

By: Representative Reeves

To: Municipalities

HOUSE BILL NO. 774

1 AN ACT TO AMEND SECTION 21-19-12, MISSISSIPPI CODE OF 1972,
2 TO DELETE CERTAIN REQUIREMENTS THAT MUST BE MET FOR ENTITIES TO
3 RECEIVE LIEN AMNESTY FROM MUNICIPALITIES FOR BLIGHTED REAL
4 PROPERTY THAT THE ENTITIES HAVE PURCHASED FOR DEVELOPMENT; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** Section 21-19-12, Mississippi Code of 1972, is
8 amended as follows:

9 21-19-12. (1) The governing authority of any municipality
10 may forgive liens imposed on real property for the costs, fines,
11 penalties and other assessments associated with the municipality's
12 cleaning of real property under Section 21-19-11, subject to the
13 following:

14 (a) The real property must be in a blighted condition
15 if it has been vacant and in a deteriorated condition that
16 necessitated the municipality's imposition of a lien in order to
17 correct specific code violations.

18 * * *

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

29 * * *

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 (a) The contract of sale; and

34 * * *

35 (b) Plans for the real estate's development and
36 anticipated use.

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

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

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

57 (6) If a for-profit developer or nonprofit entity sells or
58 disposes of the real property before development from its blighted
59 condition without the municipality's approval, then the for-profit
60 developer or nonprofit entity shall be liable to the municipality
61 for the principal amount of the lien plus interest at the rate of

62 eight percent (8%), and a penalty of One Thousand Five Hundred
63 Dollars (\$1,500.00) will also be assessed against the developer.

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

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

69 **SECTION 2.** This act shall take effect and be in force from
70 and after July 1, 2007.