MISSISSIPPI LEGISLATURE  
REGULAR SESSION 2000

By: Minor  
To: Finance

SENATE BILL NO. 2772
(As Sent to Governor)

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

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

SECTION 1. Section 27-31-101, Mississippi Code of 1972, is amended as follows:

27-31-101. County boards of supervisors and municipal authorities are hereby authorized and empowered, in their discretion, to grant exemptions from ad valorem taxation, except state ad valorem taxation. Provided, however, said governing authorities shall not exempt ad valorem taxes for school district purposes on tangible property used in, or necessary to, the operation of the manufacturers and other new enterprises hereinafter enumerated by classes, except to the extent authorized in Sections 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem taxes the products thereof or automobiles and trucks belonging to the said manufacturers or other new enterprises operating on and over the highways of the State of Mississippi. The time of such exemption shall be for a period not to exceed a total of ten (10) years which shall begin on the date of completion of the new enterprise for which the exemption is
granted; however, boards of supervisors and municipal authorities, in lieu of granting the exemption for one (1) period of ten (10) years, may grant the exemption in a period of less than ten (10) years. When the initial exemption period granted is less than ten (10) years, the boards of supervisors and municipal authorities may grant a subsequent consecutive period or periods to follow the initial period of exemption, provided that the total of all periods of exemption shall not exceed ten (10) years. The date of completion of the new enterprise, from which the initial period of exemption shall begin, shall be the date on which operations of the new enterprise begin. Any request for an exemption must be made in writing by June 1 of the year immediately following the year in which the date of completion of a new enterprise occurs.

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

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

Any board of supervisors or municipal authority which has entered into an agreement prior to July 1, 1989, with a specific and new enterprise authorized to be exempt under the provisions of Section 27-31-101, may grant an exemption under this section provided said agreement is in writing and the date of the agreement is certified by the chancery clerk or municipal clerk of the granting authority. It is the intent of the Legislature to permit an exemption allowed under this section in those instances where the granting authority has in good faith negotiated with the
new enterprise as to said exemption, and the agreement is reduced
to writing and the date certified as provided in this paragraph,
but to prohibit the granting of an exemption after June 30, 1989,
under Section 27-31-101 as to ad valorem taxes for school district
purposes, except to the extent authorized in Sections 27-31-104
and 27-31-105(2).

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

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

Warehouse and/or distribution centers;
Manufacturing, processors and refineries;
Research facilities;
Corporate regional and national headquarters meeting minimum
criteria established by the Department of Economic and Community
Development;
Movie industry studios meeting minimum criteria established
by the Department of Economic and Community Development;
Air transportation and maintenance facilities meeting minimum
criteria established by the Department of Economic and Community
Development;

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

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

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

27-31-105. (1) Any person, firm or corporation who owns or operates a manufacturing or other enterprise of public utility as enumerated in Section 27-31-101 and who makes additions to or expansions of the facilities or properties or replaces equipment used in connection with or necessary to the operation of such enterprise may be granted an exemption from ad valorem taxation, except state ad valorem taxation, upon each such addition to or expansion of the facility or property or replacement of equipment, within the discretion of the county board of supervisors and municipal authorities. Provided, however, said governing authorities shall not exempt ad valorem taxes for school district purposes on such additions or expansions of the facility or property, or replacement of equipment, except that this provision
shall not apply to or affect any exemptions from ad valorem taxes for school district purposes which were granted under this section prior to the effective date of this chapter and such exemptions heretofore granted shall continue in force for the period of time for which they were granted, unless the grantor and grantee of the exemption agree otherwise. In order to obtain such exemptions upon additions to or expansions of the facilities or properties, or replacement of equipment, such person, firm or corporation shall follow the same procedure prescribed for obtaining an exemption on a new enterprise, except as otherwise provided herein. For any additions, expansions or replacements with reference to any particular new enterprise, which additions, expansions or replacements have been completed during any calendar year, only one (1) request must be made for the exemptions sought for such additions, expansions or replacements. * * * The time of * * * such exemption * * * shall commence from the date of completion of such additions, expansions or replacements * * *, and shall extend for a period not to exceed ten (10) years thereafter; however, boards of supervisors and municipal authorities, in lieu of granting the exemption for one (1) period of ten (10) years, may grant the exemption in consecutive periods of five (5) years each, but the total of such consecutive periods shall not exceed ten (10) years. Any request for an exemption following the year in which such additions, expansions or replacements are completed.

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

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