

By: Representative Robinson (84th)

To: Ways and Means

HOUSE BILL NO. 1482

1 AN ACT TO IMPOSE AN AD VALOREM TAX ON ALL NONPRODUCING
2 MINERAL ESTATES AND LEASEHOLD INTERESTS IN MINERALS OWNED
3 SEPARATELY AND APART FROM THE SURFACE ESTATE; TO PROVIDE THAT
4 WHERE THE TAX BECOMES DELINQUENT THE MINERAL ESTATE OR LEASEHOLD
5 INTEREST SHALL BE SOLD IN THE SAME MANNER AS LANDS ARE SOLD FOR
6 NONPAYMENT OF TAXES; TO AMEND SECTIONS 27-31-85 AND 27-31-1,
7 MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS
8 ACT; TO REPEAL SECTIONS 27-31-73 AND 27-31-75, MISSISSIPPI CODE OF
9 1972, WHICH RELATE TO THE EXEMPTION OF NONPRODUCING MINERAL AND
10 LEASEHOLD INTERESTS FROM AD VALOREM TAXES; AND FOR RELATED
11 PURPOSES.

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 SECTION 1. (1) From and after January 1, 1999, there shall
15 be levied an ad valorem tax of Five Cents (5¢) per mineral or
16 royalty acre, as defined in Section 27-31-71, upon all
17 nonproducing mineral estates and all leasehold interests in
18 minerals which are owned separately and apart from the surface
19 estate. Such tax shall become due and be payable in the same
20 manner as taxes on the surface estate. All nonproducing mineral
21 estates and all leasehold interests in minerals which are not
22 owned separately and apart from the surface estate shall be exempt
23 from all ad valorem taxes levied on or after January 1, 1999, by
24 the State of Mississippi, or any county, municipality, levee
25 district, road district, school district, drainage district or
26 other taxing district within the state.

27 (2) If the taxes provided for in subsection (1) of this
28 section are not paid when they become due, such mineral estate or
29 leasehold interest shall be sold in the same manner and in
30 accordance with the same procedure as prescribed by law for the
31 sale of lands for nonpayment of taxes, which procedure shall

32 include the advertising of mineral estates and leasehold interests
33 on which taxes have not been paid, the providing of notice that a
34 mineral estate or leasehold interest has been sold for nonpayment
35 of taxes, the right to redeem a mineral estate or leasehold
36 interest sold for nonpayment of taxes, the amount necessary to
37 redeem the mineral estate or leasehold interest from the tax sale
38 and the time when the redemption period will expire.

39 SECTION 2. Section 27-31-85, Mississippi Code of 1972, is
40 amended as follows:

41 27-31-85. From the taxes levied and collected under and by
42 virtue of Sections 27-31-77 to 27-31-83 inclusive, and Section 1
43 of this act, the chancery clerk shall retain ten percent (10%) as
44 a fee for the collection thereof, and shall pay the remainder
45 thereof into the proper depository to the credit of the county,
46 one-half (1/2) to the common county fund and one-half (1/2) to the
47 county school fund. Such deposit shall be made on or before the
48 fifteenth day of the month next succeeding that in which such
49 collection may be made. * * *

50 SECTION 3. Section 27-31-1, Mississippi Code of 1972, is
51 amended as follows:

52 27-31-1. The following shall be exempt from taxation:

53 (a) All cemeteries used exclusively for burial
54 purposes.

55 (b) All property, real or personal, belonging to the
56 State of Mississippi or any of its political subdivisions, except
57 property of a municipality not being used for a proper municipal
58 purpose and located outside the county or counties in which such
59 municipality is located. A proper municipal purpose within the
60 meaning of this section shall be any authorized governmental or
61 corporate function of a municipality.

62 (c) All property, real or personal, owned by units of
63 the Mississippi National Guard, or title to which is vested in
64 trustees for the benefit of any unit of the Mississippi National
65 Guard; provided such property is used exclusively for such unit,
66 or for public purposes, and not for profit.

67 (d) All property, real or personal, belonging to any
68 religious society, or ecclesiastical body, or any congregation

69 thereof, or to any charitable society, or to any historical or
70 patriotic association or society, or to any garden or pilgrimage
71 club or association and used exclusively for such society or
72 association and not for profit; not exceeding, however, the amount
73 of land which such association or society may own as provided in
74 Section 79-11-33. All property, real or personal, belonging to
75 any rural waterworks system or rural sewage disposal system
76 incorporated under the provisions of Section 79-11-1. All
77 property, real or personal, belonging to any college or
78 institution for the education of youths, used directly and
79 exclusively for such purposes, provided that no such college or
80 institution for the education of youths shall have exempt from
81 taxation more than six hundred forty (640) acres of land;
82 provided, however, this exemption shall not apply to commercial
83 schools and colleges or trade institutions or schools where the
84 profits of same inure to individuals, associations or
85 corporations. All property, real or personal, belonging to an
86 individual, institution or corporation and used for the operation
87 of a grammar school, junior high school, high school or military
88 school. All property, real or personal, owned and occupied by a
89 fraternal and benevolent organization, when used by such
90 organization, and from which no rentals or other profits accrue to
91 the organization, but any part rented or from which revenue is
92 received shall be taxed.

93 (e) All property, real or personal, held and occupied
94 by trustees of public schools, and school lands of the respective
95 townships for the use of public schools, and all property kept in
96 storage for the convenience and benefit of the State of
97 Mississippi in warehouses owned or leased by the State of
98 Mississippi, wherein said property is to be sold by the Alcoholic
99 Beverage Control Division of the State Tax Commission of the State
100 of Mississippi.

101 (f) All property, real or personal, whether belonging

102 to religious or charitable or benevolent organizations, which is
103 used for hospital purposes, and nurses' homes where a part
104 thereof, and which maintain one or more charity wards that are for
105 charity patients, and where all the income from said hospitals and
106 nurses' homes is used entirely for the purposes thereof and no
107 part of the same for profit.

108 (g) The wearing apparel of every person; and also
109 jewelry and watches kept by the owner for personal use to the
110 extent of One Hundred Dollars (\$100.00) in value for each owner.

111 (h) Provisions on hand for family consumption.

112 (i) All farm products grown in this state for a period
113 of two (2) years after they are harvested, when in the possession
114 of or the title to which is in the producer, except the tax of
115 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
116 levied by the Board of Commissioners of the Mississippi Levee
117 District; and lint cotton for five (5) years, and cottonseed,
118 soybeans, oats, rice and wheat for one (1) year regardless of
119 ownership.

120 (j) All guns and pistols kept by the owner for private
121 use.

122 (k) All poultry in the hands of the producer.

123 (l) Household furniture, including all articles kept in
124 the home by the owner for his own personal or family use; but this
125 shall not apply to hotels, rooming houses or rented or leased
126 apartments.

127 (m) All cattle and oxen.

128 (n) All sheep, goats and hogs.

129 (o) All horses, mules and asses.

130 (p) Farming tools, implements and machinery, when used
131 exclusively in the cultivation or harvesting of crops or timber.

132 (q) All property of agricultural and mechanical
133 associations and fairs used for promoting their objects, and where
134 no part of the proceeds is used for profit.

135 (r) The libraries of all persons.

136 (s) All pictures and works of art, not kept for or
137 offered for sale as merchandise.

138 (t) The tools of any mechanic necessary for carrying on
139 his trade.

140 (u) All state, county, municipal, levee, drainage and
141 all school bonds or other governmental obligations, and all bonds
142 and/or evidences of debts issued by any church or church
143 organization in this state, and all notes and evidences of
144 indebtedness which bear a rate of interest not greater than the
145 maximum rate per annum applicable under the law; and all money
146 loaned at a rate of interest not exceeding the maximum rate per
147 annum applicable under the law; and all stock in or bonds of
148 foreign corporations or associations shall be exempt from all ad
149 valorem taxes.

150 (v) All lands and other property situated or located
151 between the Mississippi River and the levee shall be exempt from
152 the payment of any and all road taxes levied or assessed under any
153 road laws of this state.

154 (w) Any and all money on deposit in either national
155 banks, state banks or trust companies, on open account, savings
156 account or time deposit.

157 (x) All wagons, carts, drays, carriages and other horse
158 drawn vehicles, kept for the use of the owner.

159 (y) (1) Boats, seines and fishing equipment used in
160 fishing and shrimping operations and in the taking or catching of
161 oysters.

162 (2) All towboats, tugboats and barges documented
163 under the laws of the United States, except watercraft of every
164 kind and character used in connection with gaming operations.

165 (z) All materials used in the construction and/or
166 conversion of vessels in this state; vessels while under
167 construction and/or conversion; vessels while in the possession of

168 the manufacturer, builder or converter, for a period of twelve
169 (12) months after completion of construction and/or conversion,
170 and as used herein the term "vessel" shall include ships, offshore
171 drilling equipment, dry docks, boats and barges, except watercraft
172 of every kind and character used in connection with gaming
173 operations.

174 (aa) Sixty-six and two-thirds percent (66-2/3%) of
175 nuclear fuel and reprocessed, recycled or residual nuclear fuel
176 by-products, fissionable or otherwise, used or to be used in
177 generation of electricity by persons defined as public utilities
178 in Section 77-3-3.

179 (bb) All growing nursery stock.

180 (cc) A semitrailer used in interstate commerce.

181 (dd) All property, real or personal, used exclusively
182 for the housing of and provision of services to elderly persons,
183 disabled persons, mentally impaired persons or as a nursing home,
184 which is owned, operated and managed by a not-for-profit
185 corporation, qualified under Section 501(c)(3) of the Internal
186 Revenue Code, whose membership or governing body is appointed or
187 confirmed by a religious society or ecclesiastical body or any
188 congregation thereof.

189 (ee) All vessels while in the hands of bona fide
190 dealers as merchandise and which are not being operated upon the
191 waters of this state shall be exempt from ad valorem taxes. As
192 used in this paragraph the terms "vessel" and "waters of this
193 state" shall have the meaning ascribed to such terms in Section
194 59-21-3. (ff) All nonproducing mineral estates and all
195 leasehold interests in minerals that are not owned separately and
196 apart from the surface estate shall be exempt from all ad valorem
197 taxes levied on or after January 1, 1999.

198 SECTION 4. Sections 27-31-73 and 27-31-75, Mississippi Code
199 of 1972, which relate to the exemption of nonproducing mineral and

200 leasehold interests, are repealed.

201 SECTION 5. This act shall take effect and be in force
202 retroactively from and after January 1, 1999.