

By: Senator(s) Harden, Jackson (11th),
Butler, Morgan

To: Municipalities

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3019

1 AN ACT TO AMEND SECTION 21-19-12, MISSISSIPPI CODE OF 1972,
2 TO REDUCE FROM FIVE YEARS TO TWO YEARS THE TIME PERIOD REQUIRED
3 FOR THE EXISTENCE OF A MUNICIPALLY IMPOSED LIEN ON CERTAIN REAL
4 PROPERTY IN ORDER FOR SUCH PROPERTY TO BE ELIGIBLE FOR FORGIVENESS
5 OF THE LIEN; AND FOR 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 pursuant to Section 21-19-11,
13 Mississippi Code of 1972, subject to the following:

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

18 (b) The liens imposed by the municipality must have
19 been in existence and declared uncollectible for a period of at
20 least two (2) years.

21 (c) The real property must be purchased by a nonprofit
22 entity or for-profit developer and converted from its blighted
23 condition. For purposes of this section, "nonprofit" entity means
24 an association, organization, or corporation which is a nonprofit
25 organization in accordance with Section 501(c)(3) of the Internal
26 Revenue Code and provides proof of its tax exempt status.

27 "For-profit developer" means an individual partnership or
28 corporation other than the real property's owner who purchases

29 property considered to be in blighted condition and converts it to
30 productive use.

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

34 (2) The for-profit developer or nonprofit entity must file
35 an application with the municipality seeking lien amnesty. The
36 application must include the following:

37 (a) The contract of sale;

38 (b) Appraisal reports from two (2) reputable real
39 estate appraisers; and

40 (c) Plans for the real estate's development and
41 anticipated use.

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

47 (4) If the blighted property remains undeveloped after
48 eighteen (18) months and the municipality has not extended the
49 period for development of the real estate, the nonprofit entity or
50 for-profit developer must pay the principal amount of the
51 municipality's lien plus interest at the rate of eight percent
52 (8%) per annum.

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

62 (6) If a for-profit developer or nonprofit entity sells or
63 disposes of the real property prior to development from its
64 blighted condition without the municipality's approval, then the
65 for-profit developer or nonprofit entity shall be liable to the
66 city for the principal amount of the lien plus interest at the
67 rate of eight percent (8%), and a penalty of One Thousand Five
68 Hundred Dollars (\$1,500.00) will also be assessed against the
69 developer.

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

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

76 **SECTION 2.** This act shall take effect and be in force from
77 and after July 1, 2004.