

By: Senator(s) Jordan

To: Municipalities

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2921

1 AN ACT TO PERMIT MUNICIPALITIES TO GRANT LIEN AMNESTY TO
2 NONPROFITS AND OTHERS INTERESTED IN DEVELOPING BLIGHTED REAL
3 ESTATE; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** (1) The governing authority of any municipality
6 may forgive liens imposed on real property for the costs, fines,
7 penalties and other assessments associated with the municipality's
8 cleaning of real property pursuant to Section 21-19-11,
9 Mississippi Code of 1972, subject to the following:

10 (a) The real property must be in a blighted condition
11 if it has been vacant and in a deteriorated condition which
12 necessitated the municipality's imposition of a lien in order to
13 correct specific code violations.

14 (b) The liens imposed by the municipality must have
15 been in existence and declared uncollectible for a period of at
16 least five (5) years.

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



27 (d) The nonprofit entity or for profit developer must
28 have obtained the blighted estate for a sum not exceeding seventy
29 percent (70%) of the real estate's appraised value.

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 (i) the contract of sale;
- 34 (ii) appraisal reports from two reputable real
35 estate appraisers and
- 36 (iii) plans for the real estate's development and
37 anticipated use.

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

43 (4) If the blighted property remains undeveloped after
44 eighteen (18) months and the municipality has not extended the
45 period for development of the real estate, the nonprofit entity or
46 for profit developer must pay the principal amount of the
47 municipality's lien plus interest at the rate of eight percent
48 (8%) per annum.

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

58 (6) If a for profit developer or nonprofit entity sells or
59 disposes of the real property prior to development from its



60 blighted condition without the municipality's approval, then the
61 for profit developer or nonprofit entity shall be liable to the
62 city for the principal amount of the lien plus interest at the
63 rate of eight percent (8%), and a penalty of One Thousand Five
64 Hundred Dollars (\$1,500.00) will also be assessed against the
65 developer.

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

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

72 **SECTION 2.** This act shall take effect and be in force from
73 and after July 1, 2002.

