

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 71

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

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

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

16 27-35-50. (1) True value shall mean and include, but shall
 17 not be limited to, market value, cash value, actual cash value,
 18 proper value and value for the purposes of appraisal for ad
 19 valorem taxation.

20 (2) With respect to each and every parcel of property
 21 subject to assessment, the tax assessor shall, in ascertaining
 22 true value, consider whenever possible the income capitalization
 23 approach to value, the cost approach to value and the market data
 24 approach to value, as such approaches are determined by the State
 25 Tax Commission. For differing types of categories of property,
 26 differing approaches may be appropriate. The choice of the
 27 particular valuation approach or approaches to be used should be
 28 made by the assessor upon a consideration of the category or
 29 nature of the property, the approaches to value for which the
 30 highest quality data is available, and the current use of the
 31 property.



32 (3) Except as otherwise provided in subsection (4) of this
33 section, in determining the true value of land and improvements
34 thereon, factors to be taken into consideration are the proximity
35 to navigation; to a highway; to a railroad; to a city, town,
36 village or road; and any other circumstances that tend to affect
37 its value, and not what it might bring at a forced sale but what
38 the owner would be willing to accept and would expect to receive
39 for it if he were disposed to sell it to another able and willing
40 to buy.

41 (4) In arriving at the true value of all Class I and Class
42 II property and improvements, the appraisal shall be made
43 according to current use, regardless of location.

44 In arriving at the true value of any land used for
45 agricultural purposes, the appraisal shall be made according to
46 its use on January 1 of each year, regardless of its location; in
47 making the appraisal, the assessor shall use soil types,
48 productivity and other criteria set forth in the land appraisal
49 manuals of the State Tax Commission, which criteria shall include,
50 but not be limited to, an income capitalization approach with a
51 capitalization rate of not less than ten percent (10%) and a
52 moving average of not more than ten (10) years. However, for the
53 year 1990, the moving average shall not be more than five (5)
54 years; for the year 1991, not more than six (6) years; for the
55 year 1992, not more than seven (7) years; for the year 1993, not
56 more than eight (8) years; and for the year 1994, not more than
57 nine (9) years; and for the year 1990, the variation up or down
58 from the previous year shall not exceed twenty percent (20%) and
59 thereafter, the variation, up or down, from a previous year shall
60 not exceed ten percent (10%). The land shall be deemed to be used
61 for agricultural purposes when it is devoted to the commercial
62 production of crops and other commercial products of the soil,
63 including, but not limited to, the production of fruits and timber
64 or the raising of livestock and poultry; provided, however,



65 enrollment in the federal Conservation Reserve Program or in any
66 other United States Department of Agriculture conservation program
67 shall not preclude land being deemed to be used for agricultural
68 purposes solely on the ground that the land is not being devoted
69 to the production of commercial products of the soil, and income
70 derived from participation in the federal program may be used in
71 combination with other relevant criteria to determine the true
72 value of such land. If land used for agricultural purposes is
73 sold for any use other than agricultural purposes, such land shall
74 continue to be considered used for agricultural purposes until the
75 buyer of the land, or a successor in interest, sells the land or
76 any portion thereof for any use other than agricultural purposes;
77 and if such land when subsequently sold is sold in portions rather
78 than in its entirety, only the portion or portions subsequently
79 sold shall be considered to be used for other than agricultural
80 purposes.

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

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

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

90 **SECTION 2.** Nothing in this act shall affect or defeat any
91 claim, assessment, appeal, suit, right or cause of action for
92 taxes due or accrued under the ad valorem tax laws before the date
93 on which this act becomes effective, whether such claims,
94 assessments, appeals, suits or actions have been begun before the
95 date on which this act becomes effective or are begun thereafter;
96 and the provisions of the ad valorem tax laws are expressly
97 continued in full force, effect and operation for the purpose of



98 the assessment, collection and enrollment of liens for any taxes
99 due or accrued and the execution of any warrant under such laws
100 before the date on which this act becomes effective, and for the
101 imposition of any penalties, forfeitures or claims for failure to
102 comply with such laws.

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

