

By: Minor

To: Finance

SENATE BILL NO. 2772
(As Sent to Governor)

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 JUNE 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 JUNE 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 June 1 of the year immediately following the
44 year in which the date of completion of a new enterprise occurs.

45 Any board of supervisors and/or municipal governing
46 authorities which has entered into an agreement with an enterprise
47 to grant an exemption for a period of not more than ten (10)
48 years, as this section authorized prior to amendment by Chapter
49 524, Laws of 1989 (Senate Bill 2925, 1989 Regular Session), may
50 grant the exemption agreed upon provided that proof is presented
51 to the State Tax Commission that the agreement was negotiated and,
52 with respect to which, official action has been taken by the board
53 of supervisors and/or municipal governing authorities, prior to
54 July 1, 1989.

55 Any exemption from ad valorem taxes heretofore granted to
56 existing enterprises shall continue in full force and effect but
57 only as to tangible property heretofore included in the exemption
58 but not as to tangible property that may be later added as an
59 addition or improvement to the exempt tangible property.

60 Any board of supervisors or municipal authority which has
61 entered into an agreement prior to July 1, 1989, with a specific
62 and new enterprise authorized to be exempt under the provisions of
63 Section 27-31-101, may grant an exemption under this section
64 provided said agreement is in writing and the date of the
65 agreement is certified by the chancery clerk or municipal clerk of
66 the granting authority. It is the intent of the Legislature to
67 permit an exemption allowed under this section in those instances
68 where the granting authority has in good faith negotiated with the

69 new enterprise as to said exemption, and the agreement is reduced
70 to writing and the date certified as provided in this paragraph,
71 but to prohibit the granting of an exemption after June 30, 1989,
72 under Section 27-31-101 as to ad valorem taxes for school district
73 purposes, except to the extent authorized in Sections 27-31-104
74 and 27-31-105(2).

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

89 The new enterprises which may be exempt are enumerated as and
90 limited to the following, as determined by the State Tax
91 Commission:

92 Warehouse and/or distribution centers;

93 Manufacturing, processors and refineries;

94 Research facilities;

95 Corporate regional and national headquarters meeting minimum
96 criteria established by the Department of Economic and Community
97 Development;

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

100 Air transportation and maintenance facilities meeting minimum
101 criteria established by the Department of Economic and Community

102 Development;

103 Recreational facilities that impact tourism meeting minimum
104 criteria established by the Department of Economic and Community
105 Development; and

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

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

122 27-31-105. (1) Any person, firm or corporation who owns or
123 operates a manufacturing or other enterprise of public utility as
124 enumerated in Section 27-31-101 and who makes additions to or
125 expansions of the facilities or properties or replaces equipment
126 used in connection with or necessary to the operation of such
127 enterprise may be granted an exemption from ad valorem taxation,
128 except state ad valorem taxation, upon each such addition to or
129 expansion of the facility or property or replacement of equipment,
130 within the discretion of the county board of supervisors and
131 municipal authorities. Provided, however, said governing
132 authorities shall not exempt ad valorem taxes for school district
133 purposes on such additions or expansions of the facility or
134 property, or replacement of equipment, except that this provision

135 shall not apply to or affect any exemptions from ad valorem taxes
136 for school district purposes which were granted under this section
137 prior to the effective date of this chapter and such exemptions
138 heretofore granted shall continue in force for the period of time
139 for which they were granted, unless the grantor and grantee of the
140 exemption agree otherwise. In order to obtain such exemptions
141 upon additions to or expansions of the facilities or properties,
142 or replacement of equipment, such person, firm or corporation
143 shall follow the same procedure prescribed for obtaining an
144 exemption on a new enterprise, except as otherwise provided
145 herein. For any additions, expansions or replacements with
146 reference to any particular new enterprise, which additions,
147 expansions or replacements have been completed during any calendar
148 year, only one (1) request must be made for the exemptions sought
149 for such additions, expansions or replacements. * * * The time
150 of * * * such exemption * * * shall commence from the date of
151 completion of such additions, expansions or replacements * * *,
152 and shall extend for a period not to exceed ten (10) years
153 thereafter; however, boards of supervisors and municipal
154 authorities, in lieu of granting the exemption for one (1) period
155 of ten (10) years, may grant the exemption in consecutive periods
156 of five (5) years each, but the total of such consecutive periods
157 shall not exceed ten (10) years. Any request for an exemption
158 must be made in writing by June 1 of the year immediately
159 following the year in which such additions, expansions or
160 replacements are completed.

161 (2) For expansions of facilities or properties or
162 replacement of equipment, county boards of supervisors and
163 municipal authorities may grant a fee in lieu of taxes in the same
164 manner, to the same extent, and with the same qualifying threshold
165 as provided for projects under Section 27-31-104, Mississippi Code
166 of 1972.

167 SECTION 3. This act shall take effect and be in force from

168 and after July 1, 2000.