



Legislative Update:

The 2014 Legislative Session adjourned Sine Die last night at about 10:00 PM. It was another productive Session for Mississippi REALTORS® and I want to thank everyone who took the time to answer the “Calls for Action” and get involved in the Legislative Process. While we had many substantial victories, I am particularly happy to report that the “Commercial Broker Lien Act” is on its way to Governor Bryant for his signature. This is great legislation that I know will be beneficial to many of our members. The information below summarizes our efforts for the Legislative Session.

Below you will find the status of MAR Priorities either Signed by the Governor or awaiting his Signature:

Commercial Broker Lien Law – The “Commercial Real Estate Broker Lien Act” Conference Report was adopted by both chambers and is on its way to Governor Bryant for his signature. SB 2559 will allow for a commercial real estate broker to obtain and foreclose upon a lien as a legal remedy against a property if the buyer/seller or lessee/lessor fails to pay the broker the agreed upon commission/fee.

- Senate Bill 2559 – Awaiting Governor’s Signature

Subcontractor Lien Law / Stop Notice Provision – A Conference Report on SB 2622 to address constitutional issues created in the Noatex vs. King Construction case has been adopted by both chambers and is awaiting Governor Bryant’s Signature. In 2012, Judge S. Allan Alexander ruled that the Mississippi stop notice law is unconstitutional. The 5th Circuit Court of Appeals upheld the ruling in the fall of 2013. As a result of the ruling, sub-contractors and material providers have no expedient way to pursue construction disputes involving non-payment from contractors and a new law must be created as a remedy. The bill has a section that includes language specific to residential liens. The purpose of the residential section is to prevent an owner from paying twice. Language gives an absolute defense to the residential owner if they have paid and the other wording requires a 10 day pre-lien notice before a lien can be filed on residential projects. The intent is to provide the residential owner the opportunity to show proof of payment before a lien can be filed. The bill also limits the amount of the lien to the amount remaining on the balance of the contract. Some of the highlights on commercial projects in SB 2622 are as follows:

- The lien bill provides lien rights on private jobs that are similar in scope to the protections subs and material providers already have on bonded public jobs;
 - Lien claimants not in privity with the GC on commercial jobs, must identify themselves to the GC within 30 days of first delivery of labor, services or materials;
 - Liens on commercial jobs are dissolved if owner or lender can show they paid in reliance on lien waiver collected by the GC or on the GC's sworn statement that subs or suppliers are paid;
 - However, GC are subject to triple damages for any false affidavits or statements of payment;
- Senate Bill 2622 – Awaiting Governor’s Signature

Establish standards for measuring certain residential properties - Conference reports have been adopted and the bill has been sent to the Governor. This legislation establishes a uniform standard for measuring residential properties (up to four units) and requires appraisers to indicate the standard of measurement they used in an appraisal. It also gives the Appraisal Board the authority conduct surveys as necessary. This will give the Board the ability to commission a survey to determine the reasonable and customary fees to be paid to an appraiser. Assuming the House and Senate adopt their conference reports this week, the bill will then go to Governor Bryant for his signature.

- Senate Bill 2559 – Awaiting Governor’s Signature

Requiring Criminal Background checks for Real Estate Appraisers – SB 2475 has been signed by Governor Bryant. This legislation will require criminal background checks for all real estate appraisers beginning January 1, 2015. No new licenses will be issued in the state without the passage of this legislation. The background checks will be completed by the Department of Public Safety and the Federal Bureau of Investigation Identification Division.

- Senate Bill 2475 - Signed by the Governor

Background Checks of Appraisal Management Companies – This legislation will require each individual who has a 10% ownership interest in an Appraisal Management Company to undergo a fingerprinted-based criminal background check prior to registration of a company and then every 3 years after that.

- Senate Bill 2538 – Awaiting Governor’s Signature

Creating a nationally recognized codes and standards as state uniform construction code – SB 2378 has been signed by Governor Bryant. This bill requires all cities and counties to follow the building code adopted and amended by the Mississippi Building Code Council (MBCC). The legislation would require cities and counties to follow one of the three latest editions of the

International Residential Code adopted by the MBCC. However, the municipality or county has 120 days after the bill goes into law to opt out of the mandate. The legislation also states that the mandatory fire sprinkler provisions are to be exempted from the codes. Cities and counties can still adopt codes beyond what is adopted by the MBCC, but no code less stringent.

- Senate Bill 2378 - Signed by the Governor

Property Insurance Clarity Act – Would require insurers to disclose how much they collect in premiums and how much they pay in claims in each ZIP code. The bill aims to show how much coastal homeowners are charged to cover against hurricanes, as well as make it clearer what areas private wind insurers are avoiding.

- House Bill 753 – Awaiting Governor’s Signature

Continuing the authority of the Mississippi home corporation to issue a certain amount of bonds - An act to extend until July 1, 2019, the provision of law that authorizes the Mississippi Home Corporation to issue bonds and notes annually in an aggregate principal amount not to exceed \$350,000,000.

- SB 2556 – Signed by the Governor

Headquarter Relocation Tax Credit - HB 785 has been signed by Governor Bryant. This legislation provides an Income tax credit for businesses moving regional or national HQ to Mississippi equal to the amount of costs of moving. The credit is capped at \$1 million for all for all taxpayers statewide. It provides a tax credit in the amount of actual relocation costs incurred by a business relocating its corporate headquarters to the State of Mississippi.

- HB 785 – Signed by the Governor

Alternative Method of Income Tax Apportionment – HB 799 requires the Dept. of Revenue to prove an alternative method is needed, reduces interest penalties from 1% to 0.5%, requires DOR appeals board to issue an order within 9 months and allows taxpayers to appeal to chancery court. It also requires the party requesting an alternative method to bear the burden of proof and prevents Dept. of Revenue from imposing penalties without clear and convincing evidence. Finally, it would require DOR board of tax appeals decision within six months.

- HB 799 – Awaiting Governor’s Signature

Publication of Property Valuation after Reappraisal – HB 37 has been signed by Governor Bryant and says that during the fiscal year in which a county has completed a countywide reappraisal of the valuation of the property and there is an increase in the assessed valuation of the property, each taxing unit in the county shall publish in the Newspaper what the lower millage rate would be in order to produce the same amount of revenue from ad valorem

taxation on property of the taxing unit that was produced in the fiscal year before the property of the taxing unit was reappraised.

- HB 37- Signed by the Governor

Increase the Time to Request a Wetlands Permit - HB 94, already signed by Governor Bryant, will increase to ninety days the amount of time for which an applicant can request for an extension for a coastland wetlands permit to the Mississippi Commission on Marine Resources.

- HB 94 – Signed by the Governor

Centralized Filing of Tax Liens – HB 487 has been signed by Governor Bryant and will centralize Tax Liens at the Mississippi State Dept. of Revenue instead of with Circuit Clerks and will make the county filing optional.

- HB 487- Signed by the Governor

Name Reservation/Registration Amendment – SB 2511 has been signed by Governor Bryant and harmonizes name reservation across all business entity types by repealing name registration for foreign corporations and non-profits and repealing the sixty (60) day waiting period for re-reservations of LLCs and LPs. Under the proposal, all business entities may reserve a name for six (6) months. The business entity may renew the reservation within thirty (30) days of expiration. Upon expiration, anyone may reserve the name.

- SB 2511 – Signed by the Governor

Tax-Forfeited Property Bill – SB 2394 has been signed by Governor Bryant and allows corporations to purchase tax-forfeited land from the State, increasing the pool of potential purchasers. The bill also caps the amount of tax-forfeited land a corporation can purchase at 160 acres per year.

- SB 2394 – Signed by the Governor

Charter School Legislation - HB 455 removed the law degree requirement for the Charter School Board Executive Director position and HB 1476 provides funding of the Charter School Board.

- HB 455 – Signed by the Governor
 - HB 1476 - Awaiting Governor's Signature
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