By: Representatives McGee, Stamps, Crudup To: Municipalities

## HOUSE BILL NO. 617

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITY OF ANY 2 MUNICIPALITY, TO WAIVE LIENS, UNDER CERTAIN CIRCUMSTANCES, THAT ARE IMPOSED ON REAL PROPERTY FOR COSTS AND/OR PENALTIES ASSOCIATED 3 WITH A MUNICIPALITY'S CLEANING OF REAL PROPERTY THAT HAS BEEN 5 DEEMED A MENACE; TO PROVIDE THAT AN APPLICATION FOR THE WAIVER BE 6 SUBMITTED FOR CONSIDERATION OF SUCH WAIVER; TO PROHIBIT THE 7 PROPERTY OWNER WHO CAUSED THE PROPERTY TO BE DEEMED A MENACE BY 8 THE MUNICIPALITY FROM SUBMITTING SUCH APPLICATION; TO AMEND 9 SECTION 21-19-11, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING SECTIONS; AND FOR RELATED PURPOSES. 10

- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI: 11
- 12 SECTION 1. As used in this act unless the context otherwise 13 requires:
- "Amnesty" or "waiver" means the forgiveness of an 14 15 assessment against a property or individual(s) of the costs and 16 related penalties associated with the cleanup incurred by or paid
- 17 by the municipality to clear code violations. Approvals for such
- amnesty or waiver shall specify dollar amounts or are otherwise 18
- assumed to be in full. Amnesty or waiver referenced in this 19
- 20 section applies to those costs and penalties applicable set out in
- 21 Section 21-19-11 and in no way relieves costs, fines or other
- 22 orders imposed by any court.

23			(b)	"Governing	authority"	means	the	governing	authority
24	of a	a	municipali	ity.					

- 25 (c) "Municipality" means any incorporated city, town or village within the state.
- 27 <u>SECTION 2.</u> The governing authority of any municipality is 28 authorized with the conditions enumerated in this act to consider 29 and award, when it deems appropriate, the full or partial waiver 30 of assessments against properties or individuals as a result of 31 the municipality having acted to clear code violations.
- SECTION 3. Whereas, the purpose of the governing authority in exercising the authority under this act, is to foster development and reuse of properties formerly found to be a menace by the municipality by virtue of any number of code violations or blight conditions, the following circumstances must exist to consider such waiver or amnesty:
- 38 The governing authority must have adopted a 39 resolution and entered on its minutes a finding that (i) collection of the assessment and related penalties through the 40 41 ordinary process of law has been and will likely be ineffectual 42 and therefore is a doubtful claim; and (ii) it will be more 43 beneficial to the municipality for the new owner of the property to have the property free of any liens of the municipality, which 44 45 will make it easier for the owner to develop, reuse or redevelop 46 the property.

47 (b) Such waiver or amnesty shall not unduly benefit	the
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- 48 owner(s) responsible for the property's past code violation
- 49 condition. Application shall be made by a new owner or a
- 50 prospective new owner.
- 51 (c) The property for which such waiver or amnesty is
- 52 requested are those where the municipality, by its own labor or
- 53 its contractors, have acted to clear violations by any legal
- 54 process available to it and where there are costs and/or penalties
- 55 associated with the property and/or its owner(s) and where the
- 56 work performed was no less than one year prior to the application
- 57 for amnesty.
- 58 (d) Costs and/or penalties may be considered for
- 59 waiver/amnesty regardless of whether or not the associated costs
- 60 have been assessed by the tax collector to be collected along with
- 61 the standard taxes for the property. Costs and/or penalties may
- 62 also be considered for waiver/amnesty if they have been sold for
- 63 taxes but have not yet been redeemed. Costs/penalties already
- 64 paid or sold at tax sale and already redeemed shall not be
- 65 eligible for waiver/amnesty.
- 66 **SECTION 4.** The municipality shall require application for
- 67 consideration of lien waiver/amnesty to include the following:
- 68 (a) An owner or prospective owner must make application
- 69 to the municipality for such amnesty, but in no case may the owner
- 70 responsible for the past code enforcement action or anyone in any
- 71 way affiliated with such owner be eliqible to apply.

- 72 (b) Application must include plans for redevelopment,
- 73 reuse, alternative use, or improved maintenance of the property,
- 74 and the governing authority shall use the assurances of the
- 75 developer as the basis for negotiating any terms and conditions it
- 76 deems appropriate.
- 77 (c) Application for amnesty requires that the new or
- 78 prospective owner supply one recent appraisal of the property from
- 79 a reputable real estate appraiser or the county tax assessor's
- 80 appraised value, or if vacant land, an appraisal, the tax
- 81 assessor's appraised value, or a competitive sales analysis by a
- 82 reputable real estate professional, identifying its post-cleaning
- 83 condition. The applicant must also provide a copy of the contract
- 84 or closing documents for purchase revealing that the purchase
- 85 price does not exceed the appraised or analyzed value.
- 86 **SECTION 5.** The governing authority of a municipality shall
- 87 be the decision-making body determining what developments warrant
- 88 lien waiver/amnesty and conditions to apply.
- 89 (a) Amnesty may be denied or may be granted in full or
- 90 in part by the governing authority and its consideration of all
- 91 factors, but in no case shall any such lien be waived or reduced
- 92 until such time that the governing authority has acted to confirm
- 93 that its conditions have been met.
- 94 (b) For properties where demolition is a part of the
- 95 agreed upon plan, demolition must occur within twelve (12) months
- 96 of approval. For reuse or redevelopment of structures, all

- onditions must be satisfied within eighteen (18) months of approval. For agreements where demolition is the only proposed action or where improved maintenance of a vacant parcel is the only proposed action, the property must be sufficiently maintained for no less than twelve (12) months prior to finding that all conditions of amnesty have been satisfied. For good cause shown, the municipality may allow an additional six (6) to twelve (12)
- 105 (c) Approvals for lien waivers/amnesty shall be
  106 approved on conditional basis only, and releases therefor shall
  107 not be approved or filed until the governing authority of the
  108 municipality has formally acknowledged that the conditions of the
  109 lien waiver/amnesty agreement have been met.

months to satisfy conditions.

- 110 (d) Upon approval of a conditional waiver/amnesty where
  111 the cost has already been posted to the tax rolls, the
  112 municipality will coordinate with the tax collector to withdraw
  113 and hold in abeyance that assessment until such time that the
  114 conditions of the governing authority have been satisfied.
  - (e) If the owner has not satisfied the conditions within the time period established and the municipality has not extended the period allowed, the owner must pay the principal amount of the municipality's lien plus interest at the rate of eight percent (8%) per annum.
- 120 (f) If the owner desires to sell or dispose of the real 121 property prior to satisfying the conditions, the owner must first

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- 122 obtain the municipality's approval. If the municipality approves
- 123 the sale or disposal of the real estate prior to satisfying the
- 124 conditions, the owner shall pay the principal amount of the lien
- on or before the closing date of the sale unless a subsequent
- 126 purchaser of the blighted real property has applied for and been
- 127 granted conditional lien amnesty.
- 128 (g) If an owner sells or disposes of the real property
- 129 prior to satisfying the conditions without the municipality's
- 130 approval, then the owner shall be liable to the municipality for
- 131 the principal amount of the lien plus interest at the rate of
- eight percent (8%), and a penalty of One Thousand Five Hundred
- 133 Dollars (\$1,500.00) will also be assessed against the owner.
- SECTION 6. Section 21-19-11, Mississippi Code of 1972, is
- 135 amended as follows:
- 21-19-11. (1) To determine whether property or parcel of
- 137 land located within a municipality is in such a state of
- 138 uncleanliness as to be a menace to the public health, safety and
- 139 welfare of the community, a governing authority of any
- 140 municipality shall conduct a hearing, on its own motion, or upon
- 141 the receipt of a petition signed by a majority of the residents
- 142 residing within four hundred (400) feet of any property or parcel
- 143 of land alleged to be in need of the cleaning. Notice shall be
- 144 provided to the property owner by:
- 145 (a) United States mail two (2) weeks before the date of
- 146 the hearing mailed to the address of the subject property, except

where the land or structure(s) is apparently vacant, and to the 147 148 address where the ad valorem tax notice for such property is sent 149 by the office charged with collecting ad valorem tax; and 150 Posting notice for at least two (2) weeks before (b) 151 the date of a hearing on the property or parcel of land alleged to 152 be in need of cleaning and at city hall or another place in the 153 municipality where such notices are posted. 154 Any notice required by this section shall include language 155 that informs the property owner that an adjudication at the hearing that the property or parcel of land is in need of cleaning 156 157 will authorize the municipality to reenter the property or parcel of land for a period of two (2) years after final adjudication 158 159 without any further hearing if notice is posted on the property or 160 parcel of land and at city hall or another place in the 161 municipality where such notices are generally posted at least 162 seven (7) days before the property or parcel of land is reentered 163 for cleaning. A copy of the required notice mailed and posted as required by this section shall be recorded in the minutes of the 164 165 governing authority in conjunction with the hearing required by 166 this section. 167 If, at such hearing, the governing authority shall adjudicate

the property or parcel of land in its then condition to be a
menace to the public health, safety and welfare of the community,
the governing authority, if the owner does not do so himself,
shall proceed to clean the land, by the use of municipal employees

172	or by contract, by cutting grass and weeds; filling cisterns;
173	removing rubbish, abandoned or dilapidated fences, outside
174	toilets, abandoned or dilapidated buildings, slabs, personal
175	property, which removal of personal property shall not be subject
176	to the provisions of Section 21-39-21, and other debris; and
177	draining cesspools and standing water therefrom. The governing
178	authority may by resolution adjudicate the actual cost of cleaning
179	the property and may also impose a penalty not to exceed One
180	Thousand Five Hundred Dollars (\$1,500.00) or fifty percent (50%)
181	of the actual cost, whichever is more. The cost and any penalty
182	may become a civil debt against the property owner, and/or, at the
183	option of the governing authority, an assessment against the
184	property. The "cost assessed against the property" means either
185	the cost to the municipality of using its own employees to do the
186	work or the cost to the municipality of any contract executed by
187	the municipality to have the work done, and administrative costs
188	and legal costs of the municipality. For subsequent cleaning
189	within the one-year period after the date of the hearing at which
190	the property or parcel of land was adjudicated in need of
191	cleaning, upon seven (7) days' notice posted both on the property
192	or parcel of land adjudicated in need of cleaning and at city hall
193	or another place in the municipality where such notices are
194	generally posted, and consistent with the municipality's
195	adjudication as authorized in this subsection (1), a municipality
196	may reenter the property or parcel of land to maintain cleanliness

197	without further notice or hearing no more than six (6) times in
198	any twelve-month period with respect to removing abandoned or
199	dilapidated buildings, slabs, dilapidated fences and outside
200	toilets, and no more than twelve (12) times in any
201	twenty-four-month period with respect to cutting grass and weeds
202	and removing rubbish, personal property and other debris on the
203	land, and the expense of cleaning of the property, except as
204	otherwise provided in this section for removal of hazardous
205	substances, shall not exceed an aggregate amount of Twenty
206	Thousand Dollars (\$20,000.00) per year, or the fair market value
207	of the property subsequent to cleaning, whichever is more. The
208	aggregate cost of removing hazardous substances will be the actual
209	cost of such removal to the municipality and shall not be subject
210	to the Twenty Thousand Dollars (\$20,000.00) limitation provided in
211	this subsection. The governing authority may assess the same
212	penalty for each time the property or land is cleaned as otherwise
213	provided in this section. The penalty provided herein shall not
214	be assessed against the State of Mississippi upon request for
215	reimbursement under Section 29-1-145, nor shall a municipality
216	clean a parcel owned by the State of Mississippi without first
217	giving notice. Upon written authority from the Secretary of
218	State's office, for state-owned properties, a municipality may
219	forgo the notification process that is prescribed in this
220	subsection and proceed to clean the properties and assess costs as

- prescribed in this subsection, except that penalties shall not be assessed against the State of Mississippi.
- 223 When the fee or cost to clean property or a parcel of 224 land that is one (1) acre or less does not exceed Two Hundred 225 Fifty Dollars (\$250.00), excluding administrative costs, and the 226 property or parcel is located within a municipality having a 227 population over one thousand five hundred (1,500), the governing authority of the municipality may authorize one or more of its 228 229 employees to determine whether the property or parcel of land is in such a state of uncleanliness as to be a menace to the public 230 231 health, safety and welfare of the community and the determination 232 made by the authorized municipal employee shall be set forth and recorded in the minutes of the governing authority. Notice of 233 234 this determination shall be provided to the property owner by:
- 235 (a) United States mail seven (7) days before the date
  236 of cleaning of the property or parcel of land mailed to the
  237 address of the subject property, except where the land or
  238 structure(s) is apparently vacant, and to the address where the ad
  239 valorem tax notice for such property is sent by the office charged
  240 with collecting ad valorem tax; and
- 241 (b) Posting notice for at least seven (7) days before
  242 the cleaning of the property or parcel of land and at city hall or
  243 another place in the municipality where such notices are posted.
- 244 Any notice required by this subsection shall include language 245 that informs the property owner that the appropriate municipal

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246	official has determined that the property or parcel of land is a
247	menace to the public health, safety and welfare of the community
248	and in need of cleaning and the municipality is authorized to
249	enter the property for cleaning and that the municipality is
250	further authorized to reenter the property or parcel of land for a
251	period of two (2) years after this cleaning without any further
252	hearing or action if notice is posted on the property or parcel of
253	land and at city hall or another place in the municipality where
254	such notices are generally posted at least seven (7) days before
255	the property or parcel of land is reentered for cleaning. A copy
256	of the required notice mailed and posted as required by this
257	subsection shall be recorded in the minutes of the governing
258	authority in conjunction with the determination made by the
259	municipal employee in this subsection (2).
260	If an authorized municipal employee determines that the
261	condition of property or parcel of land is a menace to the public

condition of property or parcel of land is a menace to the public health, safety and welfare of the community, the governing authority, if the owner does not do so himself, shall proceed to clean the land, by the use of municipal employees or by contract, by cutting grass and weeds; filling cisterns; removing rubbish, abandoned or dilapidated fences, outside toilets, abandoned or dilapidated buildings, slabs, personal property, which removal of personal property shall not be subject to the provisions of Section 21-39-21, and other debris; and draining cesspools and standing water therefrom. The governing authority shall by

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271	resolution adjudicate the actual cost of cleaning the property
272	under this provision, provided the same does not exceed Two
273	Hundred Fifty Dollars (\$250.00) and may also impose a penalty not
274	to exceed One Hundred Dollars (\$100.00) or one hundred percent
275	(100%) of the actual cost of cleaning the property, whichever is
276	more. The cost and any penalty imposed may become a civil debt
277	against the property owner, and/or, at the option of the governing
278	authority, an assessment against the property. The "cost assessed
279	against the property" means either the cost to the municipality of
280	using its own employees to do the work or the cost to the
281	municipality of any contract executed by the municipality to have
282	the work done, and additionally may include administrative costs
283	of the municipality not to exceed Fifty Dollars (\$50.00). For
284	subsequent cleaning within the one-year period set forth in this
285	subsection (2), upon seven (7) days' notice posted both on the
286	property or parcel of land adjudicated in need of cleaning and at
287	city hall or another place in the municipality where such notices
288	are generally posted, and consistent with the municipal official's
289	determination as authorized in this subsection (2), a municipality
290	may reenter the property or parcel of land to maintain cleanliness
291	without further notice or hearing under this subsection (2) no
292	more than six (6) times in any twelve-month period with respect to
293	removing abandoned or dilapidated buildings, slabs, dilapidated
294	fences and outside toilets, and no more than twelve (12) times in
295	any twenty-four-month period with respect to cutting grass and

296 weeds and removing rubbish, personal property and other debris on 297 the land, and the expense of cleaning of the property shall not 298 exceed an aggregate amount of One Thousand Dollars (\$1,000.00) per 299 year under this subsection (2). The governing authority may 300 assess the same actual costs, administrative costs and penalty for 301 each time the property or land is cleaned as otherwise provided in 302 this subsection (2). The penalty provided herein shall not be 303 assessed against the State of Mississippi upon request for 304 reimbursement under Section 29-1-145, nor shall a municipality clean a parcel owned by the State of Mississippi without first 305 306 giving notice. Upon written authority from the Secretary of 307 State's office, for state-owned properties, a municipality may 308 forgo the notification process that is prescribed in this 309 subsection and proceed to clean the properties and assess costs as prescribed in this subsection, except that penalties shall not be 310 311 assessed against the State of Mississippi. A determination made 312 by an appropriate municipal employee under this subsection (2) that the state or condition of property or a parcel of land is a 313 314 menace to the public health, safety and welfare of the community 315 shall not subsequently be used to replace a hearing if subsection 316 (1) of this section is later utilized by a municipality when the 317 prerequisites of this subsection (2) are not satisfied.

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If the governing authority declares, by resolution, that

the cost and any penalty shall be collected as a civil debt, the

governing authority may authorize the institution of a suit on

open account against the owner of the property in a court of competent jurisdiction in the manner provided by law for the cost and any penalty, plus court costs, reasonable attorney's fees and interest from the date that the property was cleaned.

- (4) (a) If the governing authority declares that the cost and any penalty shall be collected as an assessment against the property, then the assessment above provided for shall be a lien against the property and may be enrolled in the office of the chancery clerk of the county as other liens and encumbrances are enrolled, and the tax collector of the municipality shall, upon order of the board of governing authorities, proceed to sell the land to satisfy the lien as now provided by law for the sale of lands for delinquent municipal taxes. The lien against the property shall be an encumbrance upon the property and shall follow title of the property.
- (b) (i) All assessments levied under the provisions of this section shall be included with municipal ad valorem taxes and payment shall be enforced in the same manner in which payment is enforced for municipal ad valorem taxes, and all statutes regulating the collection of other taxes in a municipality shall apply to the enforcement and collection of the assessments levied under the provisions of this section, including utilization of the procedures authorized under Sections 17-13-9(2) and 27-41-2.
- 344 (ii) All assessments levied under the provisions 345 of this section shall become delinquent at the same time municipal

346 ad valorem taxes become delinquent. Delinquencies shall be 347 collected in the same manner and at the same time delinquent ad 348 valorem taxes are collected and shall bear the same penalties as 349 those provided for delinquent taxes. If the property is sold for 350 the nonpayment of an assessment under this section, it shall be 351 sold in the manner that property is sold for the nonpayment of 352 delinquent ad valorem taxes. If the property is sold for 353 delinquent ad valorem taxes, the assessment under this section 354 shall be added to the delinquent tax and collected at the same 355 time and in the same manner.

- (5) All decisions rendered under the provisions of this section may be appealed in the same manner as other appeals from municipal boards or courts are taken. However, an appeal from a decision of a municipal officer or official shall be made to the governing authority and such appeal shall be in writing, state the basis for the appeal and be filed with the city clerk no later than seven (7) days from the latest date of notice required under this section.
- 364 (6) (a) Nothing contained under this section shall prevent
  365 any municipality from enacting criminal penalties for failure to
  366 maintain property so as not to constitute a menace to public
  367 health, safety and welfare.
- (b) Nothing contained under this section shall prevent
  any municipality from awarding, when it deems appropriate, the
  full or partial waiver of assessments against properties or

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371	individuals, a			s authorized	under	Sections	1 th	nrough	1 5	of	this	act,
372	as long	as	the	requirements	and	conditions	set	t out	unc	der	Sect	ions

373 3 through 5 of this act are satisfied.

374 (7) (a) If private property or a parcel of land located 375 within a municipality is a perpetual care cemetery subject to 376 Section 41-43-1 et seq., the governing authority of the 377 municipality may proceed pursuant to the same provisions of this 378 section used to determine whether a property is a public health 379 menace to instead determine if the perpetual care cemetery and all 380 structures on the cemetery are not being properly maintained and 381 have become detrimental to the public health and welfare. A 382 perpetual care cemetery that is "not being properly maintained and 383 has become detrimental to the public health and welfare" means a 384 perpetual care cemetery that shows signs of neglect, including, 385 without limitation, the unchecked growth of vegetation, repeated and unchecked acts of vandalism, unusable entrances and exits, 386 387 excess rubbish or debris, or the disintegration of grave markers 388 or boundaries. Upon notice and opportunity to be heard as 389 provided in subsection (1) of this section, the governing 390 authority of the municipality may adjudicate the property or 391 parcel of land in its then condition to be not properly maintained 392 and detrimental to the public health and welfare, and if the owner 393 does not do so itself, may proceed to clean the property or parcel of land as provided in subsection (1) of this section. 394 395 cleaning the property or parcel of land of a perpetual care

cemetery pursuant to this subsection (7), the penalty or penalties provided in subsection (1) of this section shall not be assessed against owners of the perpetual care cemeteries.

- 399 The governing authority of a municipality that (b) 400 cleans the property or parcel of land of a perpetual care cemetery 401 pursuant to this subsection (7) may make application to the 402 Secretary of State for an order directing the trustee of the 403 perpetual care cemetery trust fund to release accrued interest or 404 principal of the trust fund sufficient to reimburse the 405 municipality for only the actual cleanup costs incurred by the 406 municipality. The application to the Secretary of State shall include a statement by the municipality that all of the 407 408 requirements of this section have been met.
- 409 If the Secretary of State is satisfied that the 410 notice and hearing requirements of this section have been met, and 411 that the application for an order directing the trustee to release 412 accrued interest of the perpetual care cemetery trust fund does not threaten the ability of the trust fund to provide for the care 413 414 and maintenance of the cemetery, the Secretary of State may order 415 the trustee to release accrued interest of the trust fund 416 sufficient to reimburse the municipality for the actual costs of cleanup performed by the municipality. 417
- (d) If the Secretary of State is satisfied that the notice and hearing requirements of this section have been met, but makes a determination that the accrued interest of the perpetual

421	care cemetery trust fund is insufficient to reimburse the
422	municipality for the actual costs of cleanup performed by the
423	municipality, or that an order to release accrued interest would
424	threaten the ability of the trust fund to provide for the care and
425	maintenance of the cemetery, the Secretary of State may consider
426	an order directing the trustee to reimburse the municipality from
427	the principal of the trust fund. If the Secretary of State
428	determines that an order to the trustee to release principal from
429	the trust fund will not threaten the solvency of the trust fund,
430	the Secretary of State may order the trustee to release principal
431	of the trust fund in an amount sufficient to reimburse the
432	municipality for the actual costs of cleanup performed by the
433	municipality.

- (i) The Secretary of State may not order the
  trustee to release an amount of more than fifteen percent (15%) of
  principal of the trust fund to reimburse the municipality for the
  actual costs of cleanup performed by the municipality.
- 438 (ii) The provisions of this section may be 439 utilized no more than once in a four-year period.
- SECTION 7. This act shall take effect and be in force from and after July 1, 2022.