AN ACT TO AMEND SECTION 27-31-37, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE PARTIAL EXEMPTION FROM THE ASSESSED VALUE OF NEWLY ACQUIRED RAILROAD PROPERTY FOR AD VALOREM TAX PURPOSES SHALL NOT APPLY TO RAILROAD PROPERTY SOLD AFTER JANUARY 1, 2001; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-31-37, Mississippi Code of 1972, is amended as follows:

27-31-37. (1) Except as otherwise provided in Section 27-31-38, whenever during any calendar year existing railroad property subject to assessment by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, is acquired by a new owner that is not an affiliate of the previous owner, such newly acquired railroad property shall be assessed for ad valorem taxation by the state or by any county, municipality, school district or other taxing district for a period of ten (10) tax years following the calendar year of such acquisition by the new owner, as follows:

(a) During the first tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds the assessed value of such newly acquired railroad property to the former owner for the last tax year that the former owner owned such property (hereinafter referred to as the "base year"), shall be totally exempt from ad valorem taxation.

(b) During the second tax year of new ownership, that portion of the assessed value of such newly acquired railroad
property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred ten percent (110%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(c) During the third tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred twenty percent (120%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(d) During the fourth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred thirty percent (130%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(e) During the fifth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred forty percent (140%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(f) During the sixth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred fifty percent (150%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.
(g) During the seventh tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred sixty percent (160%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(h) During the eighth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred seventy percent (170%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(i) During the ninth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred eighty percent (180%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(j) During the tenth tax year of new ownership, that portion of the assessed value of such newly acquired railroad property, as determined by the State Tax Commission pursuant to Section 27-35-301, Mississippi Code of 1972, that exceeds one hundred ninety percent (190%) of the assessed value of such newly acquired railroad property to the former owner for the base year shall be totally exempt from ad valorem taxation.

(2) The owner of any newly acquired railroad property shall claim the exemption provided by this section by notifying the State Tax Commission in writing within ninety (90) days after the effective day of this act or within twelve (12) months from the
date of acquisition of such newly acquired railroad property, whichever is later.

(3) For the purposes of this act, the phrase "first tax year of new ownership" shall be deemed to mean the 1988 tax year if the actual first tax year of new ownership occurred prior to the 1988 tax year, and in such cases the partial exemption from ad valorem taxes provided for in subsection (1) of this section shall commence with the 1988 tax year. No new owner shall be entitled to the exemption for any tax year with respect to which an assessment has been made final without protest.

(4) For each tax year with respect to which a new owner is entitled to a partial exemption from the assessed value of newly acquired railroad property, the State Tax Commission shall exclude the exempt portion of such assessment in making the assessment rolls and in the apportionment of assessed value pursuant to Section 27-35-309, Mississippi Code of 1972.

(5) The partial exemption from the assessed value of newly acquired railroad property authorized by this section shall not apply to railroad property sold on or after January 1, 2001.

SECTION 2. This act shall take effect and be in force from and after its passage.