

By: Representatives Bounds, Faulkner

To: Ways and Means

HOUSE BILL NO. 1375
(As Passed the House)

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 FIVE 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 FIVE YEARS TO AN ANNEXED
 8 TERRITORY, THEN THE ANNEXATION SHALL BE ORDERED NULL AND VOID OR
 9 PARTIALLY ORDERED NULL AND VOID, AS THE CASE MAY BE; TO AMEND
 10 SECTIONS 21-33-1 AND 27-35-3, MISSISSIPPI CODE OF 1972, TO
 11 PROHIBIT A MUNICIPALITY THAT HAS HAD AN ANNEXATION ORDERED NULL
 12 AND VOID OR PARTIALLY ORDERED NULL AND VOID, AS THE CASE MAY BE,
 13 FROM ASSESSING PROPERTY WITHIN THE FORMERLY ANNEXED AREA FOR TAX
 14 PURPOSES; TO AMEND SECTION 27-51-9, MISSISSIPPI CODE OF 1972, TO
 15 PROHIBIT A MUNICIPAL TAX COLLECTOR FROM COLLECTING AD VALOREM
 16 TAXES ON MOTOR VEHICLES LOCATED IN ANNEXED TERRITORY THAT HAS HAD
 17 THE ANNEXATION ORDERED NULL AND VOID OR PARTIALLY ORDERED NULL AND
 18 VOID, AS THE CASE MAY BE; TO AMEND SECTION 27-51-29, MISSISSIPPI
 19 CODE OF 1972, TO PROVIDE THAT COUNTIES MAY NOT COLLECT MOTOR
 20 VEHICLE AND AD VALOREM TAXES FOR MUNICIPALITIES IN ANNEXED
 21 TERRITORY THAT HAS HAD THE ANNEXATION ORDERED NULL AND VOID OR
 22 PARTIALLY ORDERED NULL AND VOID, AS THE CASE MAY BE; TO AMEND
 23 SECTION 27-39-307, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
 24 MUNICIPALITIES MAY NOT LEVY AD VALOREM TAXES ON PROPERTY LOCATED
 25 WITHIN ANNEXED TERRITORY THAT HAS HAD THE ANNEXATION ORDERED NULL
 26 AND VOID OR PARTIALLY ORDERED NULL AND VOID, AS THE CASE MAY BE;
 27 AND FOR RELATED PURPOSES.

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

29 **SECTION 1.** Section 21-1-27, Mississippi Code of 1972, is

30 amended as follows:



31 21-1-27. (1) The limits and boundaries of existing cities,
32 towns and villages shall remain as now established until altered
33 in the manner hereinafter provided. When any municipality * * *
34 desires to enlarge or contract the boundaries * * * by
35 adding * * * to its boundaries adjacent unincorporated territory
36 or excluding * * * from its boundaries any part of the
37 incorporated territory of * * * the municipality, the governing
38 authorities of * * * the municipality shall pass an ordinance
39 defining with certainty the territory proposed to be included in
40 or excluded from the corporate limits, and also defining the
41 entire boundary as changed. * * * If the municipality desires to
42 enlarge * * * the boundaries, * * * the ordinance shall * * *
43 describe the * * * additional benefits and services that must be
44 rendered to the annexed territory within five (5) years of the
45 ordered annexation date. The additional benefits and services
46 shall not be benefits and services that are furnished to the
47 proposed annexed territory by other governmental or private
48 authorities. In addition, the ordinance shall state with
49 specificity the additional benefits and services that must be
50 named and measurable. If the municipality desiring to enlarge its
51 boundaries cannot extend the additional and measurable benefits
52 and services to the proposed annexed territory within five (5)
53 years, as required in this section, then the annexation shall be
54 ordered null and void with respect to the portion of the annexed
55 territory where the additional benefits and services have not been



56 provided. * * * If the municipality * * * desires to contract its
57 boundaries, * * * the ordinance shall also contain a statement of
58 the reasons for * * * the contraction and a statement
59 showing * * * how the public convenience and necessity would be
60 served * * * by the contraction.

61 (2) [Repealed]

62 (3) [Repealed]

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

65 21-1-33. (1) If the chancellor finds from the evidence
66 presented at the hearing that the proposed enlargement or
67 contraction is reasonable and is required by the public
68 convenience and necessity and, in the event of an enlargement of a
69 municipality, that reasonable public and municipal services will
70 be rendered in the annexed territory within a reasonable time that
71 shall not exceed five (5) years and that the governing authority
72 of the municipality complied with the provisions of Section
73 21-1-27, the chancellor shall enter a decree approving, ratifying
74 and confirming the proposed enlargement or contraction, and
75 describing the boundaries of the municipality as altered. In so
76 doing the chancellor shall have the right and the power to modify
77 the proposed enlargement or contraction by decreasing the
78 territory to be included in or excluded from the municipality, as
79 the case may be.



80 (2) If the chancellor * * * finds from the evidence that the
81 proposed enlargement or contraction, as the case may be, is
82 unreasonable and is not required by the public convenience and
83 necessity, or in the event of an enlargement of a municipality,
84 that the governing authority of the municipality failed to comply
85 with the provisions of Section 21-1-27, then he shall enter a
86 decree denying the enlargement or contraction.

87 (3) In any event, the decree of the chancellor shall become
88 effective after the passage of ten (10) days from the date thereof
89 or, in the event an appeal is taken therefrom, within ten (10)
90 days from the final determination of the appeal. In any
91 proceeding under this section the burden shall be upon the
92 municipal authorities to show that the proposed enlargement or
93 contraction is reasonable.

94 (4) If additional measurable services and benefits are not
95 provided to the annexed territory within five (5) years of the
96 ordered annexation date, as prescribed in Section 21-1-27, then
97 the annexation shall be ordered null and void by the chancery
98 court with respect to the portion of the annexed territory where
99 the additional benefits and services have not been provided.

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

102 21-33-1. Except for formerly annexed territory within a
103 municipality that has had its annexation or a portion of its
104 annexation, as the case may be, ordered null and void, as provided



105 in Section 21-1-33(4), all lands and other taxable property
106 subject to assessment, held by any person within the municipality,
107 or in added territory, on the first day of January, shall be
108 assessed, and ad valorem taxes thereon levied and collected for
109 the ensuing year, excepting motor vehicles as defined by the
110 "Motor Vehicle Ad Valorem Tax Law of 1958," Sections 27-51-1
111 through 27-51-49 * * *.

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

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

128 Provided, however, that when a municipality is created or the
129 corporate limits thereof extended after January 1 of any year it



130 shall have, prior to July 1 of said year, the full right and power
131 to assess said property and collect taxes for the current year to
132 the same extent as if it had been created or limits extended prior
133 to January 1 of that year. However, such full right and power to
134 assess property and collect taxes shall not apply to formerly
135 annexed territory that has had the annexation or a portion of its
136 annexation, as the case may be, ordered null and void, as provided
137 in Section 21-1-33(4).

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

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

143 27-51-9. (1) For the purposes of this chapter, the fiscal
144 year shall commence on August 1 and shall end on July 31 of each
145 year. The taxable year shall run concurrently with the taxable
146 year in effect in the law pertaining to the payment of the road
147 and bridge privilege license tax on motor vehicles. Except as
148 otherwise provided in Section 27-41-2, ad valorem taxes on motor
149 vehicles shall be collected by the county tax collector for the
150 county and state and by the municipal tax collector for the
151 municipalities. However, the municipal tax collector shall not
152 collect ad valorem taxes on motor vehicles within formerly annexed
153 territory that has had the annexation or a portion of the



154 annexation, as the case may be, ordered null and void, as provided
155 in Section 21-1-33(4).

156 (2) Ad valorem taxes for any ensuing year may be paid during
157 the month as provided in Section 27-19-31, however, and said ad
158 valorem taxes on any motor vehicle must be paid at the same time
159 or prior to the time that the road and bridge privilege license is
160 issued for the subject motor vehicle, unless herein otherwise
161 specifically exempt from such ad valorem taxes. The ad valorem
162 tax on motor vehicles shall be computed on the millage rates in
163 effect at the time such privilege license tax is to be paid.

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

166 27-51-29. Except for formerly annexed territory within a
167 municipality that has had the annexation or a portion of its
168 annexation, as the case may be, ordered null and void, as
169 prescribed in Section 21-33-1(4), any municipality in the state
170 desiring to have its motor vehicle ad valorem taxes collected by
171 the county tax collector at the same time and in the same manner
172 provided for by this chapter for collecting county and state ad
173 valorem taxes on motor vehicles may do so by proceeding as
174 follows:

175 On or before the 1st day of May, the municipal board shall
176 enter an order upon its minutes signifying its desire to have the
177 county tax collector collect its motor vehicle ad valorem taxes at
178 the same time and in the same manner that he collects the county



179 and state ad valorem taxes on such motor vehicles for the ensuing
180 fiscal year. A certified copy of this order shall be furnished
181 the tax collector of the county, the * * * Department of Revenue,
182 and the administrator of the road and bridge privilege tax laws.
183 In such case, it shall be mandatory that such municipal ad valorem
184 taxes be collected by the county tax collector.

185 The authorization of the tax collector to collect municipal
186 taxes on this class of property shall also include the collection
187 of such taxes on such property located in the municipal separate
188 school district, if any, although such property is located outside
189 of the corporate limits of such municipality.

190 On or before September fifteenth, the municipal clerk shall
191 certify to the county tax collector a copy of its official tax
192 levy for the then ensuing fiscal year. On this tax levy, the
193 clerk shall not only certify as to the tax levy for each purpose
194 for which it was levied, but he shall also certify as to the total
195 amount of the levy for all municipal purposes, and he shall show
196 separately the total amount of the levy for the municipal separate
197 school district, if the said municipality is a part of a municipal
198 separate school district.

199 After collecting such municipal and municipal separate school
200 district ad valorem taxes, the county tax collector shall retain
201 the fee, as allowed in Section 25-7-21, * * * except in no
202 instance shall his fee be less than two percent (2%) of such
203 collection for the services furnished by a county office in



204 collecting municipal separate school district taxes. Such fees
205 shall be paid into the county general fund. The tax collector
206 shall, on or before the twentieth day of the following month,
207 remit to the municipality the remaining portion of such taxes so
208 collected for and during the preceding month. A report of the
209 total assessed value of the subject motor vehicle on which such
210 municipal ad valorem taxes were collected for the preceding month
211 shall be forwarded to the municipality along with the said
212 remittance.

213 The records of the county tax collector shall be available at
214 any time during regular office hours for inspection by the
215 municipal authorities or their authorized agents to determine as
216 to whether or not any such taxpayer has been properly assessed,
217 both as to value and as to situs of the subject motor vehicle, and
218 as to whether or not the proper tax has been collected and
219 remitted for the benefit of the municipality and municipal
220 separate school district, in proper cases, if such municipality
221 has officially authorized said tax collector to collect its motor
222 vehicle ad valorem taxes as provided hereinabove.

223 For similar violations of this chapter, the same penalties
224 shall apply in favor of any municipality, in proper cases, which
225 apply in favor of the counties. The tax collector shall be liable
226 on his official bond to the municipality for any failure on his
227 part to assess, collect and remit the correct amount of taxes due



228 any municipality under the provisions of this chapter on any motor
229 vehicle for which he collects county and state ad valorem taxes.

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

232 27-39-307. Except for formerly annexed territory within a
233 municipality that has had the annexation or a portion of the
234 annexation, as the case may be, ordered null and void, as
235 prescribed in Section 21-33-1(4), municipalities may levy ad
236 valorem taxes upon all taxable property within such municipality
237 for general revenue purposes and for general improvements.
238 Further, the governing authorities of any municipality may make
239 additional levies for special purposes as authorized by law. Any
240 such levy which is an increase from the previous fiscal year must
241 be advertised in accordance with Sections 27-39-203 and 27-39-205.
242 In addition to funding municipal general purposes, the municipal
243 general ad valorem tax levy may be used to supplement any
244 municipal ad valorem tax levy for a special purpose authorized by
245 law, excluding levies for schools, without regard to any statutory
246 millage limitation on such special purpose tax levy; however,
247 nothing herein contained shall be construed to exempt such tax
248 levies from the limitation on total receipts under Section
249 27-39-321.

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

