

By: Senator(s) Minor

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2867

1 AN ACT TO AMEND SECTION 27-35-165, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT IF THE WORK OF A PRIVATE FIRM WITH WHOM A COUNTY
3 CONTRACTS TO REAPPRAISE PROPERTY OR TO PERFORM APPRAISAL UPDATES
4 IS UNDER THE DIRECTION OF THE COUNTY TAX ASSESSOR, ALL PERSONNEL
5 EMPLOYED OR OTHERWISE ENGAGED BY SUCH PRIVATE FIRM TO APPRAISE
6 PROPERTY SHALL BE STATE CERTIFIED REAL ESTATE APPRAISERS OR HAVE
7 ATTAINED CERTIFICATION AS AN APPRAISER UNDER THE EDUCATIONAL OR
8 TRAINING PROGRAMS ESTABLISHED BY THE STATE TAX COMMISSION; TO
9 PROVIDE THAT A PRIVATE CONSULTANT WHO IS ENGAGED TO PERFORM
10 APPRAISAL OF PROPERTY UNDER THE DIRECTION OF THE COUNTY TAX
11 ASSESSOR, SHALL BE STATE CERTIFIED REAL ESTATE APPRAISERS WITH
12 EXPERTISE IN MASS APPRAISALS OR HAVE ATTAINED CERTIFICATION AS AN
13 APPRAISER UNDER THE EDUCATIONAL OR TRAINING PROGRAMS ESTABLISHED
14 BY THE STATE TAX COMMISSION; TO PROVIDE THAT IF THE WORK OF A
15 PRIVATE FIRM WITH WHOM A COUNTY CONTRACTS TO REAPPRAISE PROPERTY
16 OR TO PERFORM APPRAISAL UPDATES IS NOT UNDER THE DIRECTION OF THE
17 COUNTY TAX ASSESSOR, ALL PERSONNEL EMPLOYED OR OTHERWISE ENGAGED
18 BY SUCH PRIVATE FIRM TO APPRAISE PROPERTY SHALL BE STATE CERTIFIED
19 REAL ESTATE APPRAISERS; TO PROVIDE THAT A PRIVATE CONSULTANT WHO
20 IS ENGAGED TO PERFORM APPRAISAL OF PROPERTY AND IS NOT UNDER THE
21 DIRECTION OF THE COUNTY TAX ASSESSOR, SHALL BE STATE CERTIFIED
22 REAL ESTATE APPRAISERS WITH EXPERTISE IN MASS APPRAISALS; TO
23 PROVIDE THAT CONTRACTS ENTERED INTO WITH A PRIVATE FIRM OR PRIVATE
24 CONSULTANT SHALL BE EXECUTED BY THE COUNTY TAX ASSESSOR AND THE
25 BOARD OF SUPERVISORS IF THE WORK PERFORMED UNDER SUCH CONTRACT IS
26 TO BE PERFORMED UNDER THE DIRECTION OF THE COUNTY TAX ASSESSOR; TO
27 AMEND SECTION 27-35-81, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
28 THE COUNTY TAX ASSESSOR SHALL ONLY BE REQUIRED TO FILE THE ROLLS
29 IF THE ASSESSMENT WAS CONDUCTED BY OR UNDER THE DIRECTION OF SUCH
30 ASSESSOR; TO AMEND SECTION 27-1-23, MISSISSIPPI CODE OF 1972, TO
31 AUTHORIZE EMPLOYEES OF PRIVATE FIRMS THAT CONTRACT WITH THE COUNTY
32 TO PERFORM REAPPRAISALS OR APPRAISAL UPDATES WHO ACTUALLY APPRAISE
33 PROPERTY TO INSPECT PROPERTY; TO AUTHORIZE PRIVATE CONSULTANTS
34 ENGAGED BY THE COUNTY WHO ACTUALLY APPRAISE PROPERTY TO INSPECT
35 PROPERTY; TO AMEND SECTION 27-3-52, MISSISSIPPI CODE OF 1972, TO
36 AUTHORIZE EMPLOYEES OF PRIVATE FIRMS THAT CONTRACT WITH THE COUNTY
37 TO PERFORM REAPPRAISALS OR APPRAISAL UPDATES UNDER THE DIRECTION
38 OF THE COUNTY TAX ASSESSOR; TO ATTAIN CERTIFICATION AS AN
39 APPRAISER UNDER THE EDUCATIONAL OR TRAINING PROGRAMS ESTABLISHED
40 BY THE STATE TAX COMMISSION; TO AUTHORIZE PRIVATE CONSULTANTS
41 ENGAGED BY THE COUNTY TO APPRAISE PROPERTY UNDER THE DIRECTION OF
42 THE COUNTY TAX ASSESSOR TO ATTAIN CERTIFICATION AS AN APPRAISER
43 UNDER THE EDUCATIONAL OR TRAINING PROGRAMS ESTABLISHED BY THE
44 STATE TAX COMMISSION; TO AMEND SECTION 73-34-5, MISSISSIPPI CODE
45 OF 1972, TO PROVIDE THAT THE PROVISIONS OF THE REAL ESTATE
46 APPRAISER LICENSING AND CERTIFICATION ACT SHALL NOT APPLY TO
47 PRIVATE CONSULTANTS AND EMPLOYEES OF PRIVATE FIRMS ENGAGED BY THE
48 COUNTY TO PERFORM REAPPRAISALS OR APPRAISAL UPDATES; AND FOR
49 RELATED PURPOSES.

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



51 **SECTION 1.** Section 27-35-165, Mississippi Code of 1972, is
52 amended as follows:

53 27-35-165. (1) No county shall expend funds for the
54 reappraisal of property or for property appraisal updates unless
55 the plans for reappraisal or the contract for reappraisal is in
56 conformity with the then existing rules and regulations of the
57 State Tax Commission and has been approved by the State Tax
58 Commission.

59 (2) * * * Reappraisals or appraisal updates by a county may
60 be accomplished by:

61 (a) Contracting with private firms for performance of
62 the work;

63 (b) Hiring private consultants to perform certain
64 functions of the work * * *; or

65 (c) Employing, schooling and training county employees
66 to perform all of the work under the supervision of the tax
67 assessor.

68 (3) (a) All contracts made pursuant to subsection (2)(a) of
69 this section shall require that the contractor furnish a payment
70 and performance bond in an amount not less than one hundred
71 percent (100%) of the contract price, which bond shall be
72 conditioned, in part, to guarantee successful completion of the
73 contract and may be conditioned upon payment of the cost of
74 defense of any suits which may be brought against the county, the
75 board of supervisors or the assessor arising out of such
76 reappraisal for a period of one (1) year after completion thereof.

77 (b) (i) When work is performed under a contract with a
78 private firm pursuant to subsection (2)(a) of this section and the
79 work is performed under the direction of the county tax assessor,
80 all personnel employed or otherwise engaged by such private firm
81 to appraise property shall be state certified real estate
82 appraisers as defined in Section 73-34-3, or shall be certified
83 under the provisions of Section 27-3-52.



84 (ii) When work is performed under a contract with
85 a private firm pursuant to subsection (2)(a) of this section and
86 the work is not performed under the direction of the county tax
87 assessor, all personnel employed or otherwise engaged by such
88 private firm to appraise property shall be state certified real
89 estate appraisers as defined in Section 73-34-3 with expertise in
90 mass appraisals as prescribed by the State Tax Commission.

91 (iii) When a private consultant is hired pursuant
92 to subsection (2)(b) of this section to appraise property and the
93 work is performed under the direction of the county tax assessor,
94 the private consultant shall be a state certified real estate
95 appraiser as defined in Section 73-34-3, or shall be certified
96 under the provisions of Section 27-3-52.

97 (iv) When a private consultant is hired pursuant
98 to subsection (2)(b) of this section to appraise property and the
99 work is not performed under the direction of the county tax
100 assessor, the private consultant shall be a state certified real
101 estate appraiser as defined in Section 73-34-3 with expertise in
102 mass appraisals as prescribed by the State Tax Commission.

103 (c) A contract entered into with a private firm or a
104 private consultant pursuant to subsection (2) of this section
105 shall be executed by the county tax assessor and the board of
106 supervisors if the work performed under such contract is to be
107 performed under the direction of the county tax assessor.

108 (4) Each county engaged in reappraisal of property shall
109 submit such periodic reports to the State Tax Commission as the
110 commission may require. If, at any time, the State Tax Commission
111 determines that the reappraisal or property appraisal update is
112 not in conformity to the approved plan or contract, the commission
113 shall notify the affected board of supervisors of the deficiencies
114 and the board shall take action acceptable to the commission to
115 correct the deficiencies within thirty (30) days or make no



116 further expenditures on the project until the necessary corrective
117 actions are approved by the commission.

118 (5) Upon payment for any work done on any contract regarding
119 reappraisal or property appraisal update, the work product for
120 which payment is made shall become the property of the county.

121 **SECTION 2.** Section 27-35-81, Mississippi Code of 1972, is
122 amended as follows:

123 27-35-81. (1) If the assessment is conducted by or under
124 the direction of the assessor, the assessor shall complete the
125 assessment of both real and personal property and file the roll or
126 rolls with the clerk of the board of supervisors on or before the
127 first Monday in July of each year. He shall make an affidavit and
128 append it to each roll, showing that he has faithfully endeavored
129 to ascertain and assess all the persons and property in his
130 county, that he has not omitted any person or thing, or placed
131 upon, or accepted an undervaluation of any property, through fear,
132 favor or partiality, and that he has required every taxpayer to
133 make the oath required to be taken by the person rendering a list
134 of his taxable property wherever possible. The assessor shall
135 file with the roll or rolls, under oath, a list showing the name
136 of every taxpayer who has failed or refused to make oath to his
137 tax lists.

138 (2) If the * * * roll or rolls are not filed as required by
139 this section on or before the first Monday in July of each year,
140 the board of supervisors at its July meeting shall adopt an order
141 showing the failure of the * * * roll or rolls to be filed and
142 shall certify to the State Tax Commission a statement showing such
143 failure and the time necessary * * * to complete the roll or
144 rolls.

145 (3) Upon receipt of such certificate from the board of
146 supervisors of any county, the State Tax Commission shall, by
147 order entered on its minutes, provide when such roll shall be
148 completed and filed, and the date when the board of supervisors



149 shall meet to equalize the roll or rolls, and the time when
150 objections to the assessments contained in such roll or rolls,
151 shall be heard by the board of supervisors, provided that not less
152 than ten days' notice shall be given prior to the hearing of such
153 objections. When such roll or rolls, shall be filed, they shall
154 be dealt with in all respects as now provided by law except as to
155 the time.

156 **SECTION 3.** Section 27-1-23, Mississippi Code of 1972, is
157 amended as follows:

158 27-1-23. (1) The county and municipal tax assessor in
159 person, or by deputy, shall have the right, power and authority
160 and it shall be his duty to require of any property owner an
161 inspection of his books and accounts, papers, memoranda and
162 records, and he shall have the right to examine in full the same,
163 and may from his books and accounts make an estimate of the value
164 of all property to be assessed. Such assessors shall also, if in
165 their opinion it be necessary, put upon oath the owner, agent or
166 employees of the owner, and propound to him or them, such
167 questions as will elicit from him, or them, the actual cash value
168 of any property subject to assessment. Such assessors shall have
169 the right and power to inquire into and ascertain the insured
170 value of any and all property, or into the value at which the same
171 has been insured previously and to ascertain the amount of fire
172 insurance carried on any and all property which shall include fire
173 insurance carried on stocks of merchandise, or goods kept for use
174 or sale, machinery, fixtures or other property, and in fixing the
175 value of property for assessment the amount of fire insurance
176 carried and the value of the property as shown by the books and
177 accounts of the owner shall be taken into consideration. If such
178 assessors are advised or have reason to believe that the list of
179 taxable property furnished by any person is incomplete or
180 incorrect, or if any property has been undervalued, they shall



181 assess the same and add it to the assessment roll at its true
182 value.

183 (2) In the performance of the duties and in the exercise of
184 the powers herein vested in and imposed upon the tax assessor,
185 such assessors and their deputies shall have the authority to
186 enter, during reasonable hours, the premises or places of business
187 of any person other than a house, used as a place of residence.

188 (3) In the performance of a contract entered into pursuant
189 to Section 27-35-165(2) (a), the employees of private firms who
190 actually appraise property shall have the authority to enter,
191 during reasonable hours, the premises or places of business of any
192 person other than a house, used as a place of residence.

193 (4) Private consultants hired pursuant to Section
194 27-35-165(2) (b) who actually appraise property shall have the
195 authority to enter, during reasonable hours, the premises or
196 places of business of any person other than a house, used as a
197 place of residence.

198 **SECTION 4.** Section 27-3-52, Mississippi Code of 1972, is
199 amended as follows:

200 27-3-52. (1) The State Tax Commission shall promulgate
201 rules and regulations setting forth the minimum requirements for
202 which tax assessors and/or their deputy assessors or assistants,
203 personnel employed by a private firm engaged pursuant to Section
204 27-35-165(2) (a) who perform work under the direction of the county
205 tax assessor, private consultants hired pursuant to Section
206 27-35-165(2) (b) who perform work under the direction of the county
207 tax assessor, appropriate state employees and employees of
208 planning and development districts may attain certification as an
209 appraiser. The commission shall establish and conduct such
210 educational and training programs as may be appropriate to assist
211 such persons in attaining such certification.

212 Counties having not more than five thousand (5,000)
213 applicants for homestead exemption shall have at least one (1)



214 certified appraiser, and counties having more than five thousand
215 (5,000) applicants for homestead exemption shall have at least two
216 (2) certified appraisers; however, any county may employ any
217 certified appraiser on a part-time basis.

218 (2) When any tax assessor and/or his deputies or assistants
219 travel outside of their county to attend an appraisal school,
220 seminar or workshop approved by the State Tax Commission, such
221 persons shall receive as reimbursement of expenses of such travel
222 the same mileage and actual and necessary expenses for food,
223 lodging and travel by public carrier or private motor vehicles as
224 is allowed under Section 25-3-41. However, mileage shall not be
225 authorized when such travel is done by a motor vehicle owned by
226 the county.

227 The county board of supervisors shall reimburse the
228 assessors, tax collectors and deputies for reasonable and
229 necessary expenses sustained in attending annual conferences,
230 regional conferences, schools and seminars. The State Tax
231 Commission shall have the authority to prescribe forms and to
232 promulgate rules and regulations necessary to implement the
233 provisions of this section. No expenses authorized herein shall
234 be reimbursed unless the expenses have been authorized or approved
235 by an order of the board duly made and spread upon the minutes of
236 such board.

237 (3) When any tax assessor and/or his deputies or assistants
238 attend and successfully complete all qualifications pursuant to
239 the Mississippi Education and Certification Program and receive
240 the certification level of Track II, Evaluator I, they shall
241 receive an additional One Thousand Dollars (\$1,000.00) annually
242 beginning the next fiscal year after completion.

243 When any tax assessor and/or his deputies or assistants
244 attend and successfully complete all qualifications pursuant to
245 the Mississippi Education and Certification Program and receive
246 the certification level of Track II, Evaluator II, they shall



247 receive an additional One Thousand Dollars (\$1,000.00) annually
248 beginning the next fiscal year after completion.

249 When any tax assessor and/or his deputies or assistants
250 attend and successfully complete all qualifications pursuant to
251 the Mississippi Education and Certification Program and receive
252 the certification level of Mississippi Assessment Evaluator (MAE),
253 they shall receive an additional One Thousand Five Hundred Dollars
254 (\$1,500.00) annually beginning the next fiscal year after
255 completion.

256 When any deputy tax assessor successfully completes all
257 qualifications to become a licensed certified residential real
258 estate appraiser under Sections 73-34-1 through 73-34-63, on the
259 recommendation of the tax assessor, the county board of
260 supervisors may pay, in its discretion, an additional amount not
261 to exceed Three Thousand Dollars (\$3,000.00) annually to the
262 deputy beginning the next fiscal year after the completion of such
263 qualifications.

264 When any deputy tax assessor successfully completes all
265 qualifications to become a licensed certified general real estate
266 appraiser under Sections 73-34-1 through 73-34-63, on the
267 recommendation of the tax assessor, the county board of
268 supervisors may pay, in its discretion, an additional amount not
269 to exceed Five Thousand Dollars (\$5,000.00) annually to the deputy
270 beginning the next fiscal year after the completion of such
271 qualifications.

272 The accumulative total of all educational increases
273 authorized under this subsection shall not exceed Eight Thousand
274 Five Hundred Dollars (\$8,500.00) and shall be paid out of the
275 common county fund from proceeds of the one (1) mill ad valorem
276 tax as provided in Section 27-39-329.

277 In order to receive the additional annual payment or payments
278 provided for in this subsection, the tax assessor or deputies or
279 assistants who completed the Mississippi Education and



280 Certification Program and were certified as provided herein shall
281 be personally involved in the conduct, administration and/or
282 supervision of the appraisal of the property of the county and in
283 the maintenance of such appraisal.

284 **SECTION 5.** Section 73-34-5, Mississippi Code of 1972, is
285 amended as follows:

286 73-34-5. (1) Except as otherwise provided for in this
287 section, it shall be unlawful for anyone to engage in real estate
288 appraisal activity in this state without first obtaining one (1)
289 of the four (4) real estate appraiser licenses as provided in this
290 chapter.

291 (a) Any person who is engaged in real estate appraisal
292 activity on July 1, 1990, shall continue through June 30, 1991, to
293 be subject to the provisions of the Real Estate Brokers License
294 Law of 1954, but, thereafter, all real estate appraisal activity
295 shall be governed by and licensed pursuant to the provisions of
296 this chapter. However, if the United States Congress or the
297 Appraisal Subcommittee of the Federal Financial Institutions
298 Examination Council extends the effective date for the use of
299 certified or licensed appraisers in federally related
300 transactions, then the above date of June 30, 1991, shall be
301 extended to the date immediately preceding such extended effective
302 date. In addition, if such appraisal subcommittee waives any
303 requirement relating to certification or licensing of persons to
304 perform appraisals in Mississippi, then such waiver shall also be
305 effective in Mississippi under the Real Estate Appraiser Licensing
306 and Certification Act and such requirement shall be waived by the
307 Real Estate Appraiser Licensing and Certification Board until the
308 waiver is terminated by the appraisal subcommittee. The
309 Mississippi Real Estate Appraiser Licensing and Certification
310 Board shall waive or modify statutory minimum requirements for
311 hours of courses of study and provide by regulation for applicants
312 who desire to do so to challenge the examinations, or one or some



313 of them, by taking an examination on such courses without actually
314 taking such courses, if such waivers or modifications are allowed
315 or allowable under law or regulations adopted and promulgated by
316 the United States Congress or the Appraisal Subcommittee of the
317 Federal Financial Institutions Examination Council.

318 (b) The provisions of this chapter shall not apply to
319 any director, officer or salaried employee of commercial banks,
320 savings banks, credit unions, and savings and loan associations,
321 when engaged in appraisal or evaluation activities for and on
322 behalf of such financial institution unless there is a fee charged
323 for the appraisal or evaluation; provided that a federal statute,
324 rule or regulation does not require such appraisal or evaluation
325 activities to be performed by a state licensed appraiser.

326 (c) This section shall not be construed to apply to
327 individuals who do not render significant professional assistance
328 in arriving at a real estate appraisal analysis, opinion or
329 conclusion. Examples of the type of assistance which are not
330 considered "significant professional assistance" under this
331 section include the following: (i) assistance in obtaining the
332 data upon which the appraisal is based; (ii) assistance in the
333 physical preparation of the appraisal report (such as taking
334 photographs, preparing charts, maps or graphs, or typing or
335 printing the report); and (iii) any other assistance that does not
336 directly involve the exercise of judgment in arriving at the
337 analysis, opinions or conclusions concerning real estate or real
338 property set forth in the appraisal report.

339 (2) This chapter shall not apply to a real estate broker or
340 salesperson licensed by this state who, in the ordinary course of
341 his business, gives an opinion as to the price of real estate for
342 the purpose of a prospective listing or sale; provided, however,
343 that this opinion as to the listing price or the sale price shall
344 not be referred to as an appraisal and provided, further, that no
345 compensation, fee or other consideration is charged for such



346 opinion other than the real estate commission or brokerage fee
347 that is charged or paid for brokerage services rendered in
348 connection with the sale of the real property involved.

349 (3) The provisions of this chapter shall not apply to:

350 (a) Any state, county, or municipal public officers or
351 their salaried employees while performing their duties as such;

352 (b) The employees of private firms engaged pursuant to
353 Section 27-35-165(2) (a) who perform work under the direction of
354 the county tax assessor; or

355 (c) Private consultants hired pursuant to Section
356 27-35-165(2) (b) who perform work under the direction of the county
357 tax assessor.

358 (4) No license shall be issued under the provisions of this
359 chapter to a corporation, partnership, firm or group.

360 (5) The provisions of this chapter shall not apply to
361 individuals performing timber cruises, valuation on timberland
362 real estate appraisals for nonfederally related transactions.

363 **SECTION 6.** This act shall take effect and be in force from
364 and after October 1, 2003.

