

By: Representatives Bounds, Faulkner

To: Ways and Means

HOUSE BILL NO. 1375

1 AN ACT TO AMEND SECTION 21-1-27, MISSISSIPPI CODE OF 1972, TO
 2 PROVIDE THAT WHEN A MUNICIPALITY DESIRES TO ANNEX TERRITORY, THE
 3 ORDINANCE MUST PROVIDE SPECIFIC BENEFITS AND SERVICES THAT MUST BE
 4 PROVIDED TO THE TERRITORY WITHIN THREE YEARS OF THE COURT'S
 5 ORDERING AN ANNEXATION DECREE; TO AMEND SECTION 21-1-33,
 6 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IF SUCH BENEFITS AND
 7 SERVICES ARE NOT PROVIDED WITHIN THREE YEARS TO AN ANNEXED
 8 TERRITORY, THEN THE ANNEXATION SHALL BE ORDERED NULL AND VOID; TO
 9 AMEND SECTIONS 21-33-1 AND 27-35-3, MISSISSIPPI CODE OF 1972, TO
 10 PROHIBIT A MUNICIPALITY THAT HAS HAD AN ANNEXATION ORDERED NULL
 11 AND VOID FROM ASSESSING PROPERTY WITHIN THE FORMERLY ANNEXED AREA
 12 FOR TAX PURPOSES; TO AMEND SECTION 27-51-9, MISSISSIPPI CODE OF
 13 1972, TO PROHIBIT A MUNICIPAL TAX COLLECTOR FROM COLLECTING AD
 14 VALOREM TAXES ON MOTOR VEHICLES LOCATED IN ANNEXED TERRITORY THAT
 15 HAS HAD THE ANNEXATION ORDERED NULL AND VOID; TO AMEND SECTION
 16 27-51-29, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT COUNTIES MAY
 17 NOT COLLECT MOTOR VEHICLE AND AD VALOREM TAXES FOR MUNICIPALITIES
 18 IN ANNEXED TERRITORY THAT HAS HAD THE ANNEXATION ORDERED NULL AND
 19 VOID; TO AMEND SECTION 27-39-307, MISSISSIPPI CODE OF 1972, TO
 20 PROVIDE THAT MUNICIPALITIES MAY NOT LEVY AD VALOREM TAXES ON
 21 PROPERTY LOCATED WITHIN ANNEXED TERRITORY THAT HAS HAD THE
 22 ANNEXATION ORDERED NULL AND VOID; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** Section 21-1-27, Mississippi Code of 1972, is
 25 amended as follows:

26 21-1-27. (1) The limits and boundaries of existing cities,
 27 towns and villages shall remain as now established until altered
 28 in the manner hereinafter provided. When any municipality * * *



29 desires to enlarge or contract the boundaries * * * by
30 adding * * * to its boundaries adjacent unincorporated territory
31 or excluding * * * from its boundaries any part of the
32 incorporated territory of * * * the municipality, the governing
33 authorities of * * * the municipality shall pass an ordinance
34 defining with certainty the territory proposed to be included in
35 or excluded from the corporate limits, and also defining the
36 entire boundary as changed. * * * If the municipality desires to
37 enlarge * * * the boundaries, * * * the ordinance shall * * *
38 describe the * * * additional benefits and services that must be
39 rendered to the annexed territory within three (3) years of the
40 ordered annexation date. The additional benefits and services
41 shall not be benefits and services that are furnished to the
42 proposed annexed territory by other governmental or private
43 authorities. In addition, the ordinance shall state with
44 specificity the additional benefits and services that must be
45 named and measurable. If the municipality desiring to enlarge its
46 boundaries cannot extend the additional and measurable benefits
47 and services to the proposed annexed territory within three (3)
48 years, as required in this section, then the annexation shall be
49 ordered null and void. * * * If the municipality * * * desires to
50 contract its boundaries, * * * the ordinance shall also contain a
51 statement of the reasons for * * * the contraction and a statement
52 showing * * * how the public convenience and necessity would be
53 served * * * by the contraction.



54 (2) [Repealed]

55 (3) [Repealed]

56 **SECTION 2.** Section 21-1-33, Mississippi Code of 1972, is
57 amended as follows:

58 21-1-33. (1) If the chancellor finds from the evidence
59 presented at the hearing that the proposed enlargement or
60 contraction is reasonable and is required by the public
61 convenience and necessity and, in the event of an enlargement of a
62 municipality, that reasonable public and municipal services will
63 be rendered in the annexed territory within a reasonable time that
64 shall not exceed three (3) years and that the governing authority
65 of the municipality complied with the provisions of Section
66 21-1-27, the chancellor shall enter a decree approving, ratifying
67 and confirming the proposed enlargement or contraction, and
68 describing the boundaries of the municipality as altered. In so
69 doing the chancellor shall have the right and the power to modify
70 the proposed enlargement or contraction by decreasing the
71 territory to be included in or excluded from the municipality, as
72 the case may be.

73 (2) If the chancellor * * * finds from the evidence that the
74 proposed enlargement or contraction, as the case may be, is
75 unreasonable and is not required by the public convenience and
76 necessity, or in the event of an enlargement of a municipality,
77 that the governing authority of the municipality failed to comply



78 with the provisions of Section 21-1-27, then he shall enter a
79 decree denying the enlargement or contraction.

80 (3) In any event, the decree of the chancellor shall become
81 effective after the passage of ten (10) days from the date thereof
82 or, in the event an appeal is taken therefrom, within ten (10)
83 days from the final determination of the appeal. In any
84 proceeding under this section the burden shall be upon the
85 municipal authorities to show that the proposed enlargement or
86 contraction is reasonable.

87 (4) If additional measurable services and benefits are not
88 provided to the annexed territory within three (3) years of the
89 ordered annexation date, as prescribed in Section 21-1-27, then
90 the annexation shall be ordered null and void by the chancery
91 court.

92 **SECTION 3.** Section 21-33-1, Mississippi Code of 1972, is
93 amended as follows:

94 21-33-1. Except for formerly annexed territory within a
95 municipality that has had its annexation ordered null and void, as
96 provided in Section 21-1-33(4), all lands and other taxable
97 property subject to assessment, held by any person within the
98 municipality, or in added territory, on the first day of January,
99 shall be assessed, and ad valorem taxes thereon levied and
100 collected for the ensuing year, excepting motor vehicles as
101 defined by the "Motor Vehicle Ad Valorem Tax Law of 1958,"
102 Sections 27-51-1 through 27-51-49 * * *.



103 **SECTION 4.** Section 27-35-3, Mississippi Code of 1972, is
104 amended as follows:

105 27-35-3. All taxable real property situated in the state
106 acquired or held by any person before January 1 of each year, and
107 all other taxable property so situated or brought into this state
108 at any time prior to March 1 of each year, shall be assessed and
109 taxes thereon paid for the ensuing year with the exception of
110 heavy duty equipment as defined in Section 27-35-1(2). Heavy duty
111 equipment shall be assessed and taxes thereon paid at any time
112 such equipment is acquired or brought into this state for use as
113 construction equipment, and such assessment shall be prorated with
114 respect to the number of months remaining in the year. Such other
115 property shall not be assessed by more than one (1) county, and
116 such county in which said property was located at the earliest
117 taxable date in any year shall have priority in the assessment of
118 such taxes.

119 Provided, however, that when a municipality is created or the
120 corporate limits thereof extended after January 1 of any year it
121 shall have, prior to July 1 of said year, the full right and power
122 to assess said property and collect taxes for the current year to
123 the same extent as if it had been created or limits extended prior
124 to January 1 of that year. However, such full right and power to
125 assess property and collect taxes shall not apply to formerly
126 annexed territory that has had the annexation ordered null and
127 void, as provided in Section 21-1-33(4).



128 Nothing in this section shall be construed to limit the power
129 of the state to define and declare the situs of particular species
130 of property having no fixed situs at some place in this state.

131 **SECTION 5.** Section 27-51-9, Mississippi Code of 1972, is
132 amended as follows:

133 27-51-9. (1) For the purposes of this chapter, the fiscal
134 year shall commence on August 1 and shall end on July 31 of each
135 year. The taxable year shall run concurrently with the taxable
136 year in effect in the law pertaining to the payment of the road
137 and bridge privilege license tax on motor vehicles. Except as
138 otherwise provided in Section 27-41-2, ad valorem taxes on motor
139 vehicles shall be collected by the county tax collector for the
140 county and state and by the municipal tax collector for the
141 municipalities. However, the municipal tax collector shall not
142 collect ad valorem taxes on motor vehicles within formerly annexed
143 territory that has had the annexation ordered null and void, as
144 provided in Section 21-1-33(4).

145 (2) Ad valorem taxes for any ensuing year may be paid during
146 the month as provided in Section 27-19-31, however, and said ad
147 valorem taxes on any motor vehicle must be paid at the same time
148 or prior to the time that the road and bridge privilege license is
149 issued for the subject motor vehicle, unless herein otherwise
150 specifically exempt from such ad valorem taxes. The ad valorem
151 tax on motor vehicles shall be computed on the millage rates in
152 effect at the time such privilege license tax is to be paid.



153 **SECTION 6.** Section 27-51-29, Mississippi Code of 1972, is
154 amended as follows:

155 27-51-29. Except for formerly annexed territory within a
156 municipality that has had the annexation ordered null and void, as
157 prescribed in Section 21-33-1(4), any municipality in the state
158 desiring to have its motor vehicle ad valorem taxes collected by
159 the county tax collector at the same time and in the same manner
160 provided for by this chapter for collecting county and state ad
161 valorem taxes on motor vehicles may do so by proceeding as
162 follows:

163 On or before the 1st day of May, the municipal board shall
164 enter an order upon its minutes signifying its desire to have the
165 county tax collector collect its motor vehicle ad valorem taxes at
166 the same time and in the same manner that he collects the county
167 and state ad valorem taxes on such motor vehicles for the ensuing
168 fiscal year. A certified copy of this order shall be furnished
169 the tax collector of the county, the * * * Department of Revenue,
170 and the administrator of the road and bridge privilege tax laws.
171 In such case, it shall be mandatory that such municipal ad valorem
172 taxes be collected by the county tax collector.

173 The authorization of the tax collector to collect municipal
174 taxes on this class of property shall also include the collection
175 of such taxes on such property located in the municipal separate
176 school district, if any, although such property is located outside
177 of the corporate limits of such municipality.



178 On or before September fifteenth, the municipal clerk shall
179 certify to the county tax collector a copy of its official tax
180 levy for the then ensuing fiscal year. On this tax levy, the
181 clerk shall not only certify as to the tax levy for each purpose
182 for which it was levied, but he shall also certify as to the total
183 amount of the levy for all municipal purposes, and he shall show
184 separately the total amount of the levy for the municipal separate
185 school district, if the said municipality is a part of a municipal
186 separate school district.

187 After collecting such municipal and municipal separate school
188 district ad valorem taxes, the county tax collector shall retain
189 the fee, as allowed in Section 25-7-21, * * * except in no
190 instance shall his fee be less than two percent (2%) of such
191 collection for the services furnished by a county office in
192 collecting municipal separate school district taxes. Such fees
193 shall be paid into the county general fund. The tax collector
194 shall, on or before the twentieth day of the following month,
195 remit to the municipality the remaining portion of such taxes so
196 collected for and during the preceding month. A report of the
197 total assessed value of the subject motor vehicle on which such
198 municipal ad valorem taxes were collected for the preceding month
199 shall be forwarded to the municipality along with the said
200 remittance.

201 The records of the county tax collector shall be available at
202 any time during regular office hours for inspection by the



203 municipal authorities or their authorized agents to determine as
204 to whether or not any such taxpayer has been properly assessed,
205 both as to value and as to situs of the subject motor vehicle, and
206 as to whether or not the proper tax has been collected and
207 remitted for the benefit of the municipality and municipal
208 separate school district, in proper cases, if such municipality
209 has officially authorized said tax collector to collect its motor
210 vehicle ad valorem taxes as provided hereinabove.

211 For similar violations of this chapter, the same penalties
212 shall apply in favor of any municipality, in proper cases, which
213 apply in favor of the counties. The tax collector shall be liable
214 on his official bond to the municipality for any failure on his
215 part to assess, collect and remit the correct amount of taxes due
216 any municipality under the provisions of this chapter on any motor
217 vehicle for which he collects county and state ad valorem taxes.

218 **SECTION 7.** Section 27-39-307, Mississippi Code of 1972, is
219 amended as follows:

220 27-39-307. Except for formerly annexed territory within a
221 municipality that has had the annexation ordered null and void, as
222 prescribed in Section 21-33-1(4), municipalities may levy ad
223 valorem taxes upon all taxable property within such municipality
224 for general revenue purposes and for general improvements.
225 Further, the governing authorities of any municipality may make
226 additional levies for special purposes as authorized by law. Any
227 such levy which is an increase from the previous fiscal year must



228 be advertised in accordance with Sections 27-39-203 and 27-39-205.
229 In addition to funding municipal general purposes, the municipal
230 general ad valorem tax levy may be used to supplement any
231 municipal ad valorem tax levy for a special purpose authorized by
232 law, excluding levies for schools, without regard to any statutory
233 millage limitation on such special purpose tax levy; however,
234 nothing herein contained shall be construed to exempt such tax
235 levies from the limitation on total receipts under Section
236 27-39-321.

237 **SECTION 8.** This act shall take effect and be in force from
238 and after July 1, 2023.

