

By: Senator(s) Jordan

To: Municipalities

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2921

1 AN ACT TO PERMIT MUNICIPALITIES TO GRANT LIEN AMNESTY TO  
2 NONPROFITS AND OTHERS INTERESTED IN DEVELOPING BLIGHTED REAL  
3 ESTATE; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** (1) The governing authority of any municipality  
6 may forgive liens imposed on real property for the costs, fines,  
7 penalties and other assessments associated with the municipality's  
8 cleaning of real property pursuant to Section 21-19-11,  
9 Mississippi Code of 1972, subject to the following:

10 (a) The real property must be in a blighted condition  
11 if it has been vacant and in a deteriorated condition which  
12 necessitated the municipality's imposition of a lien in order to  
13 correct specific code violations.

14 (b) The liens imposed by the municipality must have  
15 been in existence and declared uncollectible for a period of at  
16 least five (5) years.

17 (c) The real property must be purchased by a nonprofit  
18 entity or for profit developer and converted from its blighted  
19 condition. For purposes of this act, "nonprofit" entity means an  
20 association, organization, or corporation which is a nonprofit  
21 organization in accordance with Section 501(c)(3) of the Internal  
22 Revenue Code and provides proof of its tax exempt status. "For  
23 profit developer" means an individual partnership or corporation  
24 other than the real property's owner who purchases property  
25 considered to be in blighted condition and converts it to  
26 productive use.



27 (d) The nonprofit entity or for profit developer must  
28 have obtained the blighted estate for a sum not exceeding seventy  
29 percent (70%) of the real estate's appraised value.

30 (2) The for profit developer or nonprofit entity must file  
31 an application with the municipality seeking lien amnesty. The  
32 application must include the following:

33 (i) the contract of sale;

34 (ii) appraisal reports from two reputable real  
35 estate appraisers and

36 (iii) plans for the real estate's development and  
37 anticipated use.

38 (3) The for profit developer or nonprofit entity may be  
39 granted conditional lien amnesty and allowed eighteen (18) months  
40 to develop the blighted real property. For good cause shown, the  
41 municipality may allow the developer or nonprofit an additional  
42 six (6) to twelve (12) months to develop the blighted property.

43 (4) If the blighted property remains undeveloped after  
44 eighteen (18) months and the municipality has not extended the  
45 period for development of the real estate, the nonprofit entity or  
46 for profit developer must pay the principal amount of the  
47 municipality's lien plus interest at the rate of eight percent  
48 (8%) per annum.

49 (5) If the nonprofit entity or for profit developer desires  
50 to sell or dispose of the real property prior to its development,  
51 the non-profit entity or for-profit developer must first obtain  
52 the municipality's approval. If the municipality approves the  
53 sale or disposal of the real estate prior to development, the  
54 nonprofit entity or for profit developer shall pay the principal  
55 amount of the lien on or before the closing date of the sale  
56 unless a subsequent purchaser of the blighted realty property has  
57 applied for and been granted conditional lien amnesty.

58 (6) If a for profit developer or nonprofit entity sells or  
59 disposes of the real property prior to development from its



60 blighted condition without the municipality's approval, then the  
61 for profit developer or nonprofit entity shall be liable to the  
62 city for the principal amount of the lien plus interest at the  
63 rate of eight percent (8%), and a penalty of One Thousand Five  
64 Hundred Dollars (\$1,500.00) will also be assessed against the  
65 developer.

66 (7) Conditional lien amnesty may not be sold, conveyed,  
67 transferred or assigned.

68 (8) No lien imposed upon real property pursuant to the  
69 provisions of Section 21-19-11 shall be finally released until  
70 real property in a blighted condition has been developed according  
71 to plan.

72 **SECTION 2.** This act shall take effect and be in force from  
73 and after July 1, 2002.

