

By: Hyde-Smith (By Request)

To: Oil, Gas and Other
Minerals

SENATE BILL NO. 2968

1 AN ACT TO AMEND SECTION 27-31-73, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE REGISTRATION WITH THE CHANCERY CLERK OF NONPRODUCING
3 SEVERED MINERAL INTERESTS; TO CREATE NEW SECTION 27-31-74,
4 MISSISSIPPI CODE OF 1972, TO ENACT REQUIREMENTS FOR SUCH
5 REGISTRATION; TO AMEND SECTION 27-31-83, MISSISSIPPI CODE OF 1972,
6 TO PROVIDE FOR REGISTRATION AT THE TIME OF PAYMENT OF MINERAL
7 DOCUMENTARY TAX FOR NEWLY SEVERED INTERESTS; TO AMEND SECTION
8 9-5-137, MISSISSIPPI CODE OF 1972, TO CONFORM THE DUTIES OF
9 CHANCERY CLERKS TO THIS ACT; TO REQUIRE THE SECRETARY OF STATE TO
10 PUBLICIZE THE REQUIREMENTS OF THIS ACT NATIONWIDE; AND FOR RELATED
11 PURPOSES.

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

13 SECTION 1. Section 27-31-73, Mississippi Code of 1972, is
14 amended as follows:[CSQ1]

15 27-31-73. (1) (a) To encourage the purchase of leases upon
16 and interests in oil, gas and other minerals in the State of
17 Mississippi, to encourage drilling for and production of such
18 minerals, and to relieve the taxing officials of the counties of
19 the state of the onerous duties of assessment for, collection of
20 and sale for ad valorem taxes for such interests (which the
21 legislature finds are generally assessed at nominal values
22 resulting in taxes not commensurate with the services required of
23 such officers), all nonproducing leasehold interests upon all oil,
24 gas and other minerals in, on or under lands lying within the
25 State of Mississippi, created or assigned after the effective date
26 of sections 27-31-71 to 27-31-87, and also all nonproducing
27 interests in such oil, gas and other minerals (including royalty
28 interests therein) hereafter conveyed to a grantee or purchaser or
29 excepted or reserved to a grantor separately and apart from the
30 surface, shall be exempt from all ad valorem taxes levied on or

31 after January 1, 1947, by the State of Mississippi, or any county,
32 municipality, levee district, road district, school district,
33 drainage district or other taxing district within the state or
34 becoming a lien on or after said date. Any sale for taxes of the
35 surface or of the remainder of the fee shall not in any manner
36 whatsoever affect the interest or interests hereby exempted.

37 (b) For the same purpose and with like effect there is
38 hereby likewise exempted from such ad valorem taxation all such
39 interests created prior to the passage of sections 27-31-71 to
40 27-31-87 which are owned separately and apart from the surface,
41 provided that as a condition precedent to obtaining such exemption
42 upon existing interests the then owner thereof shall make
43 application for exemption of the interest then owned by him as
44 hereinafter provided and pay, by the purchase of documentary tax
45 stamps, a sum equivalent to the tax herein levied by section
46 27-31-77 on instruments hereafter executed creating, transferring
47 or reserving corresponding or similar interests. If any such sum
48 is paid after January 1, 1947, then such exemption shall apply
49 only to taxes becoming a lien after such sum is thus paid.

50 (2) All nonproducing leasehold interests upon all oil, gas
51 and other minerals in, on or under lands lying within the State of
52 Mississippi, whether created or assigned before or after April 10,
53 1946, and also all nonproducing interests in such oil, gas and
54 other minerals, including royalty interests therein, whether
55 conveyed to a grantee or purchaser or excepted or reserved to a
56 grantor separately and apart from the surface shall be registered
57 by the owner or owners thereof with the chancery clerk of the
58 county in which the land is located as provided in Section
59 72-31-74. The initial period in which the registration required
60 under this section may be accomplished shall be for three (3)
61 years or until June 30, 2003.

62 SECTION 2. The following shall be codified as Section
63 27-31-74, Mississippi Code of 1972:[CSQ2]

64 27-31-74. Registration of all such existing interests shall
65 be made to the chancery clerk of the county wherein the land lies
66 in which such interest is owned, by registering with the said
67 clerk, which registration shall contain the following information:

- 68 1. Name of registrant;
- 69 2. Address of registrant;
- 70 3. Description of land affected (including aggregate
71 acreage);
- 72 4. Fractional interest which is being registered and
73 the nature of such interest;
- 74 5. Recording data concerning the instrument creating
75 the interest including grantor or lessor, grantee or lessee, date
76 of instrument, book and page of record and date of filing;
- 77 6. Length of primary term, if any;
- 78 7. Recording data on instruments divesting original
79 party of any interest in a portion of original interest therein
80 conveyed;
- 81 8. Number of net mineral, royalty or lease acres on
82 which exemption sought.

83 Upon receipt of such registration, the chancery clerk shall
84 properly record and index in a journal of severed mineral
85 interests the registration information.

86 SECTION 3. Section 27-31-83, Mississippi Code of 1972, is
87 amended as follows:[CSQ3]

88 27-31-83. (1) The mineral documentary tax shall be paid by
89 the purchase of documentary tax stamps from the chancery clerk of
90 the county in which the land affected by the sale, lease or
91 reservation or other instrument of such oil, gas or other minerals
92 is situate, and the said clerk shall cancel such stamps by
93 stamping or writing the name of the county on the face thereof and
94 affix same to the instrument when filed for recording and shall
95 show upon the face or margin of the record thereof the amount of
96 the said stamps so affixed by him.

97 (2) At the time the mineral documentary tax shall be paid,
98 the clerk shall also accept the registration of mineral interest
99 required under Section 27-31-74.

100 SECTION 4. Section 9-5-137, Mississippi Code of 1972, is

101 amended as follows:[CSQ4]

102 9-5-137. It shall be the duty of the clerk to preserve and
103 keep all records, files, papers and proceedings belonging to his
104 office, and to record all last wills and testaments which may be
105 probated; all letters testamentary, of administration, and
106 guardianship; all accounts allowed; all inventories,
107 appraisements, and reports duly returned; all instruments which
108 are duly proved, and which by law are required to be recorded in
109 his office, in well-bound books to be kept for that purpose, each
110 class in a separate book or books, or by means of electronic
111 filing or storage or both in addition to or in lieu of any such
112 physical records as provided in Sections 9-1-51 through 9-1-57, as
113 the clerk may elect; all severed mineral interest registrations
114 required under Section 27-31-74; all records shall be properly
115 indexed. He shall issue all process which may be required of him
116 by law or by order of the court, or the chancellor in vacation;
117 and shall discharge all other duties which may be required of him
118 by law, or which properly appertain to the duties of his office.
119 The clerk shall be under the direction of the court in termtime,
120 and of the chancellor in vacation.

121 SECTION 5. The Secretary of State shall undertake to
122 publicize the requirements of this act, including without
123 limitation to publish in professional oil, gas and minerals
124 journals and publications, in royalty owner organization magazines
125 and publications, and in publications of wide national and
126 international circulation such as USA Today, thereby informing
127 those with a duty to register of the requirements of this act.

128 SECTION 6. This act shall take effect and be in force from
129 and after July 1, 2000.