H. B. No. 71

To: Ways and Means

MISSISSIPPI LEGISLATURE REGULAR SESSION 2002
By: Representative Young

HOUSE BILL NO. 71

AN ACT TO AMEND SECTION 27-35-50, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT IN DETERMINING THE TRUE VALUE OF LAND FOR THE PURPOSE OF ASSESSMENT FOR AD VALOREM TAX PURPOSES, IF LAND USED FOR AGRICULTURAL PURPOSES IS SOLD FOR ANY USE OTHER THAN AGRICULTURAL PURPOSES, SUCH LAND SHALL CONTINUE TO BE CONSIDERED USED FOR AGRICULTURAL PURPOSES UNTIL THE BUYER OF THE LAND, OR A SUCCESSOR IN INTEREST, SELLS THE LAND OR ANY PORTION THEREOF FOR ANY USE OTHER THAN AGRICULTURAL PURPOSES, AND IF SUCH LAND WHEN SUBSEQUENTLY SOLD IS SOLD IN PORTIONS RATHER THAN IN ITS ENTIRETY, ONLY THE PORTION OR PORTIONS SUBSEQUENTLY SOLD SHALL BE CONSIDERED TO BE USED FOR OTHER THAN AGRICULTURAL PURPOSES; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-35-50, Mississippi Code of 1972, is amended as follows:

27-35-50. (1) True value shall mean and include, but shall not be limited to, market value, cash value, actual cash value, proper value and value for the purposes of appraisal for ad valorem taxation.

(2) With respect to each and every parcel of property subject to assessment, the tax assessor shall, in ascertaining true value, consider whenever possible the income capitalization approach to value, the cost approach to value and the market data approach to value, as such approaches are determined by the State Tax Commission. For differing types of categories of property, differing approaches may be appropriate. The choice of the particular valuation approach or approaches to be used should be made by the assessor upon a consideration of the category or nature of the property, the approaches to value for which the highest quality data is available, and the current use of the property.
(3) Except as otherwise provided in subsection (4) of this section, in determining the true value of land and improvements thereon, factors to be taken into consideration are the proximity to navigation; to a highway; to a railroad; to a city, town, village or road; and any other circumstances that tend to affect its value, and not what it might bring at a forced sale but what the owner would be willing to accept and would expect to receive for it if he were disposed to sell it to another able and willing to buy.

(4) In arriving at the true value of all Class I and Class II property and improvements, the appraisal shall be made according to current use, regardless of location. In arriving at the true value of any land used for agricultural purposes, the appraisal shall be made according to its use on January 1 of each year, regardless of its location; in making the appraisal, the assessor shall use soil types, productivity and other criteria set forth in the land appraisal manuals of the State Tax Commission, which criteria shall include, but not be limited to, an income capitalization approach with a capitalization rate of not less than ten percent (10%) and a moving average of not more than ten (10) years. However, for the year 1990, the moving average shall not be more than five (5) years; for the year 1991, not more than six (6) years; for the year 1992, not more than seven (7) years; for the year 1993, not more than eight (8) years; and for the year 1994, not more than nine (9) years; and for the year 1990, the variation up or down from the previous year shall not exceed twenty percent (20%) and thereafter, the variation, up or down, from a previous year shall not exceed ten percent (10%). The land shall be deemed to be used for agricultural purposes when it is devoted to the commercial production of crops and other commercial products of the soil, including, but not limited to, the production of fruits and timber or the raising of livestock and poultry; provided, however,
enrollment in the federal Conservation Reserve Program or in any other United States Department of Agriculture conservation program shall not preclude land being deemed to be used for agricultural purposes solely on the ground that the land is not being devoted to the production of commercial products of the soil, and income derived from participation in the federal program may be used in combination with other relevant criteria to determine the true value of such land. If land used for agricultural purposes is sold for any use other than agricultural purposes, such land shall continue to be considered used for agricultural purposes until the buyer of the land, or a successor in interest, sells the land or any portion thereof for any use other than agricultural purposes; and if such land when subsequently sold is sold in portions rather than in its entirety, only the portion or portions subsequently sold shall be considered to be used for other than agricultural purposes.

In determining the true value based upon current use, no consideration shall be taken of the prospective value such property might have if it were put to some other possible use.

(5) The true value of each class of property shall be determined annually.

(6) The State Tax Commission shall have the power to adopt, amend or repeal such rules or regulations in a manner consistent with the Constitution of the State of Mississippi to implement the duties assigned to the commission in this section.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the ad valorem tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the ad valorem tax laws are expressly continued in full force, effect and operation for the purpose of
the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after July 1, 2002.