

By: Minor

To: Finance

SENATE BILL NO. 2772
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A REQUEST FOR AN AD VALOREM TAX EXEMPTION FOR
3 CERTAIN NEW ENTERPRISES MUST BE REQUESTED BY APRIL 1 OF THE YEAR
4 IMMEDIATELY FOLLOWING THE DATE OF COMPLETION OF SUCH NEW
5 ENTERPRISE; TO AMEND SECTION 27-31-105, MISSISSIPPI CODE OF 1972,
6 TO PROVIDE THAT THE TIME OF AD VALOREM TAX EXEMPTIONS GRANTED TO
7 MANUFACTURERS AND CERTAIN OTHER ENTERPRISES FOR ADDITIONS OR
8 EXPANSIONS TO FACILITIES OR PROPERTY AND REPLACEMENTS OF
9 EQUIPMENT, SHALL COMMENCE ON THE DATE OF THE COMPLETION OF THE
10 ADDITION, EXPANSION OR REPLACEMENT; TO PROVIDE THAT ANY REQUEST
11 FOR SUCH AN EXEMPTION MUST BE MADE BY APRIL 1 OF THE YEAR
12 IMMEDIATELY FOLLOWING THE DATE OF COMPLETION OF THE ADDITION,
13 EXPANSION OR REPLACEMENT; AND FOR RELATED PURPOSES.

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

15 SECTION 1. Section 27-31-101, Mississippi Code of 1972, is
16 amended as follows:[CRG1]

17 27-31-101. County boards of supervisors and municipal
18 authorities are hereby authorized and empowered, in their
19 discretion, to grant exemptions from ad valorem taxation, except
20 state ad valorem taxation. Provided, however, said governing
21 authorities shall not exempt ad valorem taxes for school district
22 purposes on tangible property used in, or necessary to, the
23 operation of the manufacturers and other new enterprises
24 hereinafter enumerated by classes, except to the extent authorized
25 in Sections 27-31-104 and 27-31-105(2), nor shall they exempt from
26 ad valorem taxes the products thereof or automobiles and trucks
27 belonging to the said manufacturers or other new enterprises
28 operating on and over the highways of the State of Mississippi.
29 The time of such exemption shall be for a period not to exceed a
30 total of ten (10) years which shall begin on the date of
31 completion of the new enterprise for which the exemption is

32 granted; however, boards of supervisors and municipal authorities,
33 in lieu of granting the exemption for one (1) period of ten (10)
34 years, may grant the exemption in a period of less than ten (10)
35 years. When the initial exemption period granted is less than ten
36 (10) years, the boards of supervisors and municipal authorities
37 may grant a subsequent consecutive period or periods to follow the
38 initial period of exemption, provided that the total of all
39 periods of exemption shall not exceed ten (10) years. The date of
40 completion of the new enterprise, from which the initial period of
41 exemption shall begin, shall be the date on which operations of
42 the new enterprise begin. Any request for an exemption must be
43 made in writing by April 1 of the year immediately following the
44 year in which the date of completion of a new enterprise occurs,
45 unless good cause can be shown for extending this deadline, but in
46 no event shall the time of filing an application for such
47 exemption be extended beyond August 1 of the year immediately
48 following the year in which the date of completion of the new
49 enterprise occurs.

50 Any board of supervisors and/or municipal governing
51 authorities which has entered into an agreement with an enterprise
52 to grant an exemption for a period of not more than ten (10)
53 years, as this section authorized prior to amendment by Chapter
54 524, Laws of 1989 (Senate Bill 2925, 1989 Regular Session), may
55 grant the exemption agreed upon provided that proof is presented
56 to the State Tax Commission that the agreement was negotiated and,
57 with respect to which, official action has been taken by the board
58 of supervisors and/or municipal governing authorities, prior to
59 July 1, 1989.

60 Any exemption from ad valorem taxes heretofore granted to
61 existing enterprises shall continue in full force and effect but
62 only as to tangible property heretofore included in the exemption
63 but not as to tangible property that may be later added as an
64 addition or improvement to the exempt tangible property.

65 Any board of supervisors or municipal authority which has
66 entered into an agreement prior to July 1, 1989, with a specific
67 and new enterprise authorized to be exempt under the provisions of
68 Section 27-31-101, may grant an exemption under this section

69 provided said agreement is in writing and the date of the
70 agreement is certified by the chancery clerk or municipal clerk of
71 the granting authority. It is the intent of the Legislature to
72 permit an exemption allowed under this section in those instances
73 where the granting authority has in good faith negotiated with the
74 new enterprise as to said exemption, and the agreement is reduced
75 to writing and the date certified as provided in this paragraph,
76 but to prohibit the granting of an exemption after June 30, 1989,
77 under Section 27-31-101 as to ad valorem taxes for school district
78 purposes, except to the extent authorized in Sections 27-31-104
79 and 27-31-105(2).

80 Any board of supervisors or municipal authority which has
81 granted an exemption for a period of less than ten (10) years may
82 grant subsequent periods of exemption to run consecutively with
83 the initial exemption period, or a subsequently granted exemption
84 period, but in no case shall the total of the exemption periods
85 granted for a new enterprise exceed ten (10) years. Any
86 consecutive period of exemption shall be granted by entry of an
87 order by the board or the authority granting the consecutive
88 exemption on its minutes, reflecting the granting of the
89 consecutive exemption period and the dates upon which such
90 consecutive exemption period begins and expires. The entry of
91 this order granting the consecutive period of exemption shall be
92 made before the expiration of the exemption period immediately
93 preceding the consecutive exemption period being granted.

94 The new enterprises which may be exempt are enumerated as and
95 limited to the following, as determined by the State Tax
96 Commission:

97 Warehouse and/or distribution centers;

98 Manufacturing, processors and refineries;

99 Research facilities;

100 Corporate regional and national headquarters meeting minimum
101 criteria established by the Department of Economic and Community

102 Development;

103 Movie industry studios meeting minimum criteria established
104 by the Department of Economic and Community Development;

105 Air transportation and maintenance facilities meeting minimum
106 criteria established by the Department of Economic and Community
107 Development;

108 Recreational facilities that impact tourism meeting minimum
109 criteria established by the Department of Economic and Community
110 Development; and

111 Telecommunications enterprises meeting minimum criteria
112 established by the Department of Economic and Community
113 Development. The term "telecommunications enterprises" means
114 entities engaged in the creation, display, management, storage,
115 processing, transmission or distribution for compensation of
116 images, text, voice, video or data by wire or by wireless means,
117 or entities engaged in the construction, design, development,
118 manufacture, maintenance or distribution for compensation of
119 devices, products, software or structures used in the above
120 activities. Companies organized to do business as commercial
121 broadcast radio stations, television stations or news
122 organizations primarily serving in-state markets shall not be
123 included within the definition of the term "telecommunications
124 enterprises."

125 SECTION 2. Section 27-31-105, Mississippi Code of 1972, is
126 amended as follows:[WAN2]

127 27-31-105. (1) Any person, firm or corporation who owns or
128 operates a manufacturing or other enterprise of public utility as
129 enumerated in Section 27-31-101 and who makes additions to or
130 expansions of the facilities or properties or replaces equipment
131 used in connection with or necessary to the operation of such
132 enterprise may be granted an exemption from ad valorem taxation,
133 except state ad valorem taxation, upon each such addition to or
134 expansion of the facility or property or replacement of equipment,

135 within the discretion of the county board of supervisors and
136 municipal authorities. Provided, however, said governing
137 authorities shall not exempt ad valorem taxes for school district
138 purposes on such additions or expansions of the facility or
139 property, or replacement of equipment, except that this provision
140 shall not apply to or affect any exemptions from ad valorem taxes
141 for school district purposes which were granted under this section
142 prior to the effective date of this chapter and such exemptions
143 heretofore granted shall continue in force for the period of time
144 for which they were granted, unless the grantor and grantee of the
145 exemption agree otherwise. In order to obtain such exemptions
146 upon additions to or expansions of the facilities or properties,
147 or replacement of equipment, such person, firm or corporation
148 shall follow the same procedure prescribed for obtaining an
149 exemption on a new enterprise, except as otherwise provided
150 herein. For any additions, expansions or replacements with
151 reference to any particular new enterprise, which additions,
152 expansions or replacements have been completed during any calendar
153 year, only one (1) request must be made for the exemptions sought
154 for such additions, expansions or replacements. * * * The time
155 of * * * such exemption * * * shall commence from the date of
156 completion of such additions, expansions or replacements * * *,
157 and shall extend for a period not to exceed ten (10) years
158 thereafter; however, boards of supervisors and municipal
159 authorities, in lieu of granting the exemption for one (1) period
160 of ten (10) years, may grant the exemption in consecutive periods
161 of five (5) years each, but the total of such consecutive periods
162 shall not exceed ten (10) years. Any request for an exemption
163 must be made in writing by April 1 of the year immediately
164 following the year in which such additions, expansions or
165 replacements are completed unless good cause can be shown for
166 extending this deadline, but in no event shall the time of filing
167 an application for such exemption be extended beyond August 1 of

168 the year immediately following the year in which such additions,
169 expansions or replacements were completed.

170 (2) For expansions of facilities or properties or
171 replacement of equipment, county boards of supervisors and
172 municipal authorities may grant a fee in lieu of taxes in the same
173 manner, to the same extent, and with the same qualifying threshold
174 as provided for projects under Section 27-31-104, Mississippi Code
175 of 1972.

176 SECTION 3. This act shall take effect and be in force from
177 and after July 1, 2000.