amount of taxes paid if within five years after annexation the municipality has not provided the services listed in the ordinance that the municipality is required to pass; to amend Sections 21-33-1 and 21-33-79, 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, 2002, if those services that the municipality proposed to render in the ordinance adopted under Section 21-1-27 are not provided by the anniversary date of the fifth year after annexation, the property annexed shall be exempt from all municipal ad valorem taxes, and the municipal ad valorem taxes paid on the property for the five (5) years shall be refunded as provided in this subsection (2). The amount of such refund shall be determined by calculating the average amount of municipal ad valorem taxes paid each year during the five-year period and that amount shall be refunded annually until the total
amount of taxes for the five-year period are refunded. The refund shall cease if the services are provided before the five-years worth of taxes are refunded. 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. Section 21-33-79, Mississippi Code of 1972, is amended as follows:

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

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

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